THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 apply throughout this Circular, including this cover page, unless otherwise stated or the context so requires.

Action required:

- This Circular is important and should be read with particular attention to the section titled "*Action required by Zambezi Ordinary Shareholders*", which commences on page 3.
- If you are in any doubt as to the action you should take, please consult your banker, accountant, attorney or other professional advisor immediately.

Zambezi Platinum (RF) Limited

ZAMBEZI PLATINUM (RF) LIMITED

Incorporated in the Republic of South Africa
(Registration number 2014/106927/06)
Zambezi Preference Share code: ZPLP
ISIN: ZAE000202552
("**Zambezi**" or the "**Company**")

CIRCULAR TO ZAMBEZI ORDINARY SHAREHOLDERS

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regarding:

- **the disposal by Zambezi of, *inter alia*, Northam Shares held by it in terms of the Revised Accumulated Dividends Settlement, the Repurchase, the Net Value Share Distribution, the realisation of the Zambezi Retention Shares (if any) and the Zambezi Preference Share Redemption, in accordance with section 112 read with section 115(2)(a) of the Companies Act; and**
- **the amendments to the Zambezi MOI,**

incorporating:

- **the Independent Expert Report;**
- **the Notice of Zambezi General Meeting; and**
- **a Form of Proxy (*blue*) in respect of the Zambezi General Meeting.**

This Circular is available in English only. Copies of this Circular are available from the registered office of the Company at the address set out in the "*Corporate Information and Advisors*" section of this Circular, during business hours from Monday, 21 June 2021, until the Net Value Distribution Date. This Circular is also available on the Company's website (https://www.northam.co.za/zambezi/).

Corporate Advisor to Zambezi

nisela CAPITAL

Debt Sponsor and Transaction Sponsor to Zambezi

ONE CAPITAL
Capitalising Expertise®

Attorneys to Zambezi

CDH
CLIFFE DEKKER HOFMEYR
INCORPORATING
KIETI LAW LLP, KENYA

Independent Expert

mazars

Independent Auditor and Independent Reporting Accountant

EY
Building a better working world

Date of issue: Monday, 21 June 2021

CORPORATE INFORMATION AND ADVISORS

Zambezi Platinum (RF) Limited

Place of incorporation: South Africa

Date of incorporation: 2 June 2014

Secretaries and Registered Office of Zambezi

Northam Platinum Limited
(Per Ms PB Beale – company secretary)
Building 4, 1st Floor
Maxwell Office Park
Magwa Crescent West
Waterfall City
Jukskei View, 2090
South Africa
(PO Box 412694, Craighall, 2024, South Africa)

Debt Sponsor and Transaction Sponsor

One Capital Sponsor Services Proprietary Limited
(Registration number 2000/023249/07)
17 Fricker Road
Illovo, 2196
South Africa
(PO Box 784573, Sandton, 2146, South Africa)

Independent Expert

Mazars Corporate Finance Proprietary Limited
(Registration number 2003/029561/07)
Mazars House
54 Glenhove Road
Melrose, 2196
South Africa
(PO Box 6697, Johannesburg, 2000, South Africa)

Corporate Advisor

Nisela Capital Proprietary Limited
(Registration number 2008/027719/07)
345 Rivonia Road
Block B, 1st Floor
Morningside
Sandton, 2196
South Africa
(PO Box 2972, Saxonwold, 2132, South Africa)

Attorneys

Cliffe Dekker Hofmeyr Inc.
(Registration number 2008/018923/21)
1 Protea Place
Sandown, Sandton, 2196
South Africa
(Private Bag X40, Benmore, 2010, South Africa)

Independent Auditor and Independent Reporting Accountant

Ernst & Young Inc.
Registered Auditors
(Registration number 2005/002308/21)
102 Rivonia Road
Sandton, 2146
South Africa
(Private Bag X14, Northlands, 2146, South Africa)

Company Nominee for Forms of Proxy processing

The Meeting Specialist Proprietary Limited
(Registration number 2017/287419/07)
JSE Building
One Exchange Square
2 Gwen Lane
Sandown, 2196
South Africa
(PO Box 62043, Marshalltown, 2107, South Africa)

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ACTION REQUIRED BY ZAMBEZI ORDINARY SHAREHOLDERS

The definitions and interpretations commencing on page 5 apply to this section, unless otherwise stated or the context so requires.

Please take careful note of the following provisions regarding the actions required by Zambezi Ordinary Shareholders.

If you are in any doubt as to what action you should take, please consult your banker, accountant, attorney or other professional advisor immediately.

In order for the Transaction to become operative, among other things, the Resolutions must be adopted at the Zambezi General Meeting by the Ordinary Shareholders.

The Zambezi Board is in support of the Transaction and recommends that Zambezi Ordinary Shareholders vote in favour of the Resolutions. The Zambezi Independent Board is in support of the Zambezi Disposals and recommends that Zambezi Ordinary Shareholders vote in favour of the Zambezi Disposals Resolution.

A. VOTING, ATTENDANCE AND REPRESENTATION AT THE ZAMBEZI GENERAL MEETING

The Zambezi General Meeting will be held **at 11:00 on Tuesday, 20 July 2021,** in order to consider and, if deemed appropriate, approve, with or without modification, the Resolutions set out in the Notice of Zambezi General Meeting.

In light of the COVID-19 Restrictions and the uncertainty of the infection rate at the time of the Zambezi General Meeting, Zambezi has determined that the Zambezi General Meeting will take place entirely by electronic communication.

Accordingly, the Zambezi General Meeting will only be accessible through electronic communication, in accordance with section 63(2)(a) of the Companies Act and the Zambezi MOI. The electronic communication employed will enable all persons participating in the Zambezi General Meeting to communicate concurrently with each other and without an intermediary, and to participate reasonably effectively in the Zambezi General Meeting. Zambezi has retained the services of TMS to remotely host the Zambezi General Meeting on an interactive electronic platform to facilitate remote attendance, participation and voting by Ordinary Shareholders. TMS will also act as scrutineer for purposes of the Zambezi General Meeting.

Although voting will be permitted by way of electronic communication, Ordinary Shareholders are encouraged to make use of proxies for purposes of voting at the Zambezi General Meeting.

1. Voting, attendance and representation at the Zambezi General Meeting

You may attend, participate in and vote at the Zambezi General Meeting by electronic communication.

Alternatively, you may appoint a proxy (including the chairperson of the Zambezi General Meeting) to represent you at the Zambezi General Meeting by electronic communication by completing the Form of Proxy (*blue*) in accordance with the instructions contained therein and delivering it to TMS, as follows:

- **by hand**: JSE Building, One Exchange Square, 2 Gwen Lane, Sandown, 2196, South Africa;
- **by post**: PO Box 62043, Marshalltown, 2107, South Africa; or
- **by e-mail**: proxy@tmsmeetings.co.za,

so as to be received, for administrative reasons, **by no later than 11:00 on Friday, 16 July 2021**.

Should the Form of Proxy (*blue*) not be delivered to TMS by this time, you will be entitled to deliver your Form of Proxy (*blue*) to the chairperson of the Zambezi General Meeting before the appointed proxy exercises any of your shareholder rights at the Zambezi General Meeting by delivering the Form of Proxy (*blue*) to the Secretaries (by email: trish.beale@norplats.co.za or by hand: Northam Platinum Limited, Building 4, 1st Floor, Maxwell Office Park, Magwa Crescent West, Waterfall City, Jukskei View, Midrand, 2090, South Africa).

2. Electronic participation in the Zambezi General Meeting

The Zambezi General Meeting will be held entirely by way of electronic communication. Accordingly, the Zambezi General Meeting will only be accessible through electronic communication.

TMS will assist Ordinary Shareholders with the requirements for electronic attendance, participation in and voting at the Zambezi General Meeting. If you are an Ordinary Shareholder and wish to electronically attend, participate in and vote at the Zambezi General Meeting, you are required to contact TMS at proxy@tmsmeetings.co.za or on +27 11 520 7950/1/2 as soon as possible, and for administrative reasons, by **no later than 11:00 on Friday, 16 July 2021**.

Ordinary Shareholders participating in the Zambezi General Meeting in this manner may still appoint a proxy to vote on their behalf at the Zambezi General Meeting.

The costs of participation in the Zambezi General Meeting by electronic communication will be for the expense of Ordinary Shareholders or their proxies and they will be billed separately by their service providers. Zambezi, the Secretaries and TMS will not be held liable for any loss, injury, damage, penalty or claim arising from the use of the electronic communication services or any defect in respect thereof or from total or partial failure of the electronic communication services for any reason whatsoever, including loss of network connectivity or other network failure due to, *inter alia*, insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevent an Ordinary Shareholder or its proxy from attending, participating in and/or voting at the Zambezi General Meeting.

B. APPRAISAL RIGHTS

At any time before the Zambezi Disposals Resolution and/or the Zambezi MOI Amendments Resolution (to the extent applicable) (for purposes of this paragraph defined as "**Relevant Resolution**") is voted on at the Zambezi General Meeting, an Ordinary Shareholder may give Zambezi written notice in terms of section 164 of the Companies Act objecting to the Relevant Resolution.

Within 10 Business Days after the adoption of the Relevant Resolution, Zambezi must send a notice to each Dissenting Shareholder who gave Zambezi written notice of objection if that Dissenting Shareholder has neither withdrawn that notice nor voted in favour of the Relevant Resolution. The notice to each Dissenting Shareholder must inform them that the Relevant Resolution has been adopted.

A Dissenting Shareholder who has given Zambezi written notice in terms of section 164 of the Companies Act objecting to the Relevant Resolution and who has complied with all of the procedural steps set out in section 164 of the Companies Act may deliver a written notice to Zambezi demanding that Zambezi pays to that Dissenting Shareholder the fair value for all the Zambezi Ordinary Shares held by that Dissenting Shareholder. Such demand must be delivered:

- within 20 Business Days after receipt of the notice from Zambezi referred to above; or
- if the Dissenting Shareholder does not receive the notice from Zambezi referred to above, within 20 Business Days after learning that the Relevant Resolution has been adopted.

Ordinary Shareholders are referred to paragraph 7 and annexure 10 for further details regarding the exercise of Appraisal Rights and the provisions of section 164 of the Companies Act.

C. GENERAL

1. Other

The contents of this Circular do not purport to constitute legal, financial or other advice or to deal comprehensively with the legal, regulatory and tax implications of the Zambezi Disposals and the Zambezi MOI Amendments for each Ordinary Shareholder. Ordinary Shareholders are accordingly advised to consult their professional advisors about their personal, legal, regulatory and tax positions regarding the Zambezi Disposals and/or the Zambezi MOI Amendments.

Ordinary Shareholders are advised that, in terms of section 115(3) of the Companies Act, Zambezi may in certain circumstances not proceed to implement the Zambezi Disposals, notwithstanding that the Zambezi Disposals may have been approved at the Zambezi General Meeting, without the approval of a court. A copy of section 115 of the Companies Act pertaining to the required approval of the Zambezi Disposals is set out in annexure 9.

2. TRP approval

Ordinary Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of "*affected transactions*", as defined in section 117(1)(c) of the Companies Act and does not express any view or opinion thereon when it approves such transactions, as envisaged by section 201(3) of the Companies Act.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or the context so requires, the words and expressions in the first column have the meanings stated opposite them in the second column:

"**30 Day VWAP**"	the volume weighted average price at which Northam Shares and/or Northam Holdings Shares, as the case may be, trade on the JSE for the 30 trading days up to but excluding the relevant day, as published by Refinitiv (previously known as Thomson Reuters) or, if Refinitiv should cease to publish such information, as published by any equivalent reputable agency nominated by Northam and/or Northam Holdings, as the context may require;
"**Accumulated Dividends**"	"*Accumulated Dividends*" as defined in the Zambezi Pref Share Terms, being the aggregate of the dividends which have accrued and become payable in respect of the Zambezi Preference Shares but which have not been paid by Zambezi;
"**Adjusted Zambezi Taxes**"	the amount of the estimated Zambezi Taxes calculated in accordance with the Calculation Model utilising the disposal price (for tax purposes) determined in accordance with the Tax Ruling in relation to the disposals by Zambezi of Northam Shares in terms of the Repurchase, the Revised Accumulated Dividends Settlement and the Zambezi Preference Share Redemption;
"**Appraisal Rights**"	(i) in respect of Zambezi, the appraisal rights afforded to: • Zambezi Preference Shareholders in terms of section 164 of the Companies Act as a consequence of the adoption of the relevant resolutions approving the Zambezi Scheme or, to the extent applicable, the Zambezi Pref Share Term Amendments Resolutions; or • Zambezi Ordinary Shareholders in terms of section 164 of the Companies Act as a consequence of the adoption of the resolutions approving the Zambezi Scheme, the Zambezi Disposals; or, to the extent applicable, the Zambezi Pref Share Term Amendments, the Zambezi N Share Term Amendments and/or the Zambezi MOI Amendments, which rights, in respect of the Zambezi Disposals and Zambezi MOI Amendments are more fully set out in paragraph 7 and annexure 10; or (ii) in respect of Northam, the appraisal rights afforded to Northam Shareholders in terms of section 164 of the Companies Act, as a consequence of the adoption of the relevant resolutions in respect of the approval of the Share Acquisitions Scheme or the Northam Scheme;
"**Atisa**"	Atisa Platinum (RF) Proprietary Limited (registration number 2014/191520/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 12.80% of the Zambezi Ordinary Shares in issue;

"**Authorities**"	any country, national body, state, province, municipality, or subdivision of any of the foregoing, including any official or employee thereof in his capacity as such, any governmental department, or any agency, court, tribunal, entity, commission, board, ministry, bureau, locality or authority of any of the foregoing, including any official or employee thereof in his capacity as such, or any quasi-governmental or private body exercising any regulatory, taxing, importing, exporting or other governmental or quasi-governmental function, including, for the avoidance of doubt, the Competition Authorities, the JSE, the TRP, the CIPC and the Financial Surveillance Department of the SARB, including any official or employee thereof in his capacity as such;
"**Base Case Zambezi Taxes**"	the amount of the estimated Zambezi Taxes calculated in accordance with the Calculation Model utilising a disposal price (for tax purposes) of (i) R152.00 in relation to the disposal by Zambezi of Northam Shares in terms of the Repurchase; and (ii) R160.00 in relation to the transfer by Zambezi of Northam Shares in terms of the Revised Accumulated Dividends Settlement and the Zambezi Preference Share Redemption;
"**BBBEE Act**"	the Broad-Based Black Economic Empowerment Act, No. 53 of 2003;
"**BEE**"	black economic empowerment as contemplated in the BEE Laws;
"**BEE Codes**"	the Codes of Good Practice issued under section 9(1) of the BBBEE Act, as gazetted from time to time;
"**BEE Laws**"	the BBBEE Act, the BEE Codes, the MPRDA, the Mining Charter and the Mining Codes to the extent that such laws are applicable or may become applicable to the Northam Group and/or its business activities from time to time and any other similar laws which may be applicable to the Northam Group and/or its business activities from time to time;
"**BEE Trust Transaction Agreements**"	the written agreements which are expected to be entered into between Northam, Zambezi and each of the BEE Trusts, in terms of which the parties will, *inter alia,* agree to amend the applicable transaction documents relating to the Northam BEE Transaction to enable the parties to implement and give effect to the Transaction;
"**BEE Trusts**"	collectively, the ESOP and the Community Trusts, or any one or each of them, as the context may require;
"**Booysendal Community Trust**"	the Northam Booysendal Community Trust (Master's reference no. IT000178/2015(G)) or the trustees thereof acting in their capacities as such, being a Zambezi Ordinary Shareholder holding 7.95% of the Zambezi Ordinary Shares in issue;
"**Business Day**"	any day other than a Saturday, Sunday or gazetted national public holiday in South Africa;
"**Calculation Model**"	the financial model to be utilised to calculate the estimated Zambezi Taxes, the estimated STT Liability Amount and the Zambezi Retention Shares, in an agreed form between Northam and Zambezi and incorporated into the Implementation Agreement;
"**CIPC**"	the Companies and Intellectual Property Commission established by section 185 of the Companies Act;
"**Circular**"	this circular to Ordinary Shareholders, dated Monday, 21 June 2021, issued by the Zambezi Board and Zambezi Independent Board, and all annexures hereto and incorporating the Notice of Zambezi General Meeting and the Form of Proxy (*blue*);

"**Community Trusts**"	collectively, the Zondereinde Community Trust and the Booysendal Community Trust, or any one or more of them, as the context may require;
"**Companies Act**"	the Companies Act, No. 71 of 2008;
"**Competition Act**"	the Competition Act, No. 89 of 1998;
"**Competition Authorities**"	the commission established pursuant to Chapter 4, Part A of the Competition Act or the tribunal established pursuant to Chapter 4, Part B of the Competition Act or the appeal court established pursuant to Chapter 4, Part C of the Competition Act, as the case may be;
"**Compliance Certificate**"	a compliance certificate issued by the TRP in terms of section 121(b) of the Companies Act;
"**Composite Transaction**"	the inter-conditional transaction comprising the Transaction and the Extended BEE Transaction;
"**COVID-19 Restrictions**"	the regulations, directives and/or preventative measures required to be adhered to relating to the COVID-19 pandemic as published or issued by the relevant South African Authorities from time to time, and the guidance from the South African Government regarding the need for social distancing as a result of the COVID-19 pandemic;
"**CSDP**"	a "*participant*", as defined in section 1 of the Financial Markets Act, being a person authorised by a licensed central securities depository to perform custody and administration services or settlement services or both in terms of the central depository rules;
"**Debt Listings Requirements**"	the listings requirements issued by the JSE under the Financial Markets Act to be observed by issuers of debt instruments listed on the JSE, being the JSE Debt Listings Requirements;
"**Deemed Interest Amount**"	in the event that Northam does not make an advance (other than a "*Deemed Advance*" as defined in the Zambezi Ordinary Shareholder Loan Agreements) under the relevant Zambezi Ordinary Shareholder Loan Agreements ("**Actual Advance**") to any of the BEE Trusts on the same day that Northam makes the Actual Advances to the Relevant Zambezi Shareholders ("**Advance Date**"), the amount of interest that would have accrued in respect of the Actual Advance to the relevant BEE Trusts had such advance(s) been made on the Advance Date, less the amount of any interest accrued on the Actual Advance;
"**Dematerialised**"	the process by which securities which are evidenced by a certificate are converted to securities that are held in collective custody by a CSDP or its nominee in a separate central securities account and are transferable by entry without a certificate or written instrument;
"**Dematerialised Shares**"	Zambezi Shares that have been Dematerialised;
"**Differential Zambezi Taxes**"	in the event that the amount of the Adjusted Zambezi Taxes exceeds the amount of the Base Case Zambezi Taxes ("**Excess**") by more than R250 million, the amount by which the Excess exceeds R250 million;
"**Dissenting Shareholders**"	those relevant Zambezi Shareholders or Northam Shareholders, as the case may be, that validly exercise their Appraisal Rights in accordance with sections 164(5) to 164(8) of the Companies Act;
"**Distribution**"	a "*distribution*" as defined in the Companies Act;
"**Dividends Tax**"	the tax imposed on dividends under Part VIII of Chapter II of the Income Tax Act;

"**Documents of Title**"	tangible documents of title including share certificates, certified transfer deeds, balance receipts or any other tangible documents of title evidencing ownership of Zambezi Ordinary Shares as may be acceptable to Zambezi;
"**ESOP**"	the Northam Employees' Trust (Master's reference no. IT000173/2015(G)) or the trustees thereof acting in their capacities as such, as the context may require, being a Zambezi Ordinary Shareholder holding 9.60% of the Zambezi Ordinary Shares in issue;
"**ESOP Repurchase**"	the repurchase by Northam of the ESOP Repurchase Shares, as contemplated in paragraph 2.1.6;
"**ESOP Repurchase Shares**"	the Northam Shares to be repurchased by Northam in terms of the ESOP Repurchase, the number of which shall be calculated in accordance with the following formula (rounded up to the nearest whole number): $\frac{A}{B - ((B - R41.00) \times C)}$ where: A = the aggregate amount of Dividends Tax that becomes payable as a result of the Distribution to the ESOP pursuant to the Net Value Distribution; B = the purchase consideration payable by Northam to the ESOP per Northam Share which shall be an amount not exceeding the 30 Day VWAP on the date of the ESOP Repurchase; and C = the rate at which Dividends Tax is levied as at the date of the ESOP Repurchase;
"**Extended BEE Transaction**"	the proposed transaction in terms of which (i) the Northam Scheme will be implemented; and (ii) the ownership by HDPs (through special purpose vehicles) in Northam will be restored to up to 26.5% (net of Treasury Shares), so as to enable Northam to comply with the HDP ownership requirements set out in the BEE Laws, with an emphasis on participation by employees of the Northam Group and host and affected communities;
"**Extended BEE Transaction Conditions**"	the conditions precedent to the implementation of the Extended BEE Transaction, as defined in annexure 2;
"**Face Value**"	in respect of each Zambezi Preference Share on any day, the aggregate of R41.00 and the Accumulated Dividends;
"**Financial Markets Act**"	the Financial Markets Act, No. 19 of 2012;
"**First Zambezi Taxes Payment**"	the Zambezi Taxes payable on or before the first provisional or final (as the case may be) tax payment date of the Northam Group after the Net Value Distribution, as defined in paragraph 6.1.6;
"**Form of Proxy**"	the form of proxy (*blue*) incorporated into this Circular for use by Ordinary Shareholders only, for purposes of appointing a proxy to represent such Ordinary Shareholder at the Zambezi General Meeting;
"**HDPs**"	historically disadvantaged persons as defined in the MPRDA;
"**Implementation Agreement**"	the written agreement headed "*Implementation and Framework Agreement*" entered into between Northam and Zambezi on 22 March 2021, which agreement, *inter alia,* sets out the said parties' respective rights and obligations under, and in respect of, the Transaction;
"**Income Tax Act**"	the Income Tax Act, No. 58 of 1962;

"**Independent Auditor**" or "**Independent Reporting Accountant**" or "**Ernst & Young Inc.**"	Ernst & Young Incorporated (registration number 2005/002308/21), a personal liability company incorporated in accordance with the laws of South Africa;
"**Independent Expert**" or "**Mazars**"	Mazars Corporate Finance Proprietary Limited (registration number 2003/029561/07), a private company incorporated in accordance with the laws of South Africa, appointed as independent expert to provide the Independent Expert Report;
"**Independent Expert Report**"	the report prepared by the Independent Expert in accordance with Regulations 90 and 110 as read with section 117(1)(c)(i) of the Companies Act, in respect of the Zambezi Disposals;
"**JSE**"	JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed to operate an exchange under the Financial Markets Act, or the securities exchange operated by the JSE Limited, as the context may require;
"**JSE Listings Requirements**"	the listings requirements issued by the JSE under the Financial Markets Act to be observed by issuers listed on the JSE, being the JSE Limited Listings Requirements;
"**Last Practicable Date**"	Friday, 11 June 2021, being the last practicable date prior to the finalisation of this Circular;
"**Lock-in Fee**"	the amount of R400 million paid by Northam to Zambezi as consideration for certain undertakings given by Zambezi in terms of the Northam BEE Transaction;
"**Long Stop Date**"	15 October 2021;
"**Malundi**"	Malundi Resources (RF) Proprietary Limited (registration number 2014/191514/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 12.80% of the Zambezi Ordinary Shares in issue;
"**Mining Charter**"	the Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018 published in Government Notice 639, Government Gazette No. 41934, dated 27 September 2018, as amended by Government Notice 1398, Government Gazette No. 42118, dated 19 December 2018;
"**Mining Codes**"	the Codes of Good Practice for the Minerals Industry, published under Government Notice 446 in Government Gazette 32167 of 29 April 2009, to the extent that they have the force of law;
"**MOI**"	a memorandum of incorporation as envisaged in the Companies Act;
"**Mpilo**"	Mpilo Platinum (RF) Proprietary Limited (registration number 2014/181643/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 29.80% of the Zambezi Ordinary Shares in issue;
"**MPRDA**"	the Mineral and Petroleum Resources Development Act, No. 28 of 2002;
"**Net Repurchase Amount**"	the Repurchase Consideration, less the Zambezi Retention Amount;
"**Net Value Cash Distribution**"	the cash dividend declared by the Zambezi Board, pursuant to the Net Value Distribution, as defined in paragraph 6.1.4.1.1;
"**Net Value Distribution**"	the Distribution to Zambezi Ordinary Shareholders, comprising the Net Value Cash Distribution and the Net Value Share Distribution, as defined in paragraph 6.1.4.1;
"**Net Value Distribution Date**"	the Business Day after the Repurchase Implementation Date;

"**Net Value Share Distribution**"	the dividend *in specie* declared by the Zambezi Board pursuant to the Net Value Distribution, as defined in paragraph 6.1.4.1.2;
"**Northam**"	Northam Platinum Limited (registration number 1977/003282/06), a public company incorporated in accordance with the laws of South Africa and whose shares are listed on the Main Board of the JSE;
"**Northam BEE Transaction**"	the BEE transaction concluded between, *inter alios*, Northam and Zambezi during 2014 and 2015, in terms of which Zambezi acquired approximately 31.37% of the issued Northam Shares, as more fully set out in the circular distributed by Northam to Northam Shareholders dated 17 February 2015;
"**Northam BEE Transaction Agreement**"	the written agreement headed "*Subscription and Relationship Agreement*" entered into between Zambezi and Northam on 21 October 2014, pursuant to which the Northam BEE Transaction was implemented;
"**Northam Circular**"	the combined circular to Northam Shareholders, dated 31 May 2021, setting out the terms and conditions of the Composite Transaction, and including the notice convening the Northam General Meeting;
"**Northam General Meeting**"	the general meeting of the Northam Shareholders to be held at 10:00 on Wednesday, 30 June 2021 (or any postponement or adjournment thereof), to consider and, if deemed appropriate, approve, with or without modification, *inter alia*, the resolutions required for implementation of the Composite Transaction;
"**Northam Group**"	Northam and, with effect from the date on which the Northam Scheme is implemented, Northam Holdings, and their respective Subsidiaries from time to time and "**Member of the Northam Group**" shall mean either one or each of them, as the context may require;
"**Northam Holdings**"	Northam Platinum Holdings Limited (registration number 2020/905346/06), a public company incorporated in accordance with the laws of South Africa, being a wholly-owned Subsidiary of Northam as at the Last Practicable Date, and whose shares will be listed on the Main Board of the JSE if the Northam Scheme becomes operative;
"**Northam Holdings Share**"	an ordinary share of no par value in the authorised share capital of Northam Holdings having the rights and limitations set out in Northam Holdings' MOI;
"**Northam Scheme**"	the scheme of arrangement in terms of section 114(1) as read with section 115 of the Companies Act and paragraph 1.17(b) of the JSE Listings Requirements, proposed by the board of directors of Northam between Northam and Northam Shareholders, in terms of which, subject to the Extended BEE Transaction Conditions being fulfilled or waived and the Northam Scheme becoming operative, Northam Holdings will acquire all of the Northam Shares (excluding Treasury Shares) in issue and the listing of all the Northam Shares on the Main Board of the JSE will be terminated;
"**Northam Share**"	an ordinary share of no par value in the authorised share capital of Northam having the rights and limitations set out in Northam's MOI;
"**Northam Shareholder**"	a registered holder or the beneficial holder of a Northam Share, as the context may require;
"**Notice of Zambezi General Meeting**"	the notice convening the Zambezi General Meeting, incorporated into this Circular;
"**Ordinary Resolution**"	a resolution adopted by the relevant shareholders with the support of more than 50% of the voting rights exercised on the resolution, or such higher percentage as may be expressly stated in this Circular;

"**Portion A of the Differential Zambezi Taxes**"	to the extent applicable if the Tax Ruling is obtained, an amount equal to the Differential Zambezi Taxes up to R500 million;
"**Portion B of the Differential Zambezi Taxes**"	to the extent applicable if the Tax Ruling is obtained, an amount equal to 50% of that portion of the Differential Zambezi Taxes which exceeds R500 million;
"**Portion C of the Differential Zambezi Taxes**"	to the extent applicable if the Tax Ruling is obtained, an amount equal to 50% of that portion of the Differential Zambezi Taxes which exceeds R500 million;
"**Premium Amount**"	the increase to the Accumulated Dividends in respect of each Zambezi Preference Share, as defined in paragraph 5.2.1.3.1;
"**Prime Rate**"	the percentage publicly quoted as the basic rate of interest levied by Nedbank Limited from time to time on overdraft, calculated on a 365 day year, irrespective of whether the applicable year is a leap year, and proved, *prima facie*, in the event of a dispute and in the absence of manifest error, by a certificate under the hand of any director or manager of Nedbank Limited, whose appointment and authority need not be proved;
"**Proportionate Lock-in Fee Amount**"	a proportionate amount of the Lock-in Fee, which amount shall be calculated in accordance with the following formula: $a \times \frac{b}{c}$ where: a = the Lock-in Fee; b = the number of days from (and including) the Net Value Distribution Date to (and excluding) 17 May 2025; and c = the number of days from (and including) 18 May 2015 to (and excluding) 17 May 2025;
"**Proportionate Lock-in Fee Repayment Amount**"	the proportionate amount of the Lock-in Fee repayable by a Relevant Zambezi Shareholder, which amount shall be calculated in accordance with the following formula: $a \times b$ where: a = that Relevant Zambezi Shareholder's proportionate holding of all the Zambezi Ordinary Shares in issue (expressed as a percentage) as at 22 March 2021; and b = the Proportionate Lock-in Fee Amount;
"**R**"	South African Rand and cents, the official lawful currency of South Africa;
"**Register**"	the register of Zambezi Shareholders holding Certificated Shares maintained by the Secretaries and/or the Transfer Secretaries and the sub-register of Zambezi Shareholders who hold Dematerialised Shares maintained by the relevant CSDPs, in accordance with section 50 of the Companies Act, collectively or individually as the context may require;
"**Regulations**"	the Companies Regulations, 2011 made in terms of sections 120 and 223 of the Companies Act;

"**Regulatory Consents**"	the approvals, consents, notifications, exemptions and/or waivers from Authorities that are necessary in terms of any applicable law to implement and/or give effect to the Transaction and the Northam Scheme, including: (i) in the case of the Zambezi Scheme: • the approval of the Zambezi Pref Share Term Amendments by the JSE in terms of the Debt Listings Requirements; and • the approval of the Financial Surveillance Department of the SARB; (ii) in the case of the Repurchase: • the issue by the TRP of a Compliance Certificate; and • the approval of the JSE in terms of the JSE Listings Requirements; (iii) in the case of the Zambezi Disposals, the issue by the TRP of a Compliance Certificate; and (iv) in the case of the Northam Scheme: • the issue by the TRP of a Compliance Certificate; • the approval of the JSE in terms of the JSE Listings Requirements; • the approval of the Competition Authorities in terms of the Competition Act; and • the approval of the Financial Surveillance Department of the SARB;
"**Relationship and Subscription Agreements**"	each of the written agreements headed *"Relationship and Subscription Agreement*" entered into between Northam, Zambezi and each of the Zambezi Ordinary Shareholders on or about 2 February 2015 in terms of which, *inter alia*, the relationship between the relevant Zambezi Ordinary Shareholder, Northam and Zambezi, pursuant to the Northam BEE Transaction, is governed, as amended or restated from time to time;
"**Relevant Zambezi Shareholder Transaction Agreements**"	collectively, the written agreements headed "*Transaction Agreement*" entered into between Northam, Zambezi and each of the Relevant Zambezi Shareholders on 22 March 2021, in terms of which the parties, *inter alia*, agree that each Relevant Zambezi Shareholder undertakes not to dispose of or encumber any or all of the Residual Northam Shares received by it in terms of the Net Value Distribution other than in terms of the Northam Scheme;
"**Relevant Zambezi Shareholders**"	collectively, Atisa, Malundi, Mpilo and the Women's Consortium SPV, or any one or each of them, as the context may require;
"**Remaining Realisation Proceeds**"	the realisation proceeds of the Zambezi Retention Shares (if any) after providing for capital gains tax and costs, as defined in paragraph 6.1.8.2;
"**Repurchase**"	the acquisition by Northam of the Repurchase Shares held by Zambezi for the Repurchase Consideration, further details of which are set out in paragraph 6.1.2;
"**Repurchase Consideration**"	the aggregate cash consideration payable for the Repurchase Shares acquired pursuant to the Repurchase, being R152.00 per Repurchase Share;
"**Repurchase Implementation Date**"	the Business Day on which the Repurchase will be implemented, which day is, subject to the approval of the TRP, expected to be the 9th Business Day after the date on which it is announced that the last of the Transaction Conditions has been fulfilled or waived, provided that such day is a Friday, or such other day as may be approved in writing by the TRP and JSE, to the extent applicable;

"**Repurchase Shares**"	the Northam Shares to be repurchased by Northam in terms of the Repurchase, the number of which will be calculated in accordance with the following formula (rounded up to the nearest whole number): $\frac{(a + b + c)}{R152}$ where: *a* = the Zambezi Retention Amount; *b* = the Zambezi Ordinary Shareholders Retention Amount; and *c* = the Proportionate Lock-in Fee Amount;
"**Residual Northam Shares**"	the 159 905 453 Northam Shares held by Zambezi pursuant to the implementation of the Northam BEE Transaction, less (i) the Northam Shares to be transferred by Zambezi to Northam in terms of the Revised Accumulated Dividends Settlement; (ii) the Repurchase Shares; (iii) the Northam Shares to be transferred by Zambezi to Northam in terms of the Zambezi Preference Share Redemption; and (iv) the Zambezi Retention Shares (if any);
"**Resolutions**"	the Special Resolutions required to be adopted by Zambezi Ordinary Shareholders, at the Zambezi General Meeting, in order to approve and implement the Zambezi Disposals and the Zambezi MOI Amendments, as the case may be;
"**Revised Accumulated Dividends**"	the Accumulated Dividends as at the Zambezi Scheme Implementation Date together with the Premium Amount, as defined in paragraph 5.2.1.3.2;
"**Revised Accumulated Dividends Settlement**"	the settlement of the Revised Accumulated Dividends by way of a transfer by Zambezi of so many Northam Shares held by Zambezi, valued at R160.00 per Northam Share, as is equal in value to the amount of the aggregate Revised Accumulated Dividends to Northam, or in cash, as defined in paragraph 5.2.1.3.2, it being recorded that such transfer will be implemented by way of a repurchase of Northam Shares by Northam;
"**SARB**"	the South African Reserve Bank;
"**SARS**"	the South African Revenue Service;
"**Second Zambezi Taxes Payment**"	the Zambezi Taxes payable on or before the first provisional or final (as the case may be) tax payment date of the Northam Group after the Zambezi Preference Share Redemption, as defined in paragraph 6.1.8.1;
"**Secretaries**"	the secretaries of Zambezi, being Northam, represented by Ms PB Beale;
"**SENS**"	the Stock Exchange News Service operated by the JSE;
"**Share Acquisitions Scheme**"	collectively, the acquisition of Northam Shares by Northam in terms of the Revised Accumulated Dividends Settlement, the Repurchase, the Zambezi Preference Share Redemption, the repurchase of Zambezi Retention Shares (if applicable) and the ESOP Repurchase, in accordance with section 48(8)(b) of the Companies Act, by way of a scheme of arrangement in terms of section 114(1) read with section 115 of the Companies Act, between Northam and Northam Shareholders;
"**South Africa**"	the Republic of South Africa;
"**Special Resolution**"	a resolution adopted by the relevant shareholders with the support of at least 75% of the voting rights exercised on the resolution, or such higher percentage as may be expressly stated in this Circular;
"**STT**"	securities transfer tax levied in terms of the Securities Transfer Tax Act, No. 25 of 2007;

"**STT Liability Amount**"	the STT payable by the Zambezi Ordinary Shareholders in respect of the transfer of the relevant number of Residual Northam Shares to them pursuant to the Net Value Share Distribution;
"**Subsidiary**"	a *"subsidiary"*, as defined in section 3 of the Companies Act provided that the term *"subsidiary"* shall, for purposes of this Circular, not be limited to *"companies"*, but shall include any *"juristic person"* (as each of those terms are defined in the Companies Act), and shall include a person incorporated outside South Africa which would, if incorporated in South Africa, be a *"subsidiary"* as defined in the Companies Act;
"**Tax Ruling**"	the binding private ruling in terms of section 78 of the Tax Administration Act, No. 28 of 2011 regarding certain of the Zambezi Taxes obtained by Northam and Zambezi from SARS by no later than the Business Day prior to the Repurchase Implementation Date;
"**TMS**"	The Meeting Specialist Proprietary Limited (registration number 2017/287419/07), a private company incorporated in accordance with the laws of South Africa;
"**Transaction**"	the transaction entailing, *inter alia*, the Zambezi Scheme, the Zambezi Delisting, the Revised Accumulated Dividends Settlement, the Repurchase, the Net Value Distribution, the realisation of the Zambezi Retention Shares (if any), the ESOP Repurchase and the Zambezi Preference Share Redemption, an overview of which is set out in paragraph 2;
"**Transaction Conditions**"	the conditions precedent to the implementation of the Repurchase, as defined in paragraph 6.2;
"**Transaction Documents**"	collectively, the following: (i) the Implementation Agreement; (ii) the Zambezi MOI as amended pursuant to the Zambezi MOI Amendments; (iii) the MOI or trust deed, as the case may be, of each Zambezi Ordinary Shareholder, duly amended in order to enable each Zambezi Ordinary Shareholder to enter into and/or implement the Transaction and the agreements and transactions envisaged in the Implementation Agreement (to the extent necessary), in such form and substance as may be acceptable to Northam; (iv) the Relevant Zambezi Shareholder Transaction Agreements; (v) the BEE Trust Transaction Agreements; (vi) the Zambezi Ordinary Shareholder Loan Agreements; and (vii) the written agreement headed *"Irrevocable Undertaking"* entered into between Zambezi and Northam on 16 September 2020, and such other document or agreement as may be designated as a Transaction Document by Northam upon written notice to Zambezi from time to time;
"**Transfer Secretaries**"	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa;
"**Treasury Shares**"	the Northam Shares and/or Northam Holdings Shares, as the case may be, held by Subsidiaries of the Northam Group, from time to time;
"**TRP**"	the Takeover Regulation Panel established by section 196 of the Companies Act;
"**VAT**"	value-added tax levied in terms of the Value-Added Tax Act, No. 89 of 1991;

"**Women's Consortium SPV**"	Zambezi Platinum Women's SPV (RF) Proprietary Limited (registration number 2014/191546/07), a ring-fenced private company incorporated in accordance with the laws of South Africa, being a Zambezi Ordinary Shareholder holding 19.10% of the Zambezi Ordinary Shares in issue;
"**Zambezi**" or the "**Company**"	Zambezi Platinum (RF) Limited (registration number 2014/106927/06), a ring-fenced public company incorporated in accordance with the laws of South Africa;
"**Zambezi Announcement**"	the announcement published on SENS on 23 March 2021 by Zambezi to Zambezi Preference Shareholders pertaining to, *inter alia*, the Zambezi Scheme, the Zambezi Delisting and the Zambezi Pref Share Term Amendments;
"**Zambezi Board**" or "**Zambezi Directors**"	the directors of Zambezi, the names of whom, as at the Last Practicable Date, are set out on page 22, or any one or more of them as the context may require;
"**Zambezi Delisting**"	the termination of the listing of the Zambezi Preference Shares on the Main Board of the JSE, which is expected to take place on the Business Day after the Zambezi Scheme Implementation Date;
"**Zambezi Delisting Resolution**"	the extraordinary resolution (as defined in the Debt Listings Requirements) (requiring at least 66.67% approval) to be proposed for approval of the Zambezi Delisting at the Zambezi Scheme Meeting, as defined in paragraph 1.5 of annexure 3;
"**Zambezi Disposals**"	collectively, the disposals by Zambezi (i) of Northam Shares held by it pursuant to the Revised Accumulated Dividends Settlement, the Repurchase, the Net Value Distribution, the Zambezi Preference Share Redemption and the realisation of the Zambezi Retention Shares (if applicable); and (ii) pursuant to the cash settlement of the unpaid "*Preference Dividends*" (as defined in the Zambezi Pref Share Terms) pursuant to the Zambezi Preference Share Redemption;
"**Zambezi Disposals Resolution**"	the Special Resolution to be proposed for approval of the Zambezi Disposals at the Zambezi General Meeting, as defined in paragraph 6.2.1.4.1;
"**Zambezi General Meeting**"	the general meeting of the Zambezi Ordinary Shareholders held entirely by electronic communication as more fully set out in section A of "*Action required by Zambezi Ordinary Shareholders*" titled "*Voting, attendance and representation at the Zambezi General Meeting*" commencing on page 3 **at 11:00 on Tuesday, 20 July 2021** (or any postponement or adjournment thereof) to consider and, if deemed appropriate, approve, with or without modification, the Resolutions required to implement the Transaction;
"**Zambezi Independent Board**"	the independent board of directors of Zambezi constituted in terms of the Regulations, comprising Mr ZP Ntshalintshali, Mr CM Ntuta and Ms KH Sekhokho;
"**Zambezi Joint Shareholders Meeting**"	the general meeting of the Zambezi Preference Shareholders and the Zambezi Ordinary Shareholders held **at 10:30 on Tuesday, 20 July 2021** (or any postponement or adjournment thereof) to consider and, if deemed appropriate, approve, with or without modification, the resolutions required to implement the Zambezi Scheme and the Zambezi Pref Share Term Amendments;
"**Zambezi Meetings**"	collectively, the Zambezi Scheme Meeting and the Zambezi Joint Shareholders Meeting, or any one or both of them as the context requires;

"**Zambezi MOI Amendments**"	the amendments to the Zambezi MOI to (i) enable Zambezi to implement the Transaction, with effect from the Zambezi Scheme Implementation Date and (ii) convert Zambezi into a private company, with effect from the date on which the Zambezi Delisting becomes effective, together with other amendments necessary to give effect to and implement the Transaction;
"**Zambezi MOI Amendments Resolution**"	the Special Resolution to be proposed for approval of the Zambezi MOI Amendments, as defined in paragraph 1.1.2 of annexure 3;
"**Zambezi N Share**" or "**N Share**"	an N share in the share capital of Zambezi having the preferences, rights, limitations and other terms set out in the Zambezi N Share Terms;
"**Zambezi N Share Term Amendments**"	the amendments to the Zambezi N Share Terms with effect from the Net Value Distribution Date in order to provide the Zambezi N Shareholder with the right to exercise 99% of all the votes exercisable by all the Zambezi Ordinary Shareholders and to receive 100% of the Distributions made by Zambezi (subject to the Zambezi Pref Share Terms and the settlement of the Net Value Distribution and the Zambezi Retention Release Amount), together with other amendments necessary to give effect to and implement the Transaction;
"**Zambezi N Share Terms**"	the preferences, rights, limitations and other terms associated with the Zambezi N Share, as contained in annexure 2 of the Zambezi MOI;
"**Zambezi N Shareholder**"	the holder of the Zambezi N Share, being Northam;
"**Zambezi Offer**"	the offer by Northam to Zambezi Preference Shareholders to acquire the remaining Zambezi Preference Shares not already held by Northam, for the Zambezi Offer Consideration, to be implemented by way of the Zambezi Scheme, as more fully set out in the Zambezi Scheme Circular;
"**Zambezi Offer Consideration**"	a cash consideration per Zambezi Scheme Share amounting to: i. the Face Value per Zambezi Preference Share on the Zambezi Scheme Implementation Date, calculated in accordance with the provisions of the Zambezi Pref Share Terms, provided that, notwithstanding any changes to the Prime Rate on or after the Zambezi Scheme Record Date, the Prime Rate between the Zambezi Scheme Record Date and the Zambezi Scheme Implementation Date will be deemed to be the prevailing Prime Rate as at the day immediately preceding the Zambezi Scheme Record Date, plus a 15.99% premium thereon, rounded up to the nearest cent; or ii. in the event that Northam increases such consideration, from time to time, such higher amount;
"**Zambezi Ordinary Share**" or "**Ordinary Share**"	an ordinary share of no par value in the authorised share capital of Zambezi, having the rights and limitations set out in the Zambezi MOI;
"**Zambezi Ordinary Shareholder Loan**"	in relation to each Zambezi Ordinary Shareholder, an amount equal to the aggregate of (i) R500 million multiplied by that Zambezi Ordinary Shareholder's Zambezi Shareholding; plus (ii) the "*Deemed Advances*" (as envisaged in the Implementation Agreement), multiplied by that Zambezi Ordinary Shareholder's Zambezi Shareholding;
"**Zambezi Ordinary Shareholder Loan Agreements**"	collectively, the written agreements entered into or expected to be entered into between Zambezi, Northam and each of the Zambezi Ordinary Shareholders, in terms of which, *inter alia*, Northam agrees to advance the Zambezi Ordinary Shareholder Loan to each Zambezi Ordinary Shareholder and each Zambezi Ordinary Shareholder agrees to be liable for the Zambezi Transaction Costs;

"**Zambezi Ordinary Shareholder Loan Outstandings**"	in respect of each Zambezi Ordinary Shareholder, the aggregate of the amount of its outstanding Zambezi Ordinary Shareholder Loan and the unpaid accrued interest thereon, as at the Net Value Distribution Date;
"**Zambezi Ordinary Shareholders**" or "**Ordinary Shareholders**"	collectively, the registered holders of Zambezi Ordinary Shares, which as at the Last Practicable Date comprise those entities detailed in paragraph 14.1;
"**Zambezi Ordinary Shareholders Retention Amount**"	a portion of the Net Value Cash Distribution, equal to the aggregate of: (i) the Zambezi Transaction Costs (less an amount of R10 million (plus VAT thereon)); (ii) the estimated STT Liability Amount; and (iii) the aggregate Zambezi Ordinary Shareholder Loan Outstandings plus the aggregate Deemed Interest Amount;
"**Zambezi Pref Share Term Amendments**"	the amendments to the Zambezi Pref Share Terms, as defined in paragraph 5.2.1.3;
"**Zambezi Pref Share Terms**"	the preferences, rights, limitations and other terms associated with the Zambezi Preference Shares as set out in annexure 1 of the Zambezi MOI;
"**Zambezi Preference Share**" or "**Preference Share**"	a cumulative, non-participating no par value preference share in the share capital of Zambezi, having the rights, obligations and privileges set out in the Zambezi Pref Share Terms;
"**Zambezi Preference Share Redemption**"	the redemption of the Zambezi Preference Shares in accordance with the Zambezi Pref Share Terms (as amended pursuant to the Zambezi Pref Share Term Amendments), as defined in paragraph 6.1.7.1.1;
"**Zambezi Preference Shareholder**" or "**Preference Shareholder**"	a registered holder or the beneficial holder of Zambezi Preference Shares, as the context may require;
"**Zambezi Retention Amount**"	in the event that, the Transaction Condition pertaining to the Tax Ruling: (i) is fulfilled, the estimated amount of the Zambezi Taxes, as calculated in accordance with the Calculation Model, less the Differential Zambezi Taxes (if any); or (ii) is waived by Northam, the estimated amount of the Zambezi Taxes, calculated in accordance with the Calculation Model plus R250 million;
"**Zambezi Retention Release Amount**"	the difference between the actual Zambezi Taxes and the Zambezi Retention Amount, as defined in paragraph 6.1.8.2;
"**Zambezi Retention Shares**"	the number of Northam Shares held by Zambezi to be retained by Zambezi in order to settle Portion C of the Differential Zambezi Taxes, which number shall be calculated in accordance with the Calculation Model utilising the following formula (rounded up to the nearest whole number): $\frac{a}{b}$ where: a = Portion C of the Differential Zambezi Taxes; and b = the 30 Day VWAP on the Repurchase Implementation Date;
"**Zambezi Scheme**"	the scheme of arrangement in terms of section 114(1) as read with section 115 of the Companies Act, proposed by the Zambezi Board between Zambezi and Zambezi Preference Shareholders, in terms of which Northam will acquire all of the Zambezi Scheme Shares held by the Zambezi Scheme Participants, as more fully set out in the Zambezi Scheme Circular;

"**Zambezi Scheme Circular**"	the offer circular to Zambezi Shareholders, dated Monday, 21 June 2021, setting out the terms and conditions of the Zambezi Scheme, the Zambezi Delisting and the Zambezi Pref Share Term Amendments and including the notices convening the Zambezi Meetings;
"**Zambezi Scheme Conditions**"	the conditions precedent to the operation of the Zambezi Scheme, as defined in annexure 3;
"**Zambezi Scheme Implementation Date**"	the date on which the Zambezi Scheme becomes operative and is implemented, which date shall be the later of (i) 5 July 2021; and (ii) the 1st Business Day following the Zambezi Scheme Record Date;
"**Zambezi Scheme Meeting**"	the general meeting of the Zambezi Preference Shareholders held **at 10:00 on Tuesday, 20 July 2021** (or any postponement or adjournment thereof) to consider and, if deemed appropriate, approve, with or without modification, the resolutions required to implement the Zambezi Scheme, the Zambezi Delisting and the Zambezi Pref Share Term Amendments;
"**Zambezi Scheme Participants**"	all Zambezi Preference Shareholders (excluding Northam) registered as such on the Register on the Zambezi Scheme Record Date, except Dissenting Shareholders who have not had their rights in respect of their Zambezi Preference Shares reinstated as envisaged in sections 164(9), 164(10) or 164(15)(c)(v)(aa) of the Companies Act, whether voluntarily or pursuant to a final court order;
"**Zambezi Scheme Record Date**"	provided that the Zambezi Scheme Conditions are timeously fulfilled or waived, the last day for Zambezi Preference Shareholders to be recorded in the Register in order to participate in the Zambezi Scheme, which date shall be a Business Day falling at least 8 Business Days after the date on which it is announced that the last of the Zambezi Scheme Conditions has been fulfilled or waived, provided that such date is a Friday, or such other day as may be approved in writing by the JSE, to the extent applicable;
"**Zambezi Scheme Shares**"	the Zambezi Preference Shares held by the Zambezi Scheme Participants;
"**Zambezi Shareholders**"	collectively, the Zambezi Preference Shareholders, the Zambezi Ordinary Shareholders and the Zambezi N Shareholder, or any one or more of them as the context may require;
"**Zambezi Shareholding**"	in respect of a Zambezi Ordinary Shareholder, such Zambezi Ordinary Shareholder's proportionate holding of all the Zambezi Ordinary Shares in issue (expressed as a percentage);
"**Zambezi Shares**"	collectively, the Zambezi Ordinary Shares, the Zambezi Preference Shares and the Zambezi N Shares, or any one or more of them as the context may require;
"**Zambezi Taxes**"	the aggregate of: (i) the capital gains tax as envisaged in the eighth schedule of the Income Tax Act read with section 26A thereof, that will become payable by Zambezi as a result of the Zambezi Disposals; and (ii) the aggregate amount of STT which Zambezi has agreed to pay in terms of the Zambezi Pref Share Terms pursuant to the Revised Accumulated Dividends Settlement and the Zambezi Preference Share Redemption;
"**Zambezi Transaction Costs**"	the costs incurred on behalf of Zambezi in respect of the Transaction, being (i) the advisory fees payable to Zambezi's advisors; (ii) the fees of the Zambezi Independent Board; and (iii) the fees of the Independent Expert appointed by the Zambezi Independent Board, further details of which are set out in the Implementation Agreement; and

"**Zondereinde Community Trust**"	the Northam Zondereinde Community Trust (Master's reference no. IT000177/2015(G)) or the trustees thereof acting in their capacities as such, as the context may require, being a Zambezi Ordinary Shareholder holding 7.95% of the Zambezi Ordinary Shares in issue.

The following shall apply throughout this Circular, unless the context clearly provides otherwise:

1. headings are to be ignored when construing this Circular;
2. words in the singular shall include the plural and *vice versa*, words denoting one gender include the other and expressions denoting natural persons include juristic persons or other entities whether or not having separate legal personality and *vice versa*;
3. any reference to a time of day is a reference to South African Standard Time, unless a contrary indication appears;
4. a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, replaced or re-enacted;
5. a reference to any agreement or document referred to in this Circular is a reference to that agreement or document as amended, revised, restated, varied, novated or supplemented from time to time;
6. unless otherwise specified, any reference to a paragraph, page or annexure is a reference to a paragraph, page or annexure of this Circular;
7. should any provision in a definition be a substantive provision conferring rights or imposing obligations on any person, effect shall be given to that provision as if it were a substantive provision in the body of this Circular;
8. unless otherwise specified, where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which event the last day shall be the succeeding Business Day;
9. the use of the word including, include/s, in particular or any similar such word followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s;
10. references to laws or statute or any similar such word shall be deemed to include the Debt Listings Requirements and the JSE Listings Requirements; and
11. no rule of construction shall be applied to the disadvantage of Zambezi because it was responsible for, or participated in, the preparation of this Circular.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 5 apply to this section, unless otherwise stated or the context so requires.

Event [1,2,3]	**2021**
Record date to determine which Zambezi Ordinary Shareholders are entitled to receive this Circular, on	Friday, 11 June
Publication of this Circular to Zambezi Ordinary Shareholders, on	Monday, 21 June
The date on which a Zambezi Ordinary Shareholder must be recorded in the Register to be eligible to attend, participate in and vote at the Zambezi General Meeting, on	Friday, 9 July
Forms of Proxy (*blue*), in respect of the Zambezi General Meeting, to be received by the Secretaries by 11:00, on [4,5]	Friday, 16 July
Last date and time for Zambezi Ordinary Shareholders to give notice to Zambezi objecting to the Zambezi Disposals Resolution and/or the Zambezi MOI Amendments Resolution (to the extent applicable) to be proposed at the Zambezi General Meeting, in terms of section 164 of the Companies Act by 11:00, on [6]	Tuesday, 20 July
Zambezi Scheme Meeting to be held at 10:00, on	Tuesday, 20 July
Zambezi Joint Shareholders Meeting to be held at 10:30, on	Tuesday, 20 July
Zambezi General Meeting to be held at 11:00, on	Tuesday, 20 July
If the Zambezi Disposals and the Zambezi MOI Amendments are approved:	
Last date on which Zambezi Ordinary Shareholders who voted against the Zambezi Disposals Resolution can require Zambezi to seek court approval for the Zambezi Disposals in terms of section 115(3)(a) of the Companies Act (if applicable), on	Tuesday, 27 July
Last date on which Zambezi Ordinary Shareholders who voted against the Zambezi Disposals Resolution can make application to court in terms of section 115(3)(b) of the Companies Act (if applicable), on	Tuesday, 3 August
Last date for Zambezi to send notice of adoption of the Zambezi Disposals Resolution and/or the Zambezi MOI Amendments Resolution (to the extent applicable), as the case may be, in terms of section 164(4) of the Companies Act to Zambezi Ordinary Shareholders who provided written notice of objection of and subsequently did not vote in favour of the Zambezi Disposals Resolution and/or the Zambezi MOI Amendments Resolution (to the extent applicable), as the case may be, on	Tuesday, 3 August
Expected last date for Dissenting Shareholders to exercise their Appraisal Rights, on or about [6]	Wednesday, 18 August
If the Zambezi Scheme becomes unconditional: [7]	
Zambezi Scheme Conditions expected to be fulfilled or waived, on or about	Thursday, 5 August
Finalisation announcement in respect of the Zambezi Scheme expected to be published on SENS, on or about	Friday, 6 August
Expected suspension of listing of Zambezi Preference Shares at the commencement of trade on the JSE, on or about	Wednesday, 18 August
Expected Zambezi Scheme Record Date, on or about	Friday, 20 August
Expected Zambezi Scheme Implementation Date, on or about	Monday, 23 August

Event [1,2,3]	2021
Expected date of settlement of the Zambezi Offer Consideration to the Zambezi Scheme Participants, on or about	Monday, 23 August
Expected date of the termination of listing of Zambezi Preference Shares on the JSE at the commencement of trade on the JSE, on or about	Tuesday, 24 August
If the Transaction becomes unconditional: [7]	
Transaction Conditions expected to be fulfilled or waived, on or about	Monday, 23 August
Finalisation announcement in respect of the Transaction expected to be published on SENS, on or about	Monday, 23 August
Zambezi is expected to settle the Revised Accumulated Dividends to the Zambezi Preference Shareholder, on or about	Friday, 3 September
Expected implementation of the Repurchase, being the Repurchase Implementation Date, on or about	Friday, 3 September
Northam is expected to assume control of Zambezi, on or about	Monday, 6 September
Expected implementation of the Net Value Distribution, being the Net Value Distribution Date, on or about	Monday, 6 September

Notes:

1. The dates and times set out in this Circular are subject to change, with the approval of the TRP, if required. Any such change will be published by way of a notice to the Zambezi Ordinary Shareholder.
2. The dates and times are expected dates and times and have been determined based on certain assumptions regarding the date by which conditions precedent will be fulfilled or waived including the date by when certain regulatory approvals will be obtained.
3. All times given in this Circular are in South African Standard Time, unless otherwise stated.
4. A Form of Proxy (*blue*) not delivered to TMS, so as to be received by 11:00 on Friday, 16 July 2021, may be delivered to the chairperson of the Zambezi General Meeting before such Zambezi Ordinary Shareholder's voting rights are exercised at the Zambezi General Meeting.
5. If the Zambezi General Meeting is adjourned or postponed, the Forms of Proxy submitted for the initial Zambezi General Meeting will remain valid in respect of any adjournment or postponement of the Zambezi General Meeting.
6. This date has been determined on the assumption that Zambezi sends the notice of adoption of the Zambezi Disposal Resolution and/or the Zambezi MOI Amendments Resolution (to the extent required) in terms of section 164(4) of the Companies Act to Zambezi Ordinary Shareholders who provided written notice of objection of and subsequently did not vote in favour of the Zambezi Disposal Resolution and/or the Zambezi MOI Amendments Resolution (to the extent required) on Tuesday, 20 July 2021. Zambezi Ordinary Shareholders who wish to exercise their Appraisal Rights are referred to paragraph 7 and annexure 10.
7. The dates pertaining to the Zambezi Scheme and the Zambezi Disposals have been determined on the assumption that no Appraisal Rights will be exercised and that no rights in terms of section 115(3) of the Companies Act will be exercised in relation to the Zambezi Scheme, the Zambezi Disposals, the Share Acquisitions Scheme and the Northam Scheme. The actual dates will be confirmed in the finalisation announcements if the Zambezi Scheme and the Zambezi Disposals become unconditional.

ZAMBEZI PLATINUM (RF) LIMITED

Incorporated in the Republic of South Africa
(Registration number 2014/106927/06)
Zambezi Preference Share code: ZPLP
ISIN: ZAE000202552
("**Zambezi**" or the "**Company**")

CIRCULAR TO ZAMBEZI ORDINARY SHAREHOLDERS

Zambezi Directors

KB Mosehla (Chairman)†
PA Dunne†
AH Coetzee†
N Mazwai†
Advocate ME Motseki-Zim†
GS Mseleku†
BB Nene†
LC van Schalkwyk†
ZP Ntshalintshali†^
CM Ntuta†^
KH Sekhokho†^

† Non-executive
^ Independent non-executive directors and members of the Zambezi Independent Board

SECTION A: INTRODUCTION

The definitions and interpretations commencing on page 5 apply to this section, unless otherwise stated or the context so requires.

1. **INTRODUCTION AND PURPOSE**

1.1 In terms of the Implementation Agreement, Zambezi and Northam propose to implement a transaction to accelerate the maturity of the Northam BEE Transaction, including the Zambezi Disposals and the Zambezi MOI Amendments. Additionally, Northam proposes to implement the Extended BEE Transaction.

1.2 The Transaction is conditional upon the fulfilment or waiver of certain conditions precedent, as more fully set out in paragraph 6.2 as read with annexures 2 and 3.

1.3 The purpose of this Circular is to:

1.3.1 provide Zambezi Ordinary Shareholders with:

1.3.1.1 information regarding the Transaction and particularly the terms and conditions of the Zambezi Disposals and the Zambezi MOI Amendments;

1.3.1.2 the Independent Expert Report, in accordance with Regulations 90 and 110 as read with section 117(1)(c)(i) of the Companies Act; and

1.3.1.3 the Zambezi Independent Board's opinion regarding the Zambezi Disposals, having considered the Independent Expert Report; and

1.3.2 convene the Zambezi General Meeting to consider and, if deemed appropriate, approve (with or without modification) the Resolutions set out in the Notice of Zambezi General Meeting.

1.4 The Zambezi Board is in support of the Transaction and recommends that Zambezi Ordinary Shareholders vote in favour of the Resolutions. The Zambezi Independent Board is in support of the Zambezi Disposals and recommends that Zambezi Ordinary Shareholders vote in favour of the Zambezi Disposals Resolution.

1.5 To obtain a full understanding of the terms and conditions of the Zambezi MOI Amendments, the Zambezi Disposals and the Transaction, this Circular should be read in its entirety.

2. OVERVIEW OF THE TRANSACTION

2.1 The salient terms of the Transaction are as follows:

2.1.1 **Step 1: Zambezi Scheme, Zambezi Delisting and Zambezi MOI Amendments**

2.1.1.1 On the Zambezi Scheme Implementation Date, Northam will acquire all of the Zambezi Preference Shares not already held by it, for the Zambezi Offer Consideration.

2.1.1.2 Simultaneously with the Zambezi Scheme, the Zambezi Board proposes:

2.1.1.2.1 a delisting of all of the Zambezi Preference Shares from the Main Board of the JSE by way of the Zambezi Delisting; and

2.1.1.2.2 the approval of the Zambezi MOI Amendments, including the Zambezi Pref Share Term Amendments.

2.1.1.3 For the avoidance of doubt, the Zambezi Preference Shares acquired by Northam pursuant to the Zambezi Scheme will remain in issue and will be held by Northam following implementation of the Zambezi Scheme and the Zambezi Delisting until the Zambezi Preference Share Redemption is implemented (refer to step 8 below).

2.1.1.4 Further details of the Zambezi Scheme, the Zambezi Delisting and the Zambezi Pref Shares Term Amendments are contained in the Zambezi Scheme Circular. Further details regarding the Zambezi MOI Amendments are set out in paragraph 5.2.

2.1.2 **Step 2: Revised Accumulated Dividends Settlement**

2.1.2.1 Following implementation of the Zambezi Scheme in step 1 above, on the Repurchase Implementation Date, Zambezi will settle the Revised Accumulated Dividends, by transferring Northam Shares to Northam.

2.1.2.2 Further details of the Revised Accumulated Dividends Settlement are set out in paragraphs 6.1.1 and 6.2.

2.1.3 **Step 3: Repurchase of Northam Shares from Zambezi**

2.1.3.1 Following implementation of the Revised Accumulated Dividends Settlement in step 2 above, on the Repurchase Implementation Date, Northam will acquire the Repurchase Shares from Zambezi at the Repurchase Consideration.

2.1.3.2 The Repurchase Consideration will be utilised as follows:

2.1.3.2.1 a portion of the Repurchase Consideration in an amount equal to the Net Repurchase Amount will be utilised by Zambezi to make the Net Value Cash Distribution; and

2.1.3.2.2 the balance of the Repurchase Consideration (being the Zambezi Retention Amount) will be utilised to settle the Zambezi Taxes.

2.1.3.3 Further details of the Repurchase are set out in paragraphs 6.1.2 and 6.2.

2.1.4 **Step 4: Northam assumes control of Zambezi**

On the Net Value Distribution Date:

2.1.4.1 the Zambezi N Share Term Amendments will become effective and Northam will, in its capacity as the Zambezi N Shareholder, assume voting and economic control of Zambezi and Zambezi will become a Subsidiary of Northam; and

2.1.4.2 the resignation of all of the Zambezi Directors (save for Mr PA Dunne, Ms AH Coetzee and Mr LC van Schalkwyk) from the Zambezi Board will become effective (refer to the announcement published by the Company on SENS on 31 May 2021).

2.1.5 **Step 5: Net Value Distribution to Zambezi Ordinary Shareholders**

2.1.5.1 Following implementation of step 4 above, on the Net Value Distribution Date, Zambezi will make the Net Value Distribution to the Zambezi Ordinary Shareholders.

2.1.5.2 Further details of the Net Value Distribution are set out in paragraphs 6.1.4 and 6.2.

2.1.6 **Step 6: ESOP Repurchase**

On the Business Day following the Net Value Distribution Date, Northam will repurchase the ESOP Repurchase Shares in order to settle the Dividend Taxes which will become payable pursuant to, *inter alia*, the Distribution to the ESOP in terms of the Net Value Distribution contemplated in step 5 above.

2.1.7 **Step 7: Facilitation of the First Zambezi Taxes Payment**

On or before the Northam Group's first provisional or final, as the case may be, tax payment date after the Net Value Distribution, the First Zambezi Taxes Payment will be settled as further contemplated in paragraph 6.1.6.

2.1.8 **Step 8: Zambezi Preference Share Redemption**

2.1.8.1 Zambezi will redeem all Zambezi Preference Shares in issue, either voluntarily from time to time, or by 17 May 2025, being the scheduled redemption date, all of which will be held by Northam at such point.

2.1.8.2 Further details of the Zambezi Preference Share Redemption are set out in paragraphs 6.1.7 and 6.2.

2.1.9 **Step 9: Facilitation of the Second Zambezi Taxes Payment**

On or before the first provisional or final, as the case may be, tax payment date of the Northam Group after the Zambezi Preference Share Redemption as contemplated in step 8 above, the Second Zambezi Taxes Payment will be settled as contemplated in paragraph 6.1.8.

2.1.10 **Step 10: Voluntary winding-up of Zambezi**

Following implementation of step 9 above, Zambezi will be voluntarily wound-up and subsequently dissolved and de-registered.

2.2 The Transaction, including the Zambezi Disposals, is conditional upon the fulfilment or waiver of certain conditions precedent, as more fully set out in paragraph 6.2 as read with annexures 2 and 3.

The detailed terms and conditions of the Zambezi Disposals are set out in section B of this Circular commencing on page 26.

3. RATIONALE FOR THE TRANSACTION

Zambezi and Northam believe that, *inter alia*, the following benefits will be achieved by Zambezi Ordinary Shareholders through the implementation of the Transaction:

3.1 An estimated, as at the Last Practicable Date, R13.0 billion [1] of unencumbered pre-tax economic value will be realised and transferred to the participants in the Northam BEE Transaction.

[1] The figure is provided for illustration purposes only and is determined by reference to, *inter alia*, the 30 Day VWAP as at 30 April 2021 and based on the assumptions used in the *pro forma* financial information set out in annexure 5. The actual figure will depend on, *inter alia*, the dates on which the various components of the Transaction are implemented.

3.2 The Transaction provides early value realisation and certainty for the participants in the Northam BEE Transaction by securing the value created to date and eliminates the risk associated with the maturity of the Northam BEE Transaction on 17 May 2025 as a result of a potential negative fluctuation of the Northam Share price on such date.

3.3 Zambezi Ordinary Shareholders will be able to participate in the Northam Group's future growth through their holding of unencumbered Northam Holdings Shares.

4. INFORMATION REGARDING NORTHAM, THE NORTHAM BEE TRANSACTION AND ZAMBEZI

Northam

4.1 Northam is an independent, fully empowered, integrated platinum group metals producer. Northam's existing core producing business assets are the Zondereinde mine and the Booysendal mine, and its primary products are the three main platinum group metals (PGMs) – platinum, palladium, rhodium – and gold ("**4E**"). Northam's medium-term target is to produce 1 million 4E ounces (oz) per annum.

4.2 More information pertaining to the Northam Group, including its financial performance, operational performance, health and safety performance, mineral resources and mineral reserves can be found on its website at www.northam.co.za.

Northam BEE Transaction

4.3 On 18 May 2015, Northam implemented the Northam BEE Transaction with a view to establishing a sustainable shareholding by HDPs in Northam.

4.4 The Northam BEE Transaction comprised two primary inter-conditional elements, being:

4.4.1 Zambezi's acquisition of and subscription for Northam Shares, resulting in Zambezi holding 31.37% of the total Northam Shares in issue; and

4.4.2 the issue by Zambezi of the Zambezi Preference Shares for purposes of funding its acquisition of and subscription for Northam Shares.

4.5 More information pertaining to the Northam BEE Transaction can be found on the Zambezi website at www.northam.co.za/zambezi/.

Zambezi

4.6 Zambezi was incorporated as a special purpose ring-fenced company to hold the Northam Shares acquired pursuant to the Northam BEE Transaction for the benefit of HDPs and to issue the Zambezi Preference Shares. Zambezi is precluded from, *inter alia*, encumbering or disposing of the Northam Shares it holds during the 10-year lock-in period from implementation of the Northam BEE Transaction.

4.7 Apart from functioning as an empowerment vehicle, Zambezi does not and will not conduct any business operations and Zambezi's assets comprise the Northam Shares.

4.8 Should the Transaction be implemented, Zambezi will be voluntarily wound-up and subsequently dissolved and de-registered in due course.

4.9 More information pertaining to Zambezi can be found on the Zambezi website at www.northam.co.za/zambezi/.

SECTION B: TRANSACTION AND ZAMBEZI MOI AMENDMENTS

The definitions and interpretations commencing on page 5 apply to this section, unless otherwise stated or the context so requires.

The Transaction comprises the following inter-conditional components.

5. **ZAMBEZI SCHEME**, **ZAMBEZI DELISTING AND ZAMBEZI MOI AMENDMENTS (STEP 1)**

5.1 **Zambezi Scheme and Zambezi Delisting**

5.1.1 Northam will make the Zambezi Offer to Zambezi Preference Shareholders in terms of the Zambezi Scheme Circular. The Zambezi Offer will be implemented by way of the Zambezi Scheme, proposed by the Zambezi Board, between Zambezi and the Zambezi Preference Shareholders, in terms of section 114(1) as read with section 115 of the Companies Act. Implementation of the Zambezi Scheme is conditional upon the fulfilment or waiver of the Zambezi Scheme Conditions, as set out in annexure 3.

5.1.2 If the Zambezi Scheme becomes operative, Northam will acquire all of the Zambezi Scheme Shares held by the Zambezi Scheme Participants for the Zambezi Offer Consideration.

5.1.3 The Zambezi Scheme does not constitute an "*affected transaction*" as defined in section 117 of the Companies Act, as a result of the Zambezi Preference Shares not constituting "*securities*" as defined in section 117(1)(j) of the Companies Act and is accordingly not regulated as such by the Companies Act and the Regulations.

5.1.4 Simultaneously with the Zambezi Scheme and subject to the Zambezi Scheme being implemented, the Zambezi Board will propose the Zambezi Delisting.

5.1.5 Implementation of:

5.1.5.1 the Zambezi Scheme is conditional upon, *inter alia*, the fulfilment or waiver (to the extent permitted) of the Zambezi Scheme Conditions; and

5.1.5.2 the Zambezi Delisting is conditional on, *inter alia*, the Zambezi Delisting Resolution being approved by Zambezi Preference Shareholders and the Zambezi Scheme being implemented.

5.1.6 Further details regarding the Zambezi Scheme and the Zambezi Delisting are set out in the Zambezi Scheme Circular.

5.2 **Zambezi MOI Amendments**

5.2.1 Simultaneously with the Zambezi Scheme and subject to the Zambezi Scheme being implemented, the Zambezi Board will propose various amendments to the Zambezi MOI to enable the implementation of certain components of the Transaction, including:

5.2.1.1 the Zambezi MOI Amendments;

5.2.1.2 the Zambezi N Share Term Amendments; and

5.2.1.3 amendments to the Zambezi Pref Share Terms in order to:

5.2.1.3.1 increase the Accumulated Dividends in respect of each Zambezi Preference Share by an amount equal to 11.11% recurring of the Face Value per Zambezi Preference Share on the Zambezi Scheme Implementation Date ("**Premium Amount**");

5.2.1.3.2 provide for the settlement by Zambezi of all Accumulated Dividends as at the Zambezi Scheme Implementation Date together with the Premium Amount (collectively, the "**Revised Accumulated Dividends**") on the Repurchase Implementation Date, and to permit settlement thereof in cash or by way of a transfer by Zambezi of so many Northam Shares held by Zambezi, valued at R160.00, as may be equal in value to the amount of the Revised Accumulated Dividends ("**Revised Accumulated Dividends Settlement**"); and

5.2.1.3.3 permit the voluntary redemption of Zambezi Preference Shares by Zambezi from time to time, after the Net Value Distribution Date at Zambezi's election, provided that Zambezi shall be obliged to redeem all the Zambezi Preference Shares by no later than 17 May 2025 (being the scheduled redemption date, as contemplated in the Zambezi Pref Share Terms),

together with other amendments necessary to give effect to and implement the Transaction (collectively, the "**Zambezi Pref Share Term Amendments**"), with effect from the Zambezi Scheme Implementation Date.

5.2.2 The Zambezi MOI as amended by the Zambezi MOI Amendments is contained in annexure 4.

6. ZAMBEZI DISPOSALS (STEPS 2 TO 10)

6.1 Salient terms

6.1.1 Step 2: Revised Accumulated Dividends Settlement

6.1.1.1 Following implementation of the Zambezi Scheme, on the Repurchase Implementation Date, Zambezi will settle the Revised Accumulated Dividends, by way of a transfer by Zambezi to Northam (being the only Zambezi Preference Shareholder after implementation of the Zambezi Scheme) of so many Northam Shares held by Zambezi (valued at a price of R160.00 per Northam Share), as may be equal in value to the amount of the aggregate Revised Accumulated Dividends, in accordance with the Zambezi Pref Share Terms (as amended pursuant to the Zambezi Pref Share Term Amendments). It is recorded that such transfer of Northam Shares by Zambezi will be implemented by way of a repurchase of Northam Shares by Northam.

6.1.1.2 In accordance with the Zambezi Pref Share Terms, Zambezi will be liable for the STT payable in respect of the Revised Accumulated Dividends Settlement, (if any), and Northam will utilise a corresponding portion of the Zambezi Retention Amount to settle such STT on behalf of Zambezi.

6.1.2 Step 3: Repurchase

6.1.2.1 On the Repurchase Implementation Date, Northam will acquire the Repurchase Shares from Zambezi for the Repurchase Consideration.

6.1.2.2 The Repurchase Consideration will be utilised as follows:

6.1.2.2.1 a portion of the Repurchase Consideration in an amount equal to the Net Repurchase Amount will be utilised by Zambezi to make the Net Value Cash Distribution; and

6.1.2.2.2 the balance of the Repurchase Consideration (being the Zambezi Retention Amount) will be utilised to settle the Zambezi Taxes as envisaged in paragraphs 6.1.1.2, 6.1.6, 6.1.7.3 and 6.1.8.

6.1.2.3 Implementation of the Repurchase is conditional upon the fulfilment or waiver of the Transaction Conditions.

6.1.3 Step 4: Northam assumes control of Zambezi

On the Net Value Distribution Date, the Zambezi N Share Term Amendments will become effective and Northam will, in its capacity as the Zambezi N Shareholder, become entitled to:

6.1.3.1 exercise 99% of all the votes exercisable by all the Zambezi Ordinary Shareholders; and

6.1.3.2 subject to the settlement of the Net Value Distribution and the Zambezi Retention Release Amount, receive 100% of the Distributions made by Zambezi,

thereby providing Northam with economic and voting control of Zambezi, pursuant to which Zambezi will become a Subsidiary of Northam. In the circumstances, any Northam Shares held by Zambezi following implementation of the Net Value Distribution will constitute Treasury Shares.

6.1.4 **Step 5: Net Value Distribution**

6.1.4.1 On the Net Value Distribution Date, after Northam has assumed control of Zambezi as envisaged in step 4 above, Zambezi will make a Distribution to the Zambezi Ordinary Shareholders of:

6.1.4.1.1 the Net Repurchase Amount, by way of a cash dividend ("**Net Value Cash Distribution**"); and

6.1.4.1.2 the Residual Northam Shares held by it, by way of a dividend *in specie*, ("**Net Value Share Distribution**"),

pro rata in accordance with each Zambezi Ordinary Shareholder's proportionate Zambezi Shareholding (collectively, the "**Net Value Distribution**").

6.1.4.2 Zambezi Ordinary Shareholders, who receive Northam Shares pursuant to the Net Value Share Distribution and who hold such shares as at the record date of the Northam Scheme, will be entitled to participate in the Northam Scheme, which will be implemented as soon as practicably possible following implementation of the Repurchase contemplated in step 3 above. For further details regarding the Northam Scheme, Zambezi Ordinary Shareholders are referred to the Northam Circular which can be found on Northam's website at www.northam.co.za.

6.1.4.3 Each Zambezi Ordinary Shareholder will be liable for the STT Liability Amount payable in respect of the transfer of the relevant number of Residual Northam Shares to it pursuant to the Net Value Share Distribution as well as the Zambezi Transaction Costs, *pro rata* in accordance with its Zambezi Shareholdings which will be settled by Northam on their behalf, in accordance with paragraph 6.1.4.4.

6.1.4.4 **Settlement of the Net Value Cash Distribution**

The Net Value Cash Distribution will be settled on the Net Value Distribution Date as follows:

6.1.4.4.1 firstly, an amount equal to the difference between the Net Value Cash Distribution amount and the Proportionate Lock-in Fee Amount, will be utilised by Northam to (i) settle the Zambezi Ordinary Shareholder Loan Outstandings on behalf of the Zambezi Ordinary Shareholders; (ii) make payment of the Deemed Interest Amount (if any) to each BEE Trust; (iii) settle the outstanding Zambezi Transaction Costs on behalf of the Zambezi Ordinary Shareholders and (iv) settle the STT Liability Amount;

6.1.4.4.2 thereafter, in respect of an amount equal to the Proportionate Lock-in Fee Amount:

6.1.4.4.2.1 in respect of the BEE Trusts, a *pro rata* amount will be paid to each BEE Trust in accordance with its Zambezi Shareholding; and

6.1.4.4.2.2 in respect of the Relevant Zambezi Shareholders, a *pro rata* amount will be retained and paid to each Zambezi Ordinary Shareholder in accordance with its Zambezi Shareholding, in terms of the Relevant Zambezi Shareholder Transaction Agreements as detailed in paragraph 16.3.

6.1.4.5 The Zambezi Ordinary Shareholders Retention Amount will be calculated by reference to, *inter alia*, the estimated STT Liability Amount. If the aggregate of the actual STT Liability Amount payable to SARS:

6.1.4.5.1 is less than the Zambezi Ordinary Shareholders Retention Amount, then Northam will be entitled to retain the difference, and the Zambezi Ordinary Shareholders will not have a claim against Northam or Zambezi for payment of such difference; or

6.1.4.5.2 exceeds the Zambezi Ordinary Shareholders Retention Amount, then Northam will be liable to make payment of the difference to SARS on behalf of Zambezi Ordinary Shareholders, and Northam will not have any claim against the Zambezi Ordinary Shareholders for the difference.

6.1.4.6 **Settlement of the Net Value Share Distribution**

The Net Value Share Distribution made to each Zambezi Ordinary Shareholder will be settled on the Net Value Distribution Date by Zambezi transferring to such Zambezi Ordinary Shareholder its *pro rata* entitlement to the Residual Northam Shares in accordance with its Zambezi Shareholding.

6.1.5 **Step 6: ESOP Repurchase**

On the Business Day following the Net Value Distribution Date, Northam will repurchase the ESOP Repurchase Shares in order to settle the Dividend Taxes which will become payable pursuant to, *inter alia*, the Distribution to the ESOP in terms of the Net Value Distribution.

6.1.6 **Step 7: Facilitation of the settlement of the First Zambezi Taxes Payment**

On or before the Northam Group's first provisional or final (as the case may be) tax payment date after the Net Value Distribution, the Zambezi Taxes payable on such date as a result of the implementation of the Revised Accumulated Dividends Settlement, the Repurchase, the Net Value Share Distribution and the realisation of the Zambezi Retention Shares (if applicable) ("**First Zambezi Taxes Payment**") will be settled as follows:

6.1.6.1 Northam will, on behalf of Zambezi, use a portion of the Zambezi Retention Amount to settle the First Zambezi Taxes Payment less the Differential Zambezi Taxes (if any) in respect of the First Zambezi Taxes Payment by making payment of a corresponding portion of the Zambezi Retention Amount directly to SARS; and

6.1.6.2 Zambezi will settle a portion of the First Zambezi Taxes Payment in an amount equal to the relevant portion of:

6.1.6.2.1 Portion A of the Differential Zambezi Taxes in respect of the First Zambezi Taxes Payment by utilising a corresponding amount of the proceeds of a subscription by Northam for Zambezi Ordinary Shares and making payment directly to SARS;

6.1.6.2.2 Portion B of the Differential Zambezi Taxes in respect of the First Zambezi Taxes Payment by utilising a corresponding amount of the proceeds of a subscription by Northam for Zambezi Ordinary Shares and making payment directly to SARS; and

6.1.6.2.3 Portion C of the Differential Zambezi Taxes in respect of the First Zambezi Taxes Payment by utilising a corresponding amount of the realisation proceeds of the Zambezi Retention Shares (after providing for capital gains taxes and costs) and making payment directly to SARS.

6.1.7 **Step 8: Zambezi Preference Share Redemption**

6.1.7.1 Zambezi will redeem all the Zambezi Preference Shares in issue held by Northam (being the only Zambezi Preference Shareholder after implementation of the Zambezi Scheme) either voluntarily from time to time or by the scheduled redemption date, in accordance with the Zambezi Pref Share Terms (as amended pursuant to the Zambezi Pref Share Term Amendments) by:

6.1.7.1.1 Zambezi transferring to Northam so many Northam Shares (valued at R160.00 per Northam Share), as may be equal in value to the "*Issue Price*" (as defined in the Zambezi Pref Share Terms) of R41.00 per Zambezi Preference Share ("**Zambezi Preference Share Redemption**") which transfer will be implemented by way of a repurchase of Northam Shares by Northam; and

6.1.7.1.2 simultaneously settling the unpaid "*Preference Dividends*" (as defined in the Zambezi Pref Share Terms) in respect of such shares, in cash.

6.1.7.2 Following the redemption of all of the Zambezi Preference Shares, Zambezi's shareholding in Northam will reduce to nil.

6.1.7.3 In accordance with the Zambezi Pref Share Terms, Zambezi will be liable for the STT payable in respect of the Zambezi Preference Share Redemption (if any), and Northam will utilise a corresponding portion of the Zambezi Retention Amount to settle such STT on behalf of Zambezi.

6.1.8 **Step 9: Facilitation of the settlement of the Second Zambezi Taxes Payment**

6.1.8.1 On or before the Northam Group's first provisional or final (as the case may be) tax payment date after the Zambezi Preference Share Redemption, the Zambezi Taxes payable as a result of the implementation of the Zambezi Preference Share Redemption ("**Second Zambezi Taxes Payment**") will be settled as follows:

6.1.8.1.1 Northam will use the balance of the Zambezi Retention Amount to settle the Second Zambezi Taxes Payment less the amount of the Differential Zambezi Taxes (if any) in respect of the Second Zambezi Taxes Payment, by making payment of a corresponding portion of the Zambezi Retention Amount directly to SARS on behalf of Zambezi; and

6.1.8.1.2 Zambezi will settle a portion of the Second Zambezi Taxes Payment in an amount equal to the relevant portion of:

6.1.8.1.2.1 Portion A of the Differential Zambezi Taxes in respect of the Second Zambezi Taxes Payment by utilising a corresponding amount of the proceeds of a subscription by Northam for Zambezi Ordinary Shares and making payment directly to SARS;

6.1.8.1.2.2 Portion B of the Differential Zambezi Taxes in respect of the Second Zambezi Taxes Payment by utilising a corresponding amount of the proceeds of a subscription by Northam for Zambezi Ordinary Shares and making payment directly to SARS; and

6.1.8.1.2.3 Portion C of the Differential Zambezi Taxes in respect of the Second Zambezi Taxes Payment by utilising a corresponding amount of the realisation proceeds of the Zambezi Retention Shares (after providing for capital gains taxes and costs) and making payment directly to SARS.

6.1.8.2 If the aggregate amount of the actual Zambezi Taxes is less than the Zambezi Retention Amount and the realisation proceeds of the Zambezi Retention Shares (if any) (after providing for capital gains tax and costs) ("**Remaining Realisation Proceeds**"), then Zambezi shall distribute the remaining Zambezi Retention Amount and Remaining Realisation Proceeds (collectively, the "**Zambezi Retention Release Amount**") to the Zambezi Ordinary Shareholders by way of a cash dividend, *pro rata* in accordance with their respective Zambezi Shareholding.

6.1.8.3 It is recorded that neither Northam nor Zambezi shall have any recourse to the Zambezi Ordinary Shareholders in the event that the aggregate amount of the actual Zambezi Taxes together with any other capital gains taxes which are payable by Zambezi to SARS, are more than the Zambezi Retention Amount and the realisation proceeds of the Zambezi Retention Shares (after providing for capital gains tax and costs) and no amount Distributed to the Zambezi Shareholders in accordance with the Implementation Agreement shall be repayable to Zambezi by the Zambezi Shareholders.

6.1.8.4 For the avoidance of doubt, in the event that the Transaction Condition in paragraph 6.2.1.6 is waived by Northam (and whether or not the Tax Ruling is obtained after the date of such waiver):

6.1.8.4.1 no Zambezi Retention Shares shall be retained by Zambezi and all of the Residual Northam Shares shall be Distributed to the Zambezi Ordinary Shareholders *pro rata* in accordance with each Zambezi Ordinary Shareholder's Zambezi Shareholding in terms of the Net Value Share Distribution; and

6.1.8.4.2 there shall be no recourse to the Zambezi Ordinary Shareholders either by Northam or Zambezi in relation to any other taxes or penalties which are payable by Zambezi to SARS over and above the Zambezi Retention Amount.

6.1.9 **Step 10: Voluntary winding-up of Zambezi**

As soon as practicably possible after the Zambezi Preference Share Redemption and settlement of the Zambezi Taxes, Northam and Zambezi shall use their respective reasonable endeavours to procure that Zambezi is voluntarily wound-up.

6.1.10 **Zambezi Disposals**

6.1.10.1 The Zambezi Disposals amount to a disposal of all or the greater part of Zambezi's assets in terms of section 112 as read with section 115 of the Companies Act. Additionally, the Zambezi Disposals constitute an "*affected transaction*" as defined in section 117(1)(c)(i) of the Companies Act and as such the Zambezi Disposals are regulated by the Companies Act and the Regulations.

6.1.10.2 **Termination of the Zambezi Disposals**

The Zambezi Disposals will terminate with immediate effect if any of the Transaction Conditions have not been fulfilled or waived, on or before the relevant date/s for fulfilment or waiver (or such later date/s as may be determined by Northam from time to time in accordance with paragraph 6.2.3).

6.1.10.3 **General**

The Zambezi Disposals shall be governed by the laws of South Africa. As part of the Zambezi Disposals, each Zambezi Ordinary Shareholder shall be deemed to have irrevocably submitted to the non-exclusive jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the Zambezi Disposals.

6.1.10.4 **Amendments, variations and modifications**

Subject to compliance with the Companies Act and the Regulations, Northam will be entitled to, by written agreement with Zambezi, amend, vary or modify the Transaction, including the Zambezi Disposals and the Transaction Conditions. All dates and times referred to in this Circular are subject to change. Zambezi Ordinary Shareholders will be notified of any material changes by way of a notice to the Zambezi Ordinary Shareholders.

6.2 **Transaction Conditions**

6.2.1 Implementation of the Repurchase is conditional upon the fulfilment or waiver (to the extent permitted) of the following conditions precedent ("**Transaction Conditions**"):

6.2.1.1 by no later than 30 June 2021, the Ordinary Resolutions and Special Resolutions required in order to approve and implement the Composite Transaction, are adopted by Northam Shareholders at the Northam General Meeting, including the following resolutions:

6.2.1.1.1 approving the acquisition by Northam of Northam Shares as a specific repurchase in terms of the:

6.2.1.1.1.1 Revised Accumulated Dividends Settlement, the Repurchase, the Zambezi Preference Share Redemption, the acquisition of Zambezi Retention Shares (if applicable) and the ESOP Repurchase, by way of a Special Resolution in accordance with section 48(8)(b) as read with sections 114 and 115(2)(a) of the Companies Act ("**Share Acquisitions Scheme Resolution**");

6.2.1.1.1.2 Revised Accumulated Dividends Settlement, the Repurchase, the Zambezi Preference Share Redemption and the acquisition of Zambezi Retention Shares (if applicable), by way of a Special Resolution in accordance with paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements; and

6.2.1.1.1.3 ESOP Repurchase by way of a Special Resolution in accordance with paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements;

6.2.1.2 in the event of the provisions of section 115(2)(c) of the Companies Act becoming applicable in relation to the Share Acquisitions Scheme Resolution:

6.2.1.2.1 by no later than the 40th Business Day after the Share Acquisitions Scheme Resolution is adopted:

6.2.1.2.1.1 the High Court of South Africa approving the implementation of the Share Acquisitions Scheme Resolution and no appeal or review is timeously lodged or, if timeously lodged, the appeal or review is not successful; or

6.2.1.2.1.2 the provisions of section 115(2)(c) of the Companies Act cease to be applicable; and

6.2.1.2.2 if applicable, Northam not treating the Share Acquisitions Scheme Resolution as a nullity as contemplated in section 115(5)(b) of the Companies Act;

6.2.1.3 in relation to the Share Acquisitions Scheme Resolution, either:

6.2.1.3.1 no Northam Shareholder gives notice objecting to such resolution as contemplated in section 164(3) of the Companies Act, alternatively, Northam Shareholders give notice objecting to such resolution as contemplated in section 164(3) of the Companies Act and vote against such resolution at the Northam General Meeting, in respect of 1% or less of all of the Northam Shares in issue. Any notice of objection given by a Northam Shareholder which is subsequently withdrawn prior to such resolution being voted on will reduce the number of Northam Shares in respect of which notices of objection are given; or

6.2.1.3.2 if Northam Shareholders give notice objecting to such resolution as contemplated in section 164(3) of the Companies Act and vote against such resolution in respect of more than 1% of all of the Northam Shares in issue, then, by the 30th Business Day following the adoption of such resolution (for purposes of this paragraph defined as the "**Last Date for Appraisal Rights**"), Dissenting Shareholders have not exercised Appraisal Rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act, in respect of more than 1% of all the Northam Shares in issue. Any demand made in terms of sections 164(5) to 164(8) of the Companies Act which is subsequently withdrawn by the Last Date for Appraisal Rights will reduce the number of Northam Shares in respect of which Appraisal Rights are exercised. In the circumstances, this condition will not be considered to have failed until the Last Date for Appraisal Rights, notwithstanding the fact that Dissenting Shareholders may initially have exercised their Appraisal Rights in respect of more than 1% of all the Northam Shares in issue prior to such date;

6.2.1.4 by no later than the 30th Business Day after the date on which this Circular is posted to Zambezi Ordinary Shareholders, the Ordinary Resolutions and Special Resolutions required in order to approve and implement the Transaction are adopted by Zambezi Ordinary Shareholders at the Zambezi General Meeting, including the following resolutions:

6.2.1.4.1 approving the Zambezi Disposals by way of a Special Resolution in accordance with section 112 as read with section 115(2)(a) of the Companies Act ("**Zambezi Disposals Resolution**"), and in the event of the provisions of section 115(2)(c) of the Companies Act becoming applicable in relation to such resolution:

6.2.1.4.1.1 by no later than the 40th Business Day after the Zambezi Disposals Resolution is adopted:

6.2.1.4.1.1.1 the High Court of South Africa approving the implementation of the Zambezi Disposals Resolution and no appeal or review is timeously lodged or, if timeously lodged, the appeal or review is not successful; or

6.2.1.4.1.1.2 the provisions of section 115(2)(c) of the Companies Act cease to be applicable; and

6.2.1.4.1.2 if applicable, Zambezi not treating the Zambezi Disposals Resolution as a nullity as contemplated in section 115(5)(b) of the Companies Act; and

6.2.1.4.2 electing such persons as may be nominated by Northam, as directors of Zambezi with effect from the Repurchase Implementation Date (if any);

6.2.1.5 in relation to the Zambezi Disposals Resolution, either:

6.2.1.5.1 no Zambezi Ordinary Shareholder gives notice objecting to such resolution as contemplated in section 164(3) of the Companies Act, alternatively Zambezi Ordinary Shareholders give notice objecting to such resolution as contemplated in section 164(3) of the Companies Act but such notice of objection is subsequently withdrawn prior to such resolution being voted on; or

6.2.1.5.2 if Zambezi Ordinary Shareholders give notice objecting to such resolution as contemplated in section 164(3) of the Companies Act and vote against the resolution, then, by the 30th Business Day following the adoption of such resolution (for purposes of this paragraph defined as the "**Last Date for Appraisal Rights**"), Dissenting Shareholders have not exercised Appraisal Rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act. Any demand made in terms of sections 164(5) to 164(8) of the Companies Act may be withdrawn by the Last Date for Appraisal Rights. In the circumstances, this condition will not be considered to have failed until the Last Date for Appraisal Rights, notwithstanding the fact that Dissenting Shareholders may initially have exercised their Appraisal Rights prior to such date;

6.2.1.6 by no later than 30 July 2021, the Tax Ruling is obtained by Northam and Zambezi;

6.2.1.7 by no later than 30 July 2021:

6.2.1.7.1 the Transaction Documents (save for the Implementation Agreement, the BEE Trust Transaction Agreements, the Zambezi Ordinary Shareholder Loan Agreements, the Zambezi MOI and the MOIs and trust deeds of each of the Zambezi Ordinary Shareholders) are entered into and have become unconditional in accordance with their terms save in relation to the condition contained therein regarding the implementation of the Zambezi Scheme; and

6.2.1.7.2 the written consent or waiver of the relevant counterparties to any material contracts to which a Member of the Northam Group is a party, is obtained in relation to the implementation of the Transaction, to the extent required;

6.2.1.8 by no later than 23 August 2021, the Zambezi Scheme Conditions are timeously fulfilled or waived and the Zambezi Scheme is implemented; and

6.2.1.9 by no later than 27 August 2021:

6.2.1.9.1 the Extended BEE Transaction Conditions are timeously fulfilled or waived save for any condition relating to the Repurchase being implemented; and

6.2.1.9.2 a Compliance Certificate is issued in respect of the Share Acquisitions Scheme and the Zambezi Disposals.

6.2.2 If the Transaction Conditions are not timeously fulfilled or waived, then the Repurchase will lapse and will not be implemented.

6.2.3 The Transaction Conditions envisaged in:

6.2.3.1 paragraphs 6.2.1.3, 6.2.1.5, 6.2.1.6 and 6.2.1.7.2 are capable of waiver by Northam in whole or in part and the date for fulfilment or waiver of any such Transaction Condition may be extended by Northam from time to time, upon written notice to Zambezi, provided that such extension shall not be beyond the Long Stop Date unless Zambezi consents thereto in writing. Such waiver and/or extension will be permissible at any time prior to the relevant Transaction Condition failing; and

6.2.3.2 paragraphs 6.2.1.1, 6.2.1.2, 6.2.1.4, 6.2.1.7.1, 6.2.1.8 and 6.2.1.9 are not capable of being waived. However, Northam shall be entitled to extend the date for fulfilment of any such Transaction Condition from time to time, upon written notice to Zambezi, provided that such extension shall not be beyond the Long Stop Date unless Zambezi consents thereto in writing. Such waiver and/or extension will be permissible at any time prior to the relevant Transaction Condition failing.

7. APPRAISAL RIGHTS

7.1 This paragraph 7 only provides a summary of the provisions relating to the Zambezi Ordinary Shareholders' Appraisal Rights in terms of section 164 of the Companies Act, the full provisions of which are contained in annexure 10.

7.2 At any time before the Zambezi MOI Amendments Resolution (to the extent applicable) and/or Zambezi Disposals Resolution, as the case may be, (for purposes of this paragraph defined as "**Relevant Resolution**") is voted on at the Zambezi General Meeting, a Zambezi Ordinary Shareholder may give written notice to Zambezi objecting to the Relevant Resolution in terms of section 164(3) of the Companies Act and vote against the Relevant Resolution at the Zambezi General Meeting.

7.3 Within 10 Business Days after the Relevant Resolution has been adopted, Zambezi must send a notice to each Zambezi Ordinary Shareholder who gave Zambezi the notice referred to in paragraph 7.2, and has neither withdrawn that notice nor voted in favour of the Relevant Resolution, informing them that the Relevant Resolution has been adopted.

7.4 A Zambezi Ordinary Shareholder who has given Zambezi the notice referred to in paragraph 7.2 and who has complied with all of the procedural steps set out in section 164 of the Companies Act may, if the Relevant Resolution is adopted, deliver a written notice to Zambezi demanding that Zambezi pays to that Zambezi Ordinary Shareholder the fair value for all the Zambezi Ordinary Shares held by that Zambezi Ordinary Shareholder ("**Demand**"). The Demand must be delivered:

7.4.1 within 20 Business Days after receipt of the notice from Zambezi referred to in paragraph 7.3; or

7.4.2 if the Zambezi Ordinary Shareholder does not receive the notice from Zambezi referred to in paragraph 7.3, within 20 Business Days after learning that the Relevant Resolution has been adopted.

7.5 The Demand referred to above must also be delivered to the TRP and must set out:

7.5.1 the Dissenting Shareholder's name and address;

7.5.2 the number of Zambezi Ordinary Shares in respect of which the Dissenting Shareholder seeks payment; and

7.5.3 a demand for payment of the fair value of those Zambezi Ordinary Shares. The fair value of the Zambezi Ordinary Shares is determined as at the date on which, and the time immediately before, the Relevant Resolution was adopted.

7.6 A Dissenting Shareholder may withdraw its Demand before Zambezi makes an offer in accordance with section 164(11) of the Companies Act or if Zambezi fails to make such an offer.

7.7 If Zambezi receives a Demand and such Demand is not withdrawn by the Dissenting Shareholder before the Repurchase Implementation Date, Zambezi will, in accordance with section 164(11) of the Companies Act, within 5 Business Days of the Repurchase Implementation Date, make an offer to the Dissenting Shareholder.

7.8 Zambezi's offer made in accordance with section 164(11) of the Companies Act will, in accordance with the requirements of section 164(12)(b) of the Companies Act, lapse if it is not accepted by the Dissenting Shareholder within 30 Business Days after it was made.

7.9 In relation to the Zambezi Disposals and Zambezi Ordinary Shareholders who are Dissenting Shareholders:

7.9.1 A Dissenting Shareholder who, pursuant to the exercise of its Appraisal Rights, has sent a Demand to Zambezi has no further rights in respect of its Zambezi Ordinary Shares, other than to be paid their fair value, unless:

7.9.1.1 the Dissenting Shareholder withdraws that Demand before Zambezi makes an offer to that Dissenting Shareholder under section 164(11) of the Companies Act, or allows any offer made by Zambezi to lapse;

7.9.1.2 Zambezi fails to make an offer in accordance with section 164(11) of the Companies Act and the Dissenting Shareholder withdraws its Demand; or

7.9.1.3 Zambezi revokes the Zambezi Disposals Resolution by a subsequent Special Resolution,

in which case that Dissenting Shareholder's rights in respect of the relevant Zambezi Ordinary Shares shall, in terms of section 164(10) of the Companies Act, be reinstated without interruption. As set out in the Notice of Zambezi General Meeting, a Special Resolution has been proposed to Zambezi Ordinary Shareholders in terms of which, subject to the passing of the Zambezi Disposals Resolution, if the Transaction Conditions (as set out in paragraph 6.2) are not fulfilled or waived and the Repurchase accordingly terminates, the Zambezi Disposals Resolution will be revoked with effect from the date on which the Repurchase terminates.

7.9.2 A Dissenting Shareholder who accepts the Company's offer made in accordance with the requirements of section 164(11) of the Companies Act must thereafter tender the Documents of Title in respect of such Zambezi Ordinary Shares to Zambezi or the Transfer Secretaries. Zambezi must pay a Dissenting Shareholder the offered amount within 10 Business Days after the Dissenting Shareholder has accepted the offer and tendered the Documents of Title.

7.9.3 A Dissenting Shareholder who considers the offer made by Zambezi in accordance with section 164(11) of the Companies Act to be inadequate, may, in accordance with section 164(14) of the Companies Act, apply to a court to determine a fair value in respect of the Zambezi Ordinary Shares that were subject to the Demand, and an order requiring Zambezi to pay that Dissenting Shareholder the fair value so determined. The court will, in accordance with section 164(15)(c)(v) of the Companies Act, be obliged to make an order, *inter alia*, requiring:

7.9.3.1 the Dissenting Shareholders to either withdraw their Demands or to tender their Zambezi Ordinary Shares to the Company as contemplated in paragraph 7.9.2; or

7.9.3.2 the Company to pay the fair value in respect of the Zambezi Ordinary Shares (as determined by the court) to the Dissenting Shareholders who tender their Zambezi Ordinary Shares as contemplated in paragraph 7.9.2.

7.9.4 Before exercising their rights under section 164 of the Companies Act, Zambezi Ordinary Shareholders should have regard to the following:

7.9.4.1 the Independent Expert Report as it pertains to the Zambezi Disposals as set out in annexure 1 concludes that the Zambezi Disposals and the consideration payable in terms thereof are fair and reasonable to Zambezi Ordinary Shareholders; and

7.9.4.2 the court is empowered to grant a costs order in favour of, or against, a Dissenting Shareholder, as may be applicable.

7.9.5 It should be noted that one of the Transaction Conditions relates to Zambezi Ordinary Shareholders giving notice objecting to the Zambezi Disposals Resolution as contemplated in section 164(3) of the Companies Act and/or exercising Appraisal Rights, as more fully set out in paragraph 6.2.1.5. In the event that this Transaction Condition is not fulfilled or waived, the Repurchase will not be implemented.

7.9.6 Any Zambezi Ordinary Shareholder who is in doubt as to what action to take must consult their legal or professional advisor in this regard.

SECTION C: GENERAL

The definitions and interpretations commencing on page 5 apply to this section, unless otherwise stated or the context so requires.

8. **ZAMBEZI GENERAL MEETING**

8.1 The Zambezi General Meeting will be held entirely by electronic communication **at 11:00 on Tuesday, 20 July 2021**.

8.2 Zambezi Ordinary Shareholders are referred to section A of "*Action required by Zambezi Ordinary Shareholders*" commencing on page 3, for further information regarding voting, attendance and representation at the Zambezi General Meeting.

9. **IRREVOCABLE UNDERTAKINGS**

9.1 In terms of the Relevant Zambezi Shareholder Transaction Agreements, each of the Relevant Zambezi Shareholders, holding in aggregate 74.5% of all the Zambezi Ordinary Shares, and who are eligible to vote on the Resolutions, have provided irrevocable undertakings in support of the Transaction.

9.2 As at the Last Practicable Date, there have been no dealings in Zambezi Ordinary Shares by the Relevant Zambezi Shareholders since implementation of the Northam BEE Transaction in May 2015, pursuant to the lock-in arrangements governed by, *inter alia*, the relevant Relationship and Subscription Agreements.

10. **OPINIONS AND RECOMMENDATIONS**

10.1 **Independent Expert's opinion**

10.1.1 In accordance with Regulations 90 and 110 as read with section 117(1)(c)(i) of the Companies Act, the Zambezi Independent Board appointed Mazars as the independent expert for the purpose of providing the Zambezi Independent Board with independent external advice in the form of a fair and reasonable opinion in regard to the Zambezi Disposals and the consideration receivable by Zambezi in respect thereof.

10.1.2 The Independent Expert has, *inter alia*, in accordance with Regulation 90 performed a valuation of the Northam Shares to be disposed of pursuant to the Zambezi Disposals, taken into consideration the terms and conditions of the Zambezi Disposals and has also taken into account the fair value range of a Northam Share and has provided its opinion to the Zambezi Independent Board.

10.1.3 Based on the results of the procedures performed, detailed valuation work and other considerations, as set out in the Independent Expert Report, the Independent Expert is of the opinion that the Zambezi Disposals and the consideration receivable by Zambezi thereunder is within the fair value range and are fair and reasonable to Zambezi Ordinary Shareholders.

10.1.4 A copy of the Independent Expert Report is contained in annexure 1.

10.2 **Zambezi Independent Board's opinion**

10.2.1 After due consideration of the Independent Expert Report, the Zambezi Independent Board has placed reliance on the Independent Expert Report and is of the opinion that the Zambezi Disposals and the consideration receivable by Zambezi thereunder are fair and reasonable.

10.2.2 The Zambezi Independent Board unanimously recommends that Zambezi Ordinary Shareholders vote in favour of the Zambezi Disposals Resolution.

10.2.3 The Zambezi Independent Board's recommendation contained in this paragraph 10.2 is not and should not be construed as investment advice. Each Zambezi Ordinary Shareholder should consider the full contents of this Circular in the context of its own circumstances and risk profile to inform a decision and, where appropriate, should seek independent advice in relation to such decision.

10.2.4 No offers have been received in respect of the Zambezi Ordinary Shares or the Northam Shares held by Zambezi in the 6 months preceding the Last Practicable Date.

11. *PRO FORMA* FINANCIAL INFORMATION

The *pro forma* financial information of Zambezi is set out in annexure 5 and should be read together with the Independent Reporting Accountant's assurance report thereon, as set out in annexure 6.

12. HISTORICAL FINANCIAL INFORMATION OF ZAMBEZI

Extracts of the audited financial statements of Zambezi for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 are set out in annexure 7 and an extract of the reviewed interim condensed results of Zambezi for the 6 months ended 31 December 2020 is set out in annexure 8.

13. ZAMBEZI SHARE CAPITAL

The authorised and issued share capital of Zambezi is as follows:

	Authorised *(Number of securities)*	**Issued** *(Number of securities)*
Zambezi Ordinary Shares	11 000	10 000 [1]
Zambezi Preference Shares	159 905 453	159 905 453 [2]
Zambezi N Share	1	1 [1]

***Notes**:*

1. *Issued at a price of R0.01 per Zambezi Ordinary Share or Zambezi N Share (as the context requires).*
2. *Issued at a price of R41.00 per Zambezi Preference Share.*

14. BENEFICIAL INTERESTS IN SECURITIES

14.1 As at the Last Practicable Date, the Zambezi Ordinary Shareholders hold the following direct and indirect beneficial interests in Zambezi Ordinary Shares and Northam Shares, respectively:

Zambezi Ordinary Shareholder	**Representative of the Zambezi Ordinary Shareholder on the Zambezi Board**	**Direct beneficial interest in Zambezi Ordinary Shares**		**Effective indirect beneficial interest in Northam Shares**
		Number of Zambezi Ordinary Shares	**Percentage holding of all Zambezi Ordinary Shares in issue**	**Percentage holding of all Northam Shares in issue**
Atisa	Advocate ME Motseki-Zim	1 280	12.80%	4.02%
Booysendal Community Trust	LC van Schalkwyk	795	7.95%	2.49%
ESOP	AH Coetzee	960	9.60%	3.01%
Malundi	KB Mosehla	1 280	12.80%	4.02%
Mpilo	GS Mseleku	2 980	29.80%	9.35%
Women's Consortium SPV	N Mazwai	1 910	19.10%	5.99%
Zondereinde Community Trust	BB Nene	795	7.95%	2.49%
Total		**10 000**	**100.00%**	**31.37%**

14.2 As at the Last Practicable Date, each of Mr KB Mosehla, Advocate ME Motseki-Zim, Mr GS Mseleku and Ms N Mazwai, being Zambezi Directors, hold the following indirect beneficial interests in the ordinary share capital of Zambezi:

Zambezi Director	**Zambezi Ordinary Shareholder in which the Zambezi Director has an interest**	**Effective indirect beneficial interest in Zambezi Ordinary Shares ***
KB Mosehla	Malundi	3.2%
N Mazwai	Women's Consortium SPV	6.6%
Advocate ME Motseki-Zim	Atisa and Mpilo	11.0%
GS Mseleku	Mpilo	9.8%
Total		**30.6%**

**Post implementation of the Transaction, the effective indirect interest of each of the Zambezi Directors in Zambezi will remain unchanged; however, the Zambezi Directors will participate indirectly in the Net Value Distribution and Northam will assume economic control and voting rights of Zambezi, pursuant to the Zambezi N Share Term Amendments.*

14.3 As detailed in paragraph 9, each of the Relevant Zambezi Shareholders has provided an irrevocable undertaking in support of the Transaction.

14.4 As at the Last Practicable Date, there have been no dealings in:

14.4.1 Zambezi Ordinary Shares by Zambezi Ordinary Shareholders; and

14.4.2 Northam Shares by Zambezi,

since the implementation of the Northam BEE Transaction in May 2015, pursuant to the lock-in arrangements governed by, *inter alia*, the relevant Relationship and Subscription Agreements and/or the Northam BEE Transaction Agreement.

15. ZAMBEZI DIRECTORS' REMUNERATION AND CONTINUATION OF SERVICE

15.1 In terms of the Zambezi MOI, no remuneration is to be paid by Zambezi to any Zambezi Director in his capacity as a Zambezi Director. The Zambezi Ordinary Shareholders are/will be liable for the Zambezi Transaction Costs, including the fees payable to the members of the Zambezi Independent Board, in accordance with the provisions of the Implementation Agreement and the respective Zambezi Ordinary Shareholder Loan Agreements.

15.2 No service contracts are entered into between Zambezi and the Zambezi Directors.

15.3 As published by the Company on SENS on 31 May 2021, all of the Zambezi Directors (save for Mr PA Dunne, Ms AH Coetzee and Mr LC van Schalkwyk), have, subject to the Transaction becoming wholly unconditional, resigned as directors of Zambezi with effect from the Net Value Distribution Date.

16. AGREEMENTS AND OTHER ARRANGEMENTS

16.1 Implementation Agreement

16.1.1 The Implementation Agreement sets out the terms, obligations and mutual commitments of Northam and Zambezi in respect of the implementation of certain components of the Transaction and certain of the amendments to the Northam BEE Transaction, as further detailed in this Circular.

16.1.2 The salient terms of the Implementation Agreement include, *inter alia*, the following:

16.1.2.1 the terms of the Transaction, as detailed in section B of this Circular; and

16.1.2.2 the Transaction Conditions, as detailed in paragraph 6.2.

16.2 **BEE Trust Transaction Agreements**

16.2.1 The BEE Trust Transaction Agreements will set out the terms, obligations and mutual commitments of Northam, Zambezi and each of the BEE Trusts in respect of the Transaction and ancillary matters.

16.2.2 Pursuant to the relevant BEE Trust Transaction Agreements:

16.2.2.1 Northam and the ESOP will agree to the terms of the ESOP Repurchase as detailed in paragraph 6.1.5; and

16.2.2.2 each of the BEE Trusts, *inter alia*, will agree to amend the applicable transaction documents relating to the Northam BEE Transaction in order to enable the parties to, *inter alia,* give effect to the Transaction and the applicable Transaction Documents.

16.3 **Relevant Zambezi Shareholder Transaction Agreements**

16.3.1 The Relevant Zambezi Shareholder Transaction Agreements set out, *inter alia*, the terms, obligations and mutual commitments of Northam, Zambezi and each of the Relevant Zambezi Ordinary Shareholders in respect of the Transaction and ancillary matters and the arrangement regarding the Proportionate Lock-in Fee Repayment Amount as set out below.

16.3.2 Pursuant to the Relevant Zambezi Shareholder Transaction Agreements, each of the Relevant Zambezi Ordinary Shareholders, *inter alia*, agreed that until 17 May 2025, provided that the Relevant Zambezi Shareholder has not disposed of or encumbered any or all of:

16.3.2.1 the Northam Shares received by it in terms of the Net Value Share Distribution ("**Relevant Northam Shares**"); or

16.3.2.2 the Northam Holdings Shares received by it in terms of the Northam Scheme ("**Relevant Northam Holdings Shares**") or any other Northam Holdings Shares acquired by it from any other Zambezi Ordinary Shareholder,

to any person other than to Northam or Northam Holdings, or their respective nominees or another Zambezi Ordinary Shareholder ("**Permitted Persons**"), then a proportionate amount of the Proportionate Lock-in Fee Repayment Amount pursuant to the Net Value Cash Distribution plus interest accrued thereon ("**Proportionate Lock-in Fee Release Amount**") will be released and paid to the Relevant Zambezi Shareholder annually. Alternatively, should the Relevant Zambezi Shareholder dispose of or encumber any or all of the Relevant Northam Shares or the Relevant Northam Holdings Shares or any other Northam Holdings Shares acquired by it from any other Zambezi Ordinary Shareholder, to a person which is not a Permitted Person, then such Relevant Zambezi Shareholder shall be obliged to repay to Northam the Proportionate Lock-in Fee Repayment Amount (less the aggregate Proportionate Lock-in Fee Release Amount) and will forfeit any interest accrued thereon, and a corresponding portion of such Relevant Zambezi Shareholder's *pro rata* entitlement to the Proportionate Lock-in Fee Amount pursuant to the Net Value Cash Distribution will be utilised to settle such repayment obligation by the Relevant Zambezi Shareholder.

16.4 **Zambezi Ordinary Shareholder Loan Agreements**

The Zambezi Ordinary Shareholder Loan Agreements set out, *inter alia*, the terms, obligations and mutual commitments of Northam, Zambezi and each of the Zambezi Ordinary Shareholders in respect of the Zambezi Ordinary Shareholder Loans; the undertakings by the Zambezi Ordinary Shareholders in respect of the Zambezi Transaction Costs; the settlement of the Net Value Distribution; and certain amendments to the transaction documents relating to the Northam BEE Transaction to which the Zambezi Ordinary Shareholders are parties.

16.5 **Other**

16.5.1 Save for the Implementation Agreement; the Relevant Zambezi Shareholder Transaction Agreements, BEE Trust Transaction Agreements and the Zambezi Ordinary Shareholder Loan Agreements, no other arrangements or agreements exist or will be entered into as at the Last Practicable Date, which could be considered material to a decision regarding the Transaction, between:

16.5.1.1 Northam and Zambezi;

16.5.1.2 Northam and the Zambezi Directors, or persons who were Zambezi Directors within the 12 months prior to the Last Practicable Date; and

16.5.1.3 Northam and Zambezi Shareholders, or persons who were Zambezi Shareholders within the 12 months prior to the Last Practicable Date.

16.5.2 Save for the agreements mentioned in this paragraph 16 and contracts entered into in the ordinary course of business, within the 2 preceding years, Zambezi has not entered into any agreements or contracts which constitute material contracts which contain an obligation or settlement that is material to Zambezi.

17. GOVERNING LAW

This Circular and the Transaction will be governed by, and construed in accordance with, the laws of South Africa and will be subject to the exclusive jurisdiction of the South African courts.

18. MATERIAL CHANGES

There have been no material changes to the financial position of Zambezi since the publication of its reviewed interim condensed results for the 6 months ended 31 December 2020 to the Last Practicable Date.

19. LITIGATION

Zambezi is not aware of any legal or arbitration proceedings, including the proceedings that are pending or threatened, that may have or have had in the recent past, being the previous 12 months, a material effect on the financial position of Zambezi.

20. CONSENTS

Each of the corporate advisor, debt sponsor and transaction sponsor, Independent Auditor and Independent Reporting Accountant, attorneys and the Independent Expert to Zambezi have consented and have not, prior to the Last Practicable Date, withdrawn their written consent to the inclusion of their names and, where applicable, reports in the form and context in which they appear in this Circular.

21. CONFLICT BETWEEN THE IMPLEMENTATION AGREEMENT, THE ZAMBEZI ANNOUNCEMENT AND THIS CIRCULAR

In the event of any conflict between the provisions of the Implementation Agreement or the Zambezi Announcement with the provisions of this Circular, the provisions of this Circular will prevail to the extent of such inconsistency.

22. ZAMBEZI INDEPENDENT BOARD AND ZAMBEZI BOARD'S RESPONSIBILITY STATEMENT

22.1 The members of the Zambezi Independent Board and the Zambezi Board, collectively and individually, insofar as any information in this Circular relates to Zambezi and the Transaction, including the Zambezi Disposals and the Zambezi MOI Amendments:

22.1.1 have considered all statements of fact and opinion in this Circular;

22.1.2 accept full responsibility for the information contained in this Circular and the accuracy thereof;

22.1.3 certify that, to the best of their knowledge and belief, the information contained in this Circular is true and correct;

22.1.4 certify that this Circular does not omit anything that is likely to affect the importance of any information contained in this Circular;

22.1.5 confirm that they have made all reasonable enquiries to ascertain such facts in this regard; and

22.1.6 confirm that this Circular contains all information (to the extent appropriate) required by the Companies Act and the Regulations (where applicable).

22.2 No member of the Zambezi Independent Board or the Zambezi Board is excluded from the statements above.

23. **DOCUMENTS AVAILABLE FOR INSPECTION**

The documents listed below (or copies thereof), are available for inspection by Zambezi Ordinary Shareholders at the registered office of Zambezi during business hours from the date of issue of this Circular until the Net Value Distribution Date. Ordinary Shareholders should contact the Secretaries (by email: trish.beale@norplats.co.za) should they wish to inspect the documents. The relevant documents are as follows:

23.1 the Implementation Agreement, the Zambezi Ordinary Shareholder Loan Agreements entered into with the Relevant Zambezi Shareholders and the Relevant Zambezi Shareholder Transaction Agreements;

23.2 the Zambezi MOI and the proposed amendments thereto;

23.3 the audited financial statements of Zambezi for the 3 years ended 30 June 2018, 30 June 2019 and 30 June 2020;

23.4 the reviewed interim condensed results of Zambezi for the 6 months ended 31 December 2020;

23.5 the Independent Reporting Accountant's assurance report on the *pro forma* financial information of Zambezi, the text of which is included as annexure 6;

23.6 the Independent Expert Report, the text of which is included as annexure 1;

23.7 letter of approval of this Circular issued by the TRP;

23.8 the written consents of the professional advisors to Zambezi; and

23.9 signed copies of this Circular.

Signed on behalf of the Zambezi Independent Board and the Zambezi Board in each case as duly authorised in terms of resolutions passed by the Zambezi Independent Board and Zambezi Board, respectively.

CM Ntuta

Independent non-executive director

in his capacity as a member of the Zambezi Independent Board

Monday, 14 June 2021

KB Mosehla

Chairman (Non-executive director)

in his capacity as a member of the Zambezi Board

Monday, 14 June 2021

ANNEXURE 1: INDEPENDENT EXPERT REPORT

The definitions and interpretations commencing on page 5 of the Circular to which this annexure is attached, ***do not*** *apply to this annexure.*

"14 June 2021

The Independent Board of Directors

Zambezi Platinum (RF) Limited

Building 4, 1st Floor
Maxwell Office Park
Magwa Crescent West
Waterfall City
Jukskei View 2090
South Africa

Dear Sirs and Madams,

FAIR AND REASONABLE OPINION TO THE INDEPENDENT BOARD OF DIRECTORS OF ZAMBEZI PLATINUM (RF) LIMITED ("ZAMBEZI") IN ACCORDANCE WITH REGULATIONS 90 AND 110 OF THE COMPANIES REGULATIONS, 2011 ("TAKEOVER REGULATIONS") AS READ WITH SECTION 117(1)(c)(i) OF THE COMPANIES ACT 71 OF 2008 ("COMPANIES ACT") IN RESPECT OF THE PROPOSED DISPOSAL BY ZAMBEZI OF ALL OR A GREATER PART OF ITS ASSETS

INTRODUCTION

The Independent Board of Directors of Zambezi ("Zambezi Independent Board") have appointed Mazars Corporate Finance (Pty) Ltd ("Mazars") as the independent expert in accordance with regulations 90 and 110 of the Takeover Regulations, as read with section 117(1)(c)(i) of the Companies Act, to provide the Zambezi Independent Board with advice in the form of a fair and reasonable opinion with regard to the disposals by Zambezi of ordinary shares in the share capital of Northam Platinum Limited ("Northam"), ("BEE Shares") and cash held by it, to various parties ("Zambezi Disposals") pursuant to the implementation of a proposed transaction ("Transaction").

The Zambezi Disposals will comprise:

- The transfer by Zambezi to Northam of a number of BEE Shares (valued at R160 per BEE Share) held by Zambezi ("Transfer Shares") pursuant to the settlement of all outstanding accumulated dividends in respect of the preference shares in Zambezi ("ZPLPs"), ("Accumulated Dividends") as at the Zambezi Scheme Implementation Date (as defined in the circular to the holders of Zambezi ordinary shares ("Zambezi Ordinary Shareholders") dated on or about 21 June 2021 ("Circular")), together with an amount equal to 11.11% recurring on the aggregate of the initial subscription price of R41.00 and the Accumulated Dividends as at the Zambezi Scheme Implementation Date;
- The acquisition by Northam of a number of BEE Shares at a price of R152 per BEE Share ("Repurchase Shares") for cash ("Repurchase Consideration"), which cash proceeds will be utilised to, *inter alia*, settle Zambezi's taxes arising from the Transaction and distribute a cash dividend to the Zambezi Ordinary Shareholders (envisaged below);
- The transfer of the residual BEE Shares (after making provision for the redemption of the ZPLPs and the settlement of taxes as referred to below) to the Zambezi Ordinary Shareholders together with the Repurchase Consideration less the amount to be utilised to settle Zambezi's taxes arising from the Transaction ("Net Repurchase Amount") by way of (i) a cash dividend, of the Net Repurchase Amount ("Net Value Cash Distribution") and (ii) a dividend *in specie*, of the remaining BEE Shares held by Zambezi ("Net Value Share Distribution"), (collectively, the "Net Value Distribution");
- The transfer by Zambezi to Northam of a number of BEE Shares (valued at R160 per BEE Share) held by Zambezi pursuant to the settlement of the redemption of the ZPLPs and issue price of R41 in respect of each of the ZPLPs;

- The settlement in cash of the unpaid preference dividends in respect of such ZPLPs; and
- The disposal of additional BEE Shares held by Zambezi in order to settle a portion of Zambezi's taxes arising from the Transaction, to the extent required.

Full details of the Transaction and the Zambezi Disposals, along with extracts of sections 115 and 164 of the Companies Act are contained in the Circular, which will include a copy of this opinion.

EXPLANATION OF THE TERM "FAIR" AND "REASONABLE"

For the purposes of our opinion, fairness is primarily based on a quantitative assessment. An offer with a consideration per offeree regulated company security within or above the fair value range is generally considered to be fair. Therefore, the Zambezi Disposals would be considered fair if the price of (i) R160 per Transfer Share and (ii) R152 per Repurchase Share is greater than or falls within the fair value range of a BEE Share.

The assessment of reasonableness is based on qualitative considerations. Therefore, when all the circumstances surrounding the Zambezi Disposals are taken into account, it may be reasonable for the Zambezi Ordinary Shareholders to proceed with the Zambezi Disposals, even though the Zambezi Disposals may not be fair on a quantitative basis.

SOURCES OF INFORMATION

In the course of our analysis, we relied upon financial and other information obtained from Zambezi and Zambezi's corporate advisor, Nisela Capital (Pty) Ltd ("Nisela"), Northam's management and Northam's corporate advisor. Additionally, we have relied on financial and other information obtained from various public, financial and industry sources. Our conclusion is dependent on such information being accurate in all material respects. For the purpose of compiling this report and providing the opinion contained herein, we have considered all information relevant to the securities affected by the Zambezi Disposals.

The principal sources of information used in formulating our opinion were as follows:

- Information and assumptions made available by and from discussions held with Nisela, management of Northam, Zambezi Independent Board and Northam's corporate advisor;
- Audited annual financial statements of Northam for the years ended 30 June 2018, 30 June 2019 and 30 June 2020;
- Unaudited reviewed interim financial statements of Northam for the 6 months ended 31 December 2020;
- Unaudited and unreviewed financial statements of Northam for the 10 months ended 30 April 2021;
- Zambezi Ordinary Shareholder presentation dated February 2021 prepared by Nisela;
- The announcement published on the Stock Exchange News Service ("SENS") by Northam on 23 March 2021;
- Base case financial model ("BCFM") in respect of the operations of Northam;
- Various analyst reports indicating the forecast metal prices for the period 2021 to 2025;
- The terms and conditions of the Zambezi Disposals (as detailed in the Circular); and
- Publicly available information relating to Northam together with comparable companies in the sector that we deemed to be relevant, including announcements published on SENS.

We obtained the information through:

- Conducting interviews and discussions with Nisela, management of Northam and Northam's corporate advisor;
- Holding discussions with the Zambezi board of directors;
- Obtaining corroborating evidence from third parties (where practicable); and
- Extracting information from the internet and the press.

We satisfied ourselves as to the appropriateness and reasonableness of the information with reference to:

- Audited annual financial statements of Northam for the years ended 30 June 2018, 30 June 2019 and 30 June 2020;
- Unaudited reviewed interim financial statements of Northam for the 6 months ended 31 December 2020;
- Unaudited and unreviewed financial statements of Northam for the 10 months ended 30 April 2021;
- Understanding the industry in which Northam operates; and
- Assessing whether replies from management of Northam and the respective corporate advisors on certain issues were corroborated by third parties and documentary evidence.

EFFECT OF THE ZAMBEZI DISPOSALS

Post implementation of the Zambezi Disposals, Northam will assume economic control (subject to certain exceptions) and voting control of Zambezi and Zambezi will become a subsidiary of Northam. This will enable Northam to direct all activities of Zambezi.

The transfer and disposal of BEE Shares by Zambezi will be utilised to settle the ZPLPs held by the registered or beneficial holders thereof ("Preference Shareholders"), taxes arising from the Transaction and the Net Value Distribution (i.e. the net value created to date in Zambezi will be distributed to Zambezi Ordinary Shareholders in the form of a cash dividend (being the Net Value Cash Distribution) and a dividend *in specie* (being the Net Value Share Distribution)).

The Net Value Distribution will allow Zambezi Ordinary Shareholders to realise the value created in Zambezi since inception of the empowerment transaction concluded between Northam and Zambezi in May 2015, significantly earlier than the termination of the original lock-in period, which ends on 17 May 2025. Value has been created in Zambezi through the growth in the share price of the BEE Shares exceeding the Accumulated Dividends on the ZPLPs.

The direct and indirect beneficial interests of the directors (and their associates) in the ordinary share capital of Zambezi as at the last practicable date, being Friday, 11 June 2021 is outlined below.

Name of director	Consortia in which the director has an interest	Effective interest in Zambezi ordinary shares (%)
KB Mosehla	Malundi Resources (RF) Proprietary Limited	3.2
N Mazwai	Zambezi Platinum Women's SPV (RF) Proprietary Limited	6.6
Advocate ME Motseki-Zim	Atisa Platinum (RF) Proprietary Limited and Mpilo Platinum (RF) Proprietary Limited	11.0
GS Mseleku	Mpilo Platinum (RF) Proprietary Limited	9.8
Total		**30.6**

The Preference Shareholders and the Zambezi Ordinary Shareholders are affected by the Zambezi Disposals. A description of the material effects of the Transaction on the rights and interests of the Preference Shareholders and Zambezi Ordinary Shareholders are outlined in paragraphs 3.2, 5 and 6 of the Circular, with which we agree. The Transaction will have the effect on the interest on the above-mentioned directors as outlined in paragraph 14.2 of the Circular, with which we agree. We are not aware of any material adverse effects of the Transaction. The direct value created for Zambezi Ordinary Shareholders from the Zambezi Disposals will be the ability, post the Zambezi Disposals, to realise the appreciation in the BEE Share price since the inception of the empowerment transaction concluded between Northam and Zambezi in 2015.

LIMITING CONDITIONS AND RELATED PARTY RELATIONSHIPS

We have relied upon the accuracy of information provided to us or otherwise reviewed by us, for the purposes of this opinion, whether in writing or obtained through discussion with Nisela, Northam's management or Northam's corporate advisor. We express no opinion on this information.

There were no limiting conditions, or any restrictions of scope imposed by Zambezi whilst this report was being prepared.

Our opinion is based on current economic, regulatory, market as well as other conditions. Subsequent developments may affect this opinion, which we are under no obligation to update, review or re-affirm.

This opinion is provided to the Zambezi Independent Board solely to assist the Zambezi Independent Board in forming and expressing an opinion for the benefit of the Zambezi Ordinary Shareholders in connection with and for the purposes of their consideration in respect of the Zambezi Disposals.

There is no relationship between Mazars and any other parties involved in the Zambezi Disposals, including Northam and Zambezi. Mazars has no shares in Zambezi or Northam or any other party involved in the Zambezi Disposals. Mazars' fee in respect of this opinion is **R600,000** excluding VAT and is not payable in Zambezi or Northam securities and is not contingent or related to the outcome of the Zambezi Disposals.

Mazars has the required competence and experience, considering the nature and scope of the Zambezi Disposals, to compile this report and opine on the fairness and reasonableness of the Zambezi Disposals.

Each Zambezi Ordinary Shareholder's individual decision may be influenced by such shareholder's particular circumstances and accordingly each Zambezi Ordinary Shareholder should consult an independent advisor if in any doubt as to the merits or otherwise of the Zambezi Disposals.

Our procedures and enquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

PROCEDURES

In order to assess the fairness of the terms and conditions relating to the Zambezi Disposals, we have performed, amongst others, the following procedures:

- Reviewed the audited annual financial statements of Northam for the years ended 30 June 2018, 30 June 2019 and 30 June 2020;
- Reviewed the reviewed interim financial statements of Northam for the 6 months ended 31 December 2020;
- Reviewed the unaudited and unreviewed financial statements of Northam for the 10 months ended 30 April 2021;
- Considered information made available by and from discussions held with Nisela, management of Northam and Northam's corporate advisor;
- Reviewed general economic, market and related conditions in which Northam operates in; and
- Reviewed the valuation methodologies available for the valuation of Northam and adjusted for the lock-in structure of the BEE Shares.

In arriving at our opinion, we have considered, in addition to the procedures performed above, the following key qualitative considerations in assessing the reasonableness of the Zambezi Disposals:

- Considered the rationale for the Zambezi Disposals, from the perspective of the Zambezi Ordinary Shareholders;
- Considered the prospects of the post Zambezi Disposals structure and whether the Zambezi Disposals will be beneficial to Zambezi Ordinary Shareholders;
- The general state of the economy and the impact this will have on current and future industry and company specific performance;
- The fact that the Zambezi Disposals provides early value realisation certainty for the Zambezi Ordinary Shareholders by securing the value creation to date and eliminating the risk of fluctuations in the Northam ordinary share price;
- The fact that the Zambezi Disposals create an early liquidity event for Zambezi Ordinary Shareholders; and
- The fact that Zambezi Ordinary Shareholders will be able to participate in the Northam group's future growth through their holding of unencumbered ordinary shares in Northam Platinum Holdings Limited ("Northam Holdings") alongside other Northam shareholders, through the introduction of Northam Holdings pursuant to Northam's extended broad-based black economic empowerment transaction.

VALUATION

We confirm that we have performed a valuation of Northam utilising the DCF methodology as a primary basis, while a comparative market multiple method was adopted as corroborative valuation. The valuation has complied with the requirements of the SAMVAL Code.

- Utilising a 'sum of the parts' valuation of Northam comprising the Booysendal, Zondereinde and Eland mines to determine the value of operations;
- Equity adjusted non-core assets and liabilities as at 30 April 2021, and calculated a total equity value of Northam;
- Applied marketability and minority discounts to the total equity value, accounting for the lock-in period associated with the BEE Shares held by Zambezi until 17 May 2025, as well as the shareholding percentage of Zambezi in Northam;
- Divided the total equity value by the total number of Northam ordinary shares in issue as at 30 April 2021 to arrive at a fair value per BEE Share; and

- Compared the fair value range per BEE Share to the disposal price of R160 per Transfer Share and R152 per Repurchase Share, respectively.

ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- Reliance can be placed on the information and assumptions made available by and from discussions held with Nisela, as well as management of Northam and Northam's corporate advisor;
- Reliance can be placed on the audited annual financial statements of Northam for the years ended 30 June 2018, 30 June 2019 and 30 June 2020;
- Reliance can be placed on the unaudited reviewed interim financial statements of Northam for the 6 months ended 31 December 2020;
- Reliance can be placed on the unaudited and unreviewed financial statements of Northam for the 10 months ended 30 April 2021;
- Reliance can be placed on the Zambezi Ordinary Shareholder presentation dated February 2021 prepared by Nisela;
- Reliance can be placed on the announcement published on SENS by Northam on 23 March 2021;
- Reliance can be placed on the terms and conditions of the Zambezi Disposals (as detailed in the Circular); and
- Reliance can be placed on the publicly available information relating to Northam together with comparable companies in the sector that we deemed to be relevant, including announcements published on SENS.

The valuation was performed taking cognisance of Northam's current and planned operations as well as other market factors affecting these operations. Using the value derived from the above valuation, an indicative valuation range was calculated per BEE Share to determine if the Zambezi Disposals are fair.

Key value drivers to the valuation of Northam and related BEE Shares are as follows:

Internal:

- The achievability of the forecasts provided;
- Profit margins to be achieved through the forecast period;
- The discount rate, being the weighted average cost of capital ("WACC") applicable to Northam;
- Forecast working capital assumptions;
- Forecast capital expenditure requirements; and
- Forecast free cash flows.

External:

- Forecast precious metal and non-precious prices;
- Forecast USD:ZAR exchange rates;
- Forecast United States inflation rates;
- Forecast South African inflation rates; and
- Stability of the economy and other macroeconomic factors.

The following analyses were performed on the key value drivers:

- Assessed and compared the forecasted cash flows, as provided by management of Northam, to the historical financial results of Northam;
- Assessed whether the forecast capital expenditure requirements are commensurate with the forecasted growth of Northam;
- Performed sensitivity analyses on the WACC and the resulting fair value movements of Northam;
- Performed sensitivity analyses on the forecast metal prices and the resulting fair value movements of Northam;
- Performed sensitivity analyses on the forecast USD:ZAR exchange rate and the resulting fair value movements of Northam;
- Performed sensitivity analyses on the forecast United States and South African inflation rates and the resulting fair value movements of Northam; and

- Obtained a consensus view from multiple analyst forecasts, on the forecast metal prices, and compared these to the forecasts in the BCFM for reasonability.

VALUATION RESULTS

The DCF and respective sensitivity analyses, indicated a fair value range between R151 and R179 per BEE Share, with a core value of R165. The disposal price per Transfer Share of R160 per BEE Share and Repurchase Share of R152 per BEE Share is within the fair value range, thus the Zambezi Disposals are considered fair to the Zambezi Ordinary Shareholders.

The Zambezi Disposals are considered to be reasonable as it provides an early liquidity event and value realisation certainty for the Zambezi Ordinary Shareholders by securing the value creation to date and eliminating the risk of fluctuations in the Northam ordinary share price. Furthermore, the Zambezi Ordinary Shareholders will be able to participate in the Northam group's future growth through their holding of unencumbered Northam Holdings shares.

OPINION

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated at the date on which the Zambezi Disposals are implemented. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

We have considered the terms and conditions of the Zambezi Disposals, and based upon and subject to the aforegoing, we are of the opinion that the Zambezi Disposals and the consideration receivable by Zambezi thereunder are fair and reasonable to the Zambezi Ordinary Shareholders in terms of the Companies Act and the Takeover Regulations.

CONSENT

We hereby consent to the inclusion of this opinion, in whole or in part, and references hereto, in the form and context in which it appears in any required regulatory announcement or other document.

Yours faithfully

Anoop Ninan
Director
Mazars Corporate Finance (Pty) Ltd
54 Glenhove Road
Melrose Estate, 2196"

ANNEXURE 2: EXTENDED BEE TRANSACTION CONDITIONS

The definitions and interpretations commencing on page 5 of the Circular to which this annexure is attached apply to this annexure, unless otherwise stated or the context so requires.

1. Implementation of the Extended BEE Transaction (which includes the Northam Scheme) is conditional upon the fulfilment or waiver (to the extent permitted) of the following conditions precedent ("**Extended BEE Transaction Conditions**"):

1.1 the Ordinary Resolutions and Special Resolutions required in order to approve and implement the Extended BEE Transaction are adopted by Northam Shareholders at the Northam General Meeting, including the following resolutions:

1.1.1 approving the Northam Scheme by way of a Special Resolution in accordance with section 115(2)(a) of the Companies Act ("**Northam Scheme Resolution**"); and

1.1.2 approving the provision of financial assistance for purposes of implementing the relevant components of the Extended BEE Transaction, by way of a Special Resolution in accordance with sections 44 and 45 of the Companies Act;

1.2 in the event of the provisions of section 115(2)(c) of the Companies Act becoming applicable in relation to the Northam Scheme Resolution:

1.2.1 by no later than the 40th Business Day after the Northam Scheme Resolution is adopted:

1.2.1.1 the High Court of South Africa approving the implementation of the Northam Scheme Resolution and no appeal or review is timeously lodged or, if timeously lodged, the appeal or review is not successful; or

1.2.1.2 the provisions of section 115(2)(c) of the Companies Act cease to be applicable; and

1.2.2 if applicable, Northam not treating the Northam Scheme Resolution as a nullity as contemplated in section 115(5)(b) of the Companies Act;

1.3 in relation to the Northam Scheme Resolution, either:

1.3.1 no Northam Shareholder gives notice objecting to such resolution as contemplated in section 164(3) of the Companies Act, alternatively, Northam Shareholders give notice objecting to such resolution as contemplated in section 164(3) of the Companies Act and vote against such resolution at the Northam General Meeting, in respect of 1% or less of all of the Northam Shares in issue. Any notice of objection given by a Northam Shareholder which is subsequently withdrawn prior to such resolution being voted on will reduce the number of Northam Shares in respect of which notices of objection are given; or

1.3.2 if Northam Shareholders give notice objecting to such resolution as contemplated in section 164(3) of the Companies Act and vote against such resolution in respect of more than 1% of all of the Northam Shares in issue, then, by the 30th Business Day following the adoption of such resolution (for purposes of this paragraph defined as the "**Last Date for Appraisal Rights**"), Dissenting Shareholders have not exercised Appraisal Rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act, in respect of more than 1% of all the Northam Shares in issue. Any demand made in terms of sections 164(5) to 164(8) of the Companies Act which is subsequently withdrawn by the Last Date for Appraisal Rights will reduce the number of Northam Shares in respect of which Appraisal Rights are exercised. In the circumstances, this condition will not be considered to have failed until the Last Date for Appraisal Rights, notwithstanding the fact that Dissenting Shareholders may initially have exercised their Appraisal Rights in respect of more than 1% of all the Northam Shares in issue prior to such date;

1.4 by no later than 30 July 2021, all agreements and documents as may be necessary or desirable (in Northam's opinion) in order to enter into, give effect to and implement the Extended BEE Transaction, being the Extended BEE Transaction Agreements (as defined in the Northam Circular) are entered into and have become unconditional in accordance with their terms;

1.5 the written consent or waiver of the relevant counterparties to any material contracts to which a Member of the Northam Group is a party, is obtained in relation to the implementation of the Extended BEE Transaction, to the extent required;

1.6 by no later than 23 August 2021, the Zambezi Scheme Conditions are timeously fulfilled or waived and the Zambezi Scheme is implemented; and

1.7 by no later than 3 September 2021:

1.7.1 the Transaction Conditions are timeously fulfilled or waived and the Repurchase is implemented; and

1.7.2 a Compliance Certificate is issued in respect of the Northam Scheme.

2. If the Extended BEE Transaction Conditions are not timeously fulfilled or waived, then the Extended BEE Transaction will lapse and will not be implemented.

3. The Extended BEE Transaction Conditions envisaged in:

3.1 paragraphs 1.3 to 1.5 of this annexure are capable of waiver by Northam and the date for fulfilment or waiver of any such Extended BEE Transaction Condition may be extended by Northam from time to time, upon written notice to Northam Holdings. Such waiver and/or extension will be permissible at any time prior to the relevant Extended BEE Transaction Condition failing; and

3.2 paragraphs 1.1, 1.2, 1.6 and 1.7 of this annexure are not capable of being waived. However, Northam shall be entitled to, upon written notice to Northam Holdings prior to any such Extended BEE Transaction Condition having failed, extend the time and/or date for fulfilment of any such Extended BEE Transaction Condition from time to time.

ANNEXURE 3: ZAMBEZI SCHEME CONDITIONS

The definitions and interpretations commencing on page 5 of the Circular to which this annexure is attached apply to this annexure, unless otherwise stated or the context so requires.

1. Implementation of the Zambezi Scheme is conditional upon the fulfilment or waiver (to the extent permitted) of, *inter alia*, the following conditions precedent ("**Zambezi Scheme Conditions**"):

1.1 by no later than the 30th Business Day after the date on which the Zambezi Scheme Circular is posted to Zambezi Shareholders:

1.1.1 the Zambezi Pref Share Term Amendments are approved by way of the following inter-conditional resolutions:

1.1.1.1 a Special Resolution adopted by Zambezi Ordinary Shareholders and Zambezi Preference Shareholders jointly, in accordance with the Zambezi MOI and section 16(1)(c) of the Companies Act;

1.1.1.2 a Special Resolution (requiring at least 80% approval) adopted by Zambezi Preference Shareholders, in accordance with the Zambezi MOI, the Zambezi Pref Share Terms and section 16(1)(c) of the Companies Act; and

1.1.1.3 an extraordinary resolution (as defined in the Debt Listings Requirements) (requiring at least 66.67% approval) adopted by Zambezi Preference Shareholders in accordance with paragraph 6.56(b)(ii) of the Debt Listings Requirements,

(collectively, "**Zambezi Pref Share Term Amendments Resolutions**");

1.1.2 the Zambezi MOI Amendments are approved by a Special Resolution adopted by Zambezi Ordinary Shareholders in accordance with the Zambezi MOI and section 16(1)(c) of the Companies Act ("**Zambezi MOI Amendments Resolution**"); and

1.1.3 the Zambezi N Share Term Amendments are approved by way of:

1.1.3.1 a Special Resolution adopted by the Zambezi Ordinary Shareholders and the Zambezi N Shareholder jointly, in accordance with the Zambezi MOI, the Zambezi N Share Terms and section 16(1)(c) of the Companies Act; and

1.1.3.2 a Special Resolution adopted by the Zambezi N Shareholder, in accordance with the Zambezi MOI, the Zambezi N Share Terms and section 16(1)(c) of the Companies Act,

(collectively, the "**Zambezi N Share Term Amendments Resolutions**") and Northam in writing consents to such amendments and the amended Zambezi MOI is duly filed (as defined in the Companies Act) with the CIPC;

1.2 by no later than the 30th Business Day after the date on which the Zambezi Scheme Circular is posted to Zambezi Shareholders, the Zambezi Scheme is approved by way of two separate Special Resolutions (requiring at least 80% approval) adopted by:

1.2.1 Zambezi Ordinary Shareholders and Zambezi Preference Shareholders jointly; and

1.2.2 Zambezi Preference Shareholders,

in each case as contemplated in section 115(2)(a) of the Companies Act (collectively, "**Zambezi Scheme Resolutions**"), and in the event of the provisions of section 115(2)(c) of the Companies Act becoming applicable:

1.2.3 by no later than the 40th Business Day after the relevant Zambezi Scheme Resolution is adopted:

1.2.3.1 the High Court of South Africa approving the implementation of such resolution and no appeal or review is timeously lodged or, if timeously lodged, the appeal or review is not successful; or

1.2.3.2 the provisions of section 115(2)(c) of the Companies Act cease to be applicable; and

1.2.4 if applicable, Zambezi not treating the Zambezi Scheme Resolutions as a nullity as contemplated in section 115(5)(b) of the Companies Act;

1.3 in relation to the relevant Zambezi Scheme Resolution or a Zambezi Pref Share Term Amendments Resolution (to the extent applicable) as the case may be, either:

1.3.1 no Zambezi Preference Shareholder gives notice objecting to such resolution as contemplated in section 164(3) of the Companies Act, alternatively Zambezi Preference Shareholders give notice objecting to such resolution as contemplated in section 164(3) of the Companies Act and vote against such resolution at the relevant Zambezi Meeting in respect of 1% or less of all of the Zambezi Preference Shares in issue. Any notice of objection given by a Zambezi Preference Shareholder which is subsequently withdrawn prior to such resolution being voted on, will reduce the number of Zambezi Preference Shares in respect of which notices of objection are given; or

1.3.2 if Zambezi Preference Shareholders give notice objecting to such resolution as contemplated in section 164(3) of the Companies Act and vote against the resolution in respect of more than 1% of all of the Zambezi Preference Shares in issue, then, by the 30th Business Day following the adoption of such resolution (for purposes of this paragraph defined as the "**Last Date for Appraisal Rights**"), Dissenting Shareholders have not exercised Appraisal Rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act, in respect of more than 1% of all the Zambezi Preference Shares in issue. Any demand made in terms of sections 164(5) to 164(8) of the Companies Act which is subsequently withdrawn by the Last Date for Appraisal Rights, will reduce the number of Zambezi Preference Shares in respect of which Appraisal Rights are exercised. In the circumstances, this condition will not be considered to have failed until the Last Date for Appraisal Rights, notwithstanding the fact that Dissenting Shareholders may initially have exercised their Appraisal Rights in respect of more than 1% of all the Zambezi Preference Shares in issue prior to such date;

1.4 in relation to the relevant Zambezi Scheme Resolution, or to the extent applicable, the relevant Zambezi Pref Share Term Amendments Resolution, the Zambezi MOI Amendments Resolution or the relevant Zambezi N Share Term Amendments Resolutions, as the case may be, either:

1.4.1 no Zambezi Ordinary Shareholder gives notice objecting to such resolution as contemplated in section 164(3) of the Companies Act, alternatively Zambezi Ordinary Shareholders give notice objecting to such resolution as contemplated in section 164(3) of the Companies Act but such notice of objection is subsequently withdrawn prior to such resolution being voted on; or

1.4.2 if Zambezi Ordinary Shareholders give notice objecting to such resolution as contemplated in section 164(3) of the Companies Act and vote against the resolution, then, by the 30th Business Day following the adoption of such resolution (for purposes of this paragraph defined as the "**Last Date for Appraisal Rights**"), Dissenting Shareholders have not exercised Appraisal Rights, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act. Any demand made in terms of sections 164(5) to 164(8) of the Companies Act may be withdrawn by the Last Date for Appraisal Rights. In the circumstances, this condition will not be considered to have failed until the Last Date for Appraisal Rights, notwithstanding the fact that Dissenting Shareholders may initially have exercised their Appraisal Rights prior to such date;

1.5 by no later than the 30th Business Day after the date on which the Zambezi Scheme Circular is posted to Zambezi Shareholders, the Zambezi Delisting is approved by way of an extraordinary resolution (requiring at least 66.67% approval) adopted by the Zambezi Preference Shareholders, in accordance with paragraph 1.17(b) of the Debt Listings Requirements ("**Zambezi Delisting Resolution**"); and

1.6 by no later than 27 August 2021:

1.6.1 the Transaction Conditions are timeously fulfilled or waived save for the condition relating to the Zambezi Scheme being implemented;

1.6.2 the Extended BEE Transaction Conditions are timeously fulfilled or waived save for the condition relating to the Repurchase and the Zambezi Scheme being implemented; and

1.6.3 all Regulatory Consents (save for the issue of a Compliance Certificate in respect of the Share Acquisitions Scheme, the Zambezi Disposals and the Northam Scheme) are received on an unconditional basis or, to the extent that any such Regulatory Consents are subject to any obligation, undertaking, condition or qualification, the party (i.e. Northam or Zambezi) adversely affected by the obligation, undertaking, condition or qualification confirms in writing to the other party that the condition is acceptable to it, which confirmation shall not be unreasonably withheld or delayed.

1.7 If the Zambezi Scheme Conditions are not timeously fulfilled or waived, then the Zambezi Scheme will lapse and will not become operative.

1.8 The Zambezi Scheme Conditions envisaged in:

1.8.1 paragraphs 1.3 and 1.4 are capable of waiver by Northam in whole or in part and the date for fulfilment or waiver of any such Zambezi Scheme Condition may be extended by Northam from time to time, upon written notice to Zambezi, provided that such extension shall not be beyond the Long Stop Date unless Zambezi consents thereto in writing. Such waiver and/or extension will be permissible at any time prior to the relevant Zambezi Scheme Condition failing; and

1.8.2 paragraphs 1.1 and 1.2 and paragraphs 1.5 and 1.6 are not capable of being waived. However, Northam shall be entitled to extend the date for fulfilment of any such Zambezi Scheme Condition from time to time, upon written notice to Zambezi, provided that such extension shall not be beyond the Long Stop Date unless Zambezi consents thereto in writing. Such extension will be permissible at any time prior to the relevant Zambezi Scheme Condition failing.

ANNEXURE 4: THE ZAMBEZI MOI AMENDMENTS

The definitions and interpretations commencing on page 5 of the Circular to which this annexure is attached apply to this annexure, unless otherwise stated or the context so requires.

This annexure sets out the Zambezi MOI Amendments as contained in the new Zambezi MOI ("**Amended Zambezi MOI**"). The numbering and wording below matches that of the applicable provisions of the Amended Zambezi MOI.

MEMORANDUM OF INCORPORATION

OF

ZAMBEZI PLATINUM (RF) LIMITED

REGISTRATION NUMBER: 2014/106927/06

REGISTRATION DATE: 2 JUNE 2014

THE ACTIVITIES OF THE COMPANY, THE POWERS AND AUTHORITY OF THE COMPANY AND THE DIRECTORS, AND THE ABILITY TO AMEND THIS MEMORANDUM OF INCORPORATION, ARE RESTRICTED. PLEASE REFER TO CLAUSE 5 FOR FULL DETAILS OF SUCH RESTRICTIONS

PART 1: INTERPRETATION

1. **INTERPRETATION**

1.1 In this Memorandum of Incorporation, unless the context clearly indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings –

1.1.1 "**Act**" means the Companies Act, No. 71 of 2008;

1.1.2 "**Administration Services Agreement**" shall bear the meaning ascribed thereto in the Preference Share Terms;

1.1.3 "**Appointed Director**" means each Director appointed by Northam in terms of clause 25.17;

1.1.4 "**Associates**" shall bear the meaning ascribed thereto in the International Accounting Standard 28 (IAS 28) as at the date of adoption of this Memorandum of Incorporation;

1.1.5 "**Auditors**" means the auditors of the Company from time to time;

1.1.6 "**BEE Shares**" means, in the event that –

1.1.6.1 the New Transaction does not become wholly unconditional, "*BEE Shares*" as defined in the Preference Share Terms; or

1.1.6.2 the New Transaction becomes wholly unconditional, the residual Northam Shares held by the Company after completion of the Implementation Dividends (as defined in the Preference Share Terms) including, in the event of a sub-division or consolidation of such shares, all such sub-divided or consolidated shares and any additional Northam Shares held by the Company from time to time;

1.1.7 "**BEE Transaction**" shall bear the meaning ascribed thereto in the Subscription Agreement;

1.1.8 "**Board**" means the board of Directors from time to time of the Company or if there is only one Director, then that Director;

1.1.9 "**Capitalisation Share**" means any share that is issued by way of a capitalisation of a company's profits or reserves;

1.1.10 "**Certificated Securities**" means Securities issued by the Company that are not Uncertificated Securities;

1.1.11 "**Central Securities Depositary**" has the meaning set out in section 1 of the Financial Markets Act;

1.1.12 "**Commission**" means the Companies and Intellectual Property Commission established by section 185;

1.1.13 "**Company**" means Zambezi Platinum (RF) Limited, registration number 2014/106927/06, a limited liability public company duly incorporated in the Republic;

1.1.14 "**Competitor**" shall bear the meaning ascribed thereto in the Subscription Agreement;

1.1.15 "**Delisting**" means the termination of the listing of the Preference Shares on the main board of the JSE;

1.1.16 "**Delisting Date**" means the date on which the Delisting is implemented, which is expected to be one business day after the Zambezi Scheme Implementation Date;

1.1.17 "**Director**" means a member of the Board as contemplated in section 66, or an alternate director, and includes any person occupying the position of a director or alternate director, by whatever name designated;

1.1.18 "**Discharge Date**" means (i) in the event that the New Transaction becomes wholly unconditional, the date on which the Company is finally wound up and de-registered; or (ii) in the event that the New Transaction does not become wholly unconditional, the Release Date (as contemplated in clause 1.1.62);

1.1.19 "**Disposal**" shall bear the meaning ascribed thereto in the Preference Share Terms;

1.1.20 "**Distribution**" shall bear the meaning ascribed thereto in section 1 of the Act;

1.1.21 "**Elected Directors**" means Directors elected in terms of clause 25.8 and the Directors;

1.1.22 "**Effective Date**" means the date on and time at which this Memorandum of Incorporation takes effect in terms of section 16(9)(a);

1.1.23 "**Electronic Communication**" has the meaning set out in section 1 of the Electronic Communications and Transactions Act, No. 25 of 2002;

1.1.24 "**Encumbrance**" and "**Encumber**" shall bear the meaning ascribed thereto in the Preference Share Terms;

1.1.25 "**Entity**" means any juristic person, association, business, close corporation, company, concern, enterprise, firm, partnership, joint venture, trust, undertaking, voluntary association, body corporate and any similar entity;

1.1.26 "**Exchange Information Service**" means the JSE's service known as the "Stock Exchange News Service" or any service that replaces the aforesaid service from time to time;

1.1.27 "**Financial Indebtedness**" shall bear the meaning ascribed thereto in the Preference Shares Terms;

1.1.28 "**Financial Markets Act**" means the Financial Markets Act, No. 19 of 2012;

1.1.29 "**Financial Year**" means the financial year of the Company from time to time, which shall coincide with the financial year of Northam from time to time, currently ending on 30 June of every calendar year;

1.1.30 "**Guarantee**" shall bear the meaning ascribed thereto in the Preference Share Terms;

1.1.31 "**Holder**" means, in relation to a Preference Share, its registered holder as reflected in the Securities Register;

1.1.32 "**IFRS**" means the International Financial Reporting Standards, as adopted from time to time by the Board of the International Accounting Standards Committee, or its successor body, and approved for use in South Africa from time to time by the Financial Reporting Standards Council established in terms of section 203;

1.1.33 "**Implementation and Framework Agreement**" means the written agreement headed "*Implementation and Framework Agreement*" entered into between the Company and Northam on 22 March 2021 in terms of which the parties, *inter alia*, have agreed to implement the New Transaction on the terms and subject to the conditions set out therein, as amended from time to time;

1.1.34 "**Implementation Date**" shall bear the meaning ascribed thereto in the Subscription Agreement;

1.1.35 "**Insolvency Event**" shall bear the meaning ascribed thereto in the Preference Share Terms;

1.1.36 "**Inter-related**" shall bear the meaning ascribed thereto in section 2 of the Act;

1.1.37 "**JSE**" means the JSE Limited, a public company duly incorporated in accordance with the laws of South Africa with registration number 2005/022939/06, and licensed as an exchange in terms of the Financial Markets Act, or the exchange operated by the aforesaid entity, as the context may require;

1.1.38 "**JSE Listings Requirements**" means the JSE Limited Listings Requirements and/or the JSE Debt Listings Requirements, to the extent that such is/are applicable to the Company;

1.1.39 "**Lock-in Period**" means the period commencing on the Implementation Date and terminating on the 10^{th} (tenth) anniversary of the Implementation Date;

1.1.40 "**Memorandum of Incorporation**" means this memorandum of incorporation including the annexures hereto;

1.1.41 "**N Share**" means an N share in the Company's share capital which confers, on its holder, the rights, obligations and privileges set out in the N Share Terms;

1.1.42 "**N Shareholder**" means, in relation to the N Share, its registered holder as reflected in the Securities Register;

1.1.43 “**N Share Terms**” means the preferences, rights, limitations and other terms associated with the N Shares, as set out in annexure “**2**”;

1.1.44 “**Net Value Distribution**” shall have the meaning ascribed thereto in the Implementation and Framework Agreement;

1.1.45 “**Net Value Distribution Date**” shall have the meaning ascribed thereto in the Implementation and Framework Agreement;

1.1.46 “**New Transaction**” shall have the meaning ascribed to “*Transaction*” in the Implementation and Framework Agreement;

1.1.47 “**New Transaction Documents**” shall have the meaning ascribed to “*Transaction Documents*” in the Implementation and Framework Agreement;

1.1.48 “**Nominating Shareholder**” means any Shareholder entitled to nominate (and in fact nominating), a person for election as a Director in terms of clause 25.10;

1.1.49 “**Northam**” means Northam Platinum Limited, registration number 1977/003282/06, a limited liability public company duly incorporated in the Republic;

1.1.50 “**Northam Group**” means Northam, its Subsidiaries and Associates from time to time;

1.1.51 “**Northam Pledge and Cession**” shall bear the meaning ascribed thereto in the Preference Share Terms;

1.1.52 “**Northam Shares**” means ordinary shares of no par value in the share capital of Northam;

1.1.53 “**Northam Shareholders**” means the registered holders of Northam Shares;

1.1.54 “**Ordinary Share**” means an ordinary share in the authorised ordinary share capital of the Company, having the rights and limitations set out in clause 6.1.1;

1.1.55 “**Ordinary Shareholder**” means, in relation to an Ordinary Share, its registered holder as reflected in the Securities Register;

1.1.56 “**Participant**” has the meaning set out in section 1 of the Financial Markets Act;

1.1.57 “**Preference Share**” means a cumulative, non-participating, no par value preference share in the Company’s share capital which confers, on its Holder, the rights, obligations and privileges set out in the Preference Share Terms;

1.1.58 “**Preference Share Terms**” means the preferences, rights, limitations and other terms associated with the Preference Shares, as set out in annexure “**1**”, provided that with effect from the Zambezi Scheme Implementation Date, the “**Preference Share Terms**” shall be as set out in annexure “**1A**”;

1.1.59 “**Put Option**” shall bear the meaning ascribed thereto in the Northam Pledge and Cession;

1.1.60 “**Regulations**” means the regulations published in terms of the Act from time to time;

1.1.61 “**Related**” shall bear the meaning ascribed thereto in the Act;

1.1.62 “**Release Date**” means in the event that –

1.1.62.1 the New Transaction becomes wholly unconditional, the Net Value Distribution Date; or

1.1.62.2 the New Transaction does not become wholly unconditional, the later of –

1.1.62.2.1 the business day immediately succeeding the expiry of the Lock-in Period;

1.1.62.2.2 if, after the Company becomes obliged to redeem the Preference Shares in accordance with the Preference Share Terms, Northam is called upon to settle any amount under the Guarantee, the business day immediately succeeding the date on which the Company’s obligations to Northam in terms of the Guarantee and the Northam Pledge and Cession have been fully and finally discharged, as certified by Northam in writing; and

1.1.62.2.3 if, prior to or after the date on which the Company becomes obliged to redeem the Preference Shares in accordance with the Preference Share Terms, Northam exercises the Subscription Option, the business day immediately succeeding the date on which the Put Option is fully implemented or lapses, as the case may be;

1.1.63 "**Republic**" or "**South Africa**" means the Republic of South Africa;

1.1.64 "**Repurchase Implementation Date**" shall have the meaning ascribed thereto in the Implementation and Framework Agreement;

1.1.65 "**RLA**" means, in relation to a rights offer (as defined in section 95 of the Act) a renounceable letter of allotment (which entitles the holder thereof to subscribe for a specific number of shares in the applicable company's share capital at a specific price);

1.1.66 "**Securities**" means any Shares, debentures or other instruments, irrespective of their form or title, issued or authorised to be issued by the Company;

1.1.67 "**Securities Register**" means the register contemplated in section 50(1) and referred to in clause 11.1 hereof;

1.1.68 "**Security Holder**" means each person whose name is entered into the Securities Register at any time and who is, with reference to such time, shown as being the holder of 1 (one) or more Securities;

1.1.69 "**Share**" means one of the units into which the proprietary interest in the Company is divided;

1.1.70 "**Shareholder**" means the holder of a Share who is entered as such in the Securities Register;

1.1.71 "**Shareholding Proportion**" means the proportion which the Ordinary Shares held by an Ordinary Shareholder bears to all the Ordinary Shares in issue from time to time, expressed as a percentage;

1.1.72 "**Solvency and Liquidity Test**" shall bear the meaning ascribed thereto in section 4 of the Act;

1.1.73 "**Subscription Agreement**" means the written agreement headed "*Subscription and Relationship Agreement*" entered into between the Company and Northam in terms of which, *inter alia,* the Company subscribed for 112,195,122 (one hundred and twelve million one hundred and ninety five thousand one hundred and twenty two) Northam Shares and the relationship between the Company and Northam is governed;

1.1.74 "**Subscription Option**" shall bear the meaning ascribed thereto in the Northam Pledge and Cession;

1.1.75 "**Subsidiary**" shall bear the meaning ascribed to "*subsidiary*" in the Act;

1.1.76 "**Transaction Documents**" shall bear the meaning ascribed thereto in the Subscription Agreement;

1.1.77 "**Uncertificated Securities**" shall bear the meaning set out in section 1 of the Financial Markets Act;

1.1.78 "**Uncertificated Securities Register**" means the record of Uncertificated Securities administered and maintained by a Participant or Central Securities Depositary, as determined in accordance with the rules of the Central Securities Depositary and, in respect of securities issued in terms of the Act, has the meaning assigned to it in section 1 of the Act; and

1.1.79 "**Zambezi Scheme Implementation Date**" shall have the meaning ascribed thereto in the Implementation and Framework Agreement.

1.2 In this Memorandum of Incorporation, unless the context clearly indicates otherwise –

1.2.1 words and expressions defined in the Act and which are not defined herein shall have the meanings given to them in the Act;

1.2.2 the words "**clause**" or "**clauses**" and "**annexure**" or "**annexures**" refer to clauses of and annexures to this Memorandum of Incorporation;

1.2.3 words and expressions defined in this Memorandum of Incorporation will bear the same meaning if used in any annexure;

1.2.4 a reference to a "**section**" or a "**regulation**" by number refers to the corresponding section of the Act or the Regulations, as the case may be, notwithstanding the renumbering of such section or regulation after the date on which this Memorandum of Incorporation is adopted by the Company;

1.2.5 in any instance where there is a conflict between a provision (be it expressed, implied or tacit) of this Memorandum of Incorporation and –

1.2.5.1 a provision of any Shareholders' agreement, the provision of this Memorandum of Incorporation shall prevail to the extent of the conflict;

1.2.5.2 an alterable or elective provision of the Act, the provision of this Memorandum of Incorporation shall prevail to the extent of the conflict; and

1.2.5.3 an unalterable or non-elective provision of the Act, the unalterable or non-elective provision of the Act shall prevail to the extent of the conflict unless the Memorandum of Incorporation imposes on the Company a higher standard, greater restriction, longer period of time or similarly more onerous requirement, in which event the relevant provision of this Memorandum of Incorporation shall prevail to the extent of the conflict;

1.2.6 clause headings are for convenience only and are not to be used in its interpretation;

1.2.7 an expression which denotes –

1.2.7.1 any gender includes the other genders;

1.2.7.2 a natural person includes a juristic person and *vice versa*; and

1.2.7.3 the singular includes the plural and *vice versa*;

1.2.8 if the due date for performance of any obligation in terms of this Memorandum of Incorporation is a day which is not a business day then (unless otherwise stipulated), the due date for performance of the relevant obligation shall be the immediately succeeding business day;

1.2.9 any words or expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout the whole of this Memorandum of Incorporation; and

1.2.10 any reference to a notice shall be construed as a reference to a written notice, and shall include a notice which is transmitted electronically in a manner and form permitted in terms of the Act and/or the Regulations.

1.3 Any reference in this Memorandum of Incorporation to –

1.3.1 "**days**" shall be construed as calendar days unless qualified by the word "business", in which instance a "**business day**" will be any day other than a Saturday, Sunday or public holiday as gazetted by the government of South Africa from time to time;

1.3.2 "**business hours**" shall be construed as a reference to the hours between 08h30 and 17h00 on any business day and any reference to time shall be based on South African Standard Time;

1.3.3 "**law**" means any law of general application and includes the common law and any statute, constitution, decree, treaty, regulation, directive, ordinance, by-law, order or any other enactment of legislative measure of government (including local and provincial government) statutory or regulatory body which has the force of law and a reference to any statutory enactment shall be construed as a reference to that enactment as amended or substituted from time to time;

1.3.4 "**tax**" means all present or future income tax, capital gains tax, secondary tax on companies, dividend tax, value-added tax, value extraction tax, securities transfer tax, stamp duties, uncertificated securities tax, levies, assessments, imposts, deductions, charges and withholdings whatsoever in terms of any tax legislation, and includes all penalties, fines, additional tax or interest payable as a consequence of any failure or delay in paying any taxes imposed; and

1.3.5 "**writing**" means legible writing and in English and includes printing, typewriting, lithography or any other mechanical process, as well as any electronic communication in a manner and a form permitted in terms of the Act and/or the Regulations.

1.4 The words "**include**" and "**including**" mean "include without limitation" and "including without limitation". The use of the words "**include**" and "**including**" followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.

1.5 Unless otherwise provided in this Memorandum of Incorporation or the Act, defined terms appearing herein in title case shall be given their meaning as defined, while the same terms appearing in lower case shall (except where defined in the Act) be interpreted in accordance with their plain English meaning.

1.6 Where a particular number of business days is provided for between the happening of one event and another, the number of days must be calculated by excluding the day on which the first event occurs and including the day on which or by which the second event is to occur.

1.7 Where figures are referred to in numerals and in words, and there is any conflict between the two, the words shall prevail, unless the context indicates a contrary intention.

1.8 Any reference herein to "**this Memorandum of Incorporation**" or any other agreement or document shall be construed as a reference to this Memorandum of Incorporation or, as the case may be, such other agreement or document, as amended, varied, novated or supplemented from time to time.

1.9 A reference to any statutory enactment or an agreement shall be construed as a reference to that enactment or agreement as at the Effective Date and as amended or substituted from time to time.

PART 2: THE COMPANY

2. **JURISTIC PERSONALITY**

2.1 The Company is a public company and has been incorporated and registered in terms of the Act, provided that in the event that the New Transaction becomes wholly unconditional, the Company shall be a private company with effect from the Delisting Date and accordingly, with effect from the Delisting Date –

2.1.1 the Company shall not offer any of its Securities to the public, as contemplated in section 8(2)(b)(ii)(aa); and

2.1.2 the transferability of the Securities of the Company shall be restricted, as contemplated in section 8(2)(b)(ii)(bb) and as set out in the remaining provisions of this Memorandum of Incorporation.

2.2 This Memorandum of Incorporation replaces and supersedes the Memorandum of Incorporation of the Company applicable immediately prior to the filing hereof.

2.3 The Company is governed by –

2.3.1 the unalterable provisions of the Act, subject only to such higher standards, greater restrictions, longer periods of time or similarly more onerous requirements as may be imposed on the Company by this Memorandum of Incorporation in relation to such unalterable provisions;

2.3.2 the alterable provisions of the Act, subject to the limitations, extensions, variations or substitutions set out in this Memorandum of Incorporation; and

2.3.3 the other provisions of this Memorandum of Incorporation.

3. **LIMITATION OF LIABILITY**

No person shall, solely by reason of being an incorporator, a Shareholder or Director of the Company, be liable for any liabilities or obligations of the Company.

4. **POWERS OF THE COMPANY**

4.1 The Company has all of the legal powers and capacity contemplated in the Act, except to the extent that this clause 4 provides otherwise.

4.2 The legal powers and capacity of the Company are subject to the restrictions, limitations and qualifications set out in clause 5, as contemplated in sections 15(2)(b) and 19(1)(b)(ii).

5. **RESTRICTIVE CONDITIONS**

5.1 Notwithstanding any other provision of this Memorandum of Incorporation but subject to the Preference Share Terms and the N Share Terms, until the Release Date, the activities of the Company shall be restricted to –

5.1.1 entering into the agreement headed "*Agency Agreement*" entered into between, *inter alios*, the Company and Northam on 31 March 2015 and the Transaction Documents, including any amendments thereto pursuant to the New Transaction Documents;

5.1.2 entering into and implementing the New Transaction Documents in accordance with the provisions thereof;

5.1.3 issuing the Shares, the Preference Shares and the N Shares;

5.1.4 listing the Preference Shares on the JSE and, in the event that the New Transaction becomes wholly unconditional, implementing the Delisting;

5.1.5 appointing Northam to attend to the day-to-day management of the business of the Company and the administration of the Company's affairs in terms of the Administration Services Agreement;

5.1.6 holding the BEE Shares and, in the event that the New Transaction becomes unconditional, Distributing and/or Disposing of the BEE Shares in accordance with the Implementation and Framework Agreement;

5.1.7 exercising all of its rights as a Northam Shareholder;

5.1.8 exercising its rights and performing its obligations in terms of the Transaction Documents and the New Transaction Documents;

5.1.9 making Distributions and utilising its income or capital for purposes of settling its tax liabilities and for the benefit of the Holders, the N Shareholder and the Ordinary Shareholders, in terms of the New Transaction Documents or otherwise;

5.1.10 the following activities, which are ancillary to the holding of the BEE Shares and the issuing of the Preference Shares and the N Shares –

5.1.10.1 appointing Auditors and having its annual financial statements audited;

5.1.10.2 soliciting and obtaining any legal, financial and/or other professional advice which it may require from time to time in the ordinary course;

5.1.10.3 complying with the requirements of the JSE in respect of the listing of the Preference Shares and/or the Delisting thereof;

5.1.10.4 the taking of legal or other action to protect or pursue the Company's rights under the agreements to which it is a party;

5.1.10.5 the defence and/or settlement of any legal proceedings instituted against the Company;

5.1.10.6 the rendering of tax and other regulatory returns;

5.1.10.7 objecting to tax assessments or appealing against such assessments; and

5.1.10.8 complying with all obligations imposed on the Company by law or any regulatory authority having jurisdiction over the Company; and

5.1.11 subject to Northam's prior written consent, such other activities in connection with, related to, or arising from, the BEE Transaction or the New Transaction, which activities shall include entering into any relevant agreements with Northam's prior written consent and enforcing its rights and complying with its obligations in terms thereof,

provided that all such activities shall, to the extent permitted under the Administration Services Agreement, be effected by Northam, on behalf of the Company, unless Northam provides its prior written consent to any such activity being undertaken directly by Zambezi.

Obligations

5.2 Notwithstanding any other provision of this Memorandum of Incorporation but subject to the Preference Share Terms and the N Share Terms, until the Release Date the Company shall be obliged to –

5.2.1 vote in favour of any shareholders' resolution proposed by Northam in respect of a repurchase of BEE Shares pursuant to the New Transaction Documents and the exercise of Northam's rights in terms of the Guarantee and/or the Northam Pledge and Cession;

5.2.2 notify each Ordinary Shareholder timeously and in writing of all resolutions proposed by Northam in respect of the BEE Shares and deliver to each Ordinary Shareholder all shareholder notices and shareholder circulars received from Northam in respect of such proposed resolutions;

5.2.3 subject to clause 5.2.1, vote the BEE Shares in accordance with the written instructions of each Ordinary Shareholder, on the basis that each Ordinary Shareholder shall be entitled to determine the manner in which the votes in respect of a number of BEE Shares are to be cast, which number shall be determined by reference to that Ordinary Shareholder's Shareholding Proportion ("**Voting Instruction**"). If an Ordinary Shareholder does not deliver a Voting Instruction to the Company by no later than 4 (four) days prior to the date on which the vote in respect of the BEE Shares is due to be cast, then the Company shall vote the relevant number of BEE Shares in such manner as the Board may determine;

5.2.4 ensure that its Financial Year shall be and remain the same as that of Northam, from time to time;

5.2.5 prepare, approve and present to Northam reviewed interim financial statements and audited annual financial statements within 3 (three) months of its financial half-year end and Financial Year end each year; and

5.2.6 procure the appointment of the auditors of Northam from time to time as its Auditors.

Prohibited Activities

5.3 Notwithstanding any other provision of this Memorandum of Incorporation but subject to the Preference Share Terms and the N Share Terms, until –

5.3.1 the Release Date, the Company will not have the power or capacity to –

5.3.1.1 Dispose of or Encumber any or all of the BEE Shares nor any other asset of the Company (other than the Capitalisation Shares and the RLAs in the manner as may be contemplated in the Preference Share Terms) other than in accordance with the provisions of the New Transaction Documents, Preference Share Terms and/or the Northam Pledge and Cession;

5.3.1.2 enter into any profit sharing arrangements or grant any rights, whether real or personal, of any nature whatsoever, whether registered or unregistered, over any of the BEE Shares to any third party whatsoever other than pursuant to the Transaction Documents and/or the New Transaction Documents;

5.3.1.3 act in any manner which will or may reasonably be expected to result in non-compliance with the provisions of any Transaction Documents and/or New Transaction Documents;

5.3.1.4 propose any resolution to Shareholders in terms of sections 20(2) and 20(6) to permit or ratify an act of the Directors that is inconsistent with any limitation or restriction imposed by this Memorandum of Incorporation and the authority of the Directors to perform such an act on behalf of the Company;

5.3.1.5 issue any Capitalisation Shares;

5.3.1.6 issue any additional Ordinary Shares, Preference Shares or N Shares (other than in accordance with the Transaction Documents or pursuant to the Subscription Option);

5.3.1.7 other than the Subscription Option, issue any options to acquire Ordinary Shares, Preference Shares or N Shares;

5.3.1.8 issue any further Securities to any person including secured or unsecured debt instruments as set out in section 43(2);

5.3.1.9 create any new class of Securities;

5.3.1.10 vary, amend or otherwise alter the rights attaching to any class of Securities;

5.3.1.11 consolidate, subdivide or convert any of its Securities or in any way alter the rights attaching thereto;

5.3.1.12 subject itself to an Insolvency Event; or

5.3.1.13 cancel or repurchase any of its Securities other than pursuant to the Put Option,

save with Northam's prior written consent; and

5.3.2 the Discharge Date, the Company will not have the power or capacity to –

5.3.2.1 make any loans, grant any credit or give any guarantee, insurance or indemnity to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any other person other than in terms of the New Transaction Documents;

5.3.2.2 incur any Financial Indebtedness or any other indebtedness, expense or liability of any nature whatsoever (other than taxes) other than in accordance with the Preference Share Terms or in terms of the New Transaction Documents;

5.3.2.3 register or give effect to any Disposal or Encumbrance of any of the Shares other than in accordance with the Transaction Documents and/or New Transaction Documents; or

5.3.2.4 permit anything to be done, directly or indirectly, which will or could negate any one or more of the restrictions contemplated in any of the conditions recorded in this clause 5.3,

save with Northam's prior written consent.

PART 3: SECURITIES

6. **SHARES**

6.1 The Company is authorised to issue –

6.1.1 11,000 (eleven thousand) Ordinary Shares, of the same class, each of which, subject to the N Share Terms and the Preference Share Terms, entitles the holder to –

6.1.1.1 vote on any matter to be decided by the Ordinary Shareholders and to 1 (one) vote in the case of a vote by means of a poll;

6.1.1.2 participate proportionally in any Distribution made by the Company to the holders thereof, provided that if the New Transaction becomes wholly unconditional, then with effect from the Net Value Distribution Date but subject to the settlement of the Net Value Distribution and Zambezi Retention Release Amount (if any), the Ordinary Shares shall have no further right to any Distributions made by the Company; and

6.1.1.3 receive proportionally the net assets of the Company upon its liquidation, provided that if the New Transaction becomes wholly unconditional, then with effect from the Net Value Distribution Date, subject to the settlement of the Net Value Distribution and Zambezi Retention Release Amount (if any) to the extent applicable, the Ordinary Shares shall have no further right to receive the net assets of the Company upon its liquidation;

6.1.2 159,905,453 (one hundred and fifty nine million nine hundred and five thousand four hundred and fifty three) Preference Shares having the preferences, rights, limitations and privileges set out in the Preference Share Terms; and

6.1.3 1,000,000 (one million) N Shares having the preferences, rights, limitations and privileges set out in the N Share Terms.

6.2 Subject to the provisions of clause 5, the N Share Terms and the Preference Share Terms, clause 6.3 and section 41, the Board may resolve to issue Shares of the Company at any time, but only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.

6.3 Subject to the provisions of clause 5, the N Share Terms and the Preference Share Terms, the authorisation and classification of Shares, the numbers of authorised Shares of each class, and the preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by way of a special resolution of the Shareholders.

6.4 Subject to the provisions of clause 5, the N Share Terms and the Preference Share Terms, the Board shall not have the power to –

6.4.1 convert one class of Shares into one or more other classes; or

6.4.2 increase or decrease the number of authorised Shares of any class; or

6.4.3 consolidate and reduce the number of issued and authorised Shares of any class; or

6.4.4 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital; or

6.4.5 reclassify any classified Shares that have been authorised but not issued; or

6.4.6 classify any unclassified Shares that have been authorised but not issued; or

6.4.7 determine the preferences, rights, limitations or other terms of any Shares,

and such powers shall only be capable of being exercised by the Shareholders by way of special resolution of the Shareholders.

6.5 All Securities of a class shall rank *pari passu* in all respects.

6.6 Each Share issued by the Company has associated with it an irrevocable right of the holder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share as contemplated in clause 6.7.

6.7 In addition, and without prejudice to, the provisions of clause 6.5, the increase in the number of authorised Shares of each class, and the variation of the preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may only be done by way of an amendment of this Memorandum of Incorporation by special resolution of the Shareholders and, until the Delisting Date, in accordance with the JSE Listings Requirements (in so far as the Preference Shares are concerned), and any amendment to the preferences, rights, limitations and other terms attaching to any other class of Shares already in issue shall not be implemented without a special resolution, taken by the holders of Shares in that class at a separate meeting.

6.8 The Company may only issue Shares which are fully paid up and freely transferable and may only issue Shares within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.

6.9 The Board may, subject to clauses 5 and 6.13 and the further provisions of this clause 6.9, resolve to issue Shares at any time, but only –

6.9.1 within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation; and

6.9.2 until the Release Date, to the extent that such issue has been approved by the Shareholders in general meeting, either by way of a general authority (which may be either conditional or unconditional) to issue Shares in its discretion or a specific authority in respect of any particular issue of Shares, provided that, if such approval is in the form of a general authority to the Directors, it shall be valid only until the next annual general meeting of the Company and it may be varied or revoked by any general meeting of the Shareholders prior to such annual general meeting.

6.10 Until the Delisting Date, all issues of Preference Shares for cash and all issues of options in respect of Preference Shares and securities convertible into Preference Shares granted or issued for cash must, in addition, be in accordance with the JSE Listings Requirements.

6.11 All Securities of the Company for which a listing is sought on the JSE and all Securities of the same class as Securities of the Company which are listed on the JSE must, notwithstanding the provisions of section 40(5), only be issued after the Company has received the consideration approved by the Board for the issuance of such Securities.

6.12 Subject to what may be authorised by the Act, the JSE Listings Requirements and at meetings of Shareholders in accordance with clause 6.13, and subject to clause 6.3, until the Release Date, the Board may only issue unissued Shares if such Shares have first been offered to existing Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine, unless such Shares are issued for the acquisition of assets by the Company and with effect from the Release Date, such restriction shall no longer be applicable and the provisions of section 39 shall not apply to the issue of any Shares in accordance with the provisions of this Memorandum of Incorporation.

6.13 Notwithstanding the provisions of clause 6.12 but subject to the provisions of clause 5, until the Release Date, the Shareholders may at a general meeting authorise the Directors to issue Shares of the Company at any time and/or grant options to subscribe for Shares as the Directors in their discretion think fit, provided that such transaction(s) has/have been approved by the JSE (to the extent required) and comply with the JSE Listings Requirements.

6.14 Notwithstanding the provisions of clauses 6.2, 6.12 and 6.13, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3), require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.

7. DEBT INSTRUMENTS

Subject to the provisions of clause 5 and the Preference Share Terms, the Board may authorise the Company to issue secured or unsecured debt instruments as set out in section 43(2), but no special privileges associated with any such debt instruments as contemplated in section 43(3) may be granted, and the authority of the Board in such regard is accordingly limited by this Memorandum of Incorporation.

8. CAPITALISATION SHARES

8.1 Subject to the provisions of clause 5 and the Preference Share Terms, the Board shall have the power or authority to, as set out in section 47 –

8.1.1 approve the issuing of any authorised Shares as Capitalisation Shares; or

8.1.2 issue shares of one class as Capitalisation Shares in respect of Shares of another class; or

8.1.3 resolve to permit Shareholders to elect to receive a cash payment in lieu of a Capitalisation Share, provided that such issue is effected in accordance with the requirements of section 47 and has been approved by the JSE to the extent required under the JSE Listings Requirements and that the JSE Listings Requirements have otherwise been complied with.

8.2 The Board may not resolve to offer a cash payment in lieu of awarding a Capitalisation Share, as contemplated in clause 8.1.3, unless the Board –

8.2.1 has considered the Solvency and Liquidity Test as required by section 46, on the assumption that every such Shareholder would elect to receive cash; and

8.2.2 is satisfied that the Company would satisfy the Solvency and Liquidity Test immediately upon the completion of the Distribution.

9. ACQUISITION BY THE COMPANY OF ITS OWN SHARES

9.1 Subject to the provisions of clause 5, the Preference Share Terms, the provisions of section 48 and the remaining provisions of this clause 9 –

9.1.1 the Board may determine that the Company acquire a number of its own Shares; and

9.1.2 the board of any Subsidiary of the Company may determine that such Subsidiary acquire Shares, but –

9.1.2.1 not more than 10% (ten percent), in aggregate, of the number of issued Shares of any class may be held by, or for the benefit of, all of the subsidiaries of the Company, taken together; and

9.1.2.2 no voting rights attached to those Shares may be exercised while the Shares are held by that Subsidiary and it remains a Subsidiary of the Company.

9.2 Any decision by the Company to acquire its own Shares must satisfy the requirements of section 46 and the JSE Listings Requirements (in respect of a repurchase of Preference Shares until the Delisting Date) and, accordingly, the Company may not acquire its own Shares unless –

9.2.1 the acquisition –

9.2.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

9.2.1.2 has been authorised by the Board, by way of a resolution;

9.2.2 it reasonably appears that the Company will satisfy the Solvency and Liquidity Test immediately after completing the said acquisition; and

9.2.3 the Board, by resolution, has acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the said acquisition.

9.3 A decision of the Board referred to in clause 9.1.1 –

9.3.1 must be approved by a special resolution of the Shareholders if any Shares are to be acquired by the Company from a Director or prescribed officer of the Company, or a person Related to a Director or prescribed officer of the Company; and

9.3.2 is subject to the requirements of sections 114 and 115 if considered alone, or together with other transactions in an integrated series of transactions, it involves the acquisition by the Company of more than 5% (five percent) of the issued Shares of any particular class of Shares.

9.4 Notwithstanding any other provision of this Memorandum of Incorporation, the Company may not acquire its own Shares, and no Subsidiary of the Company may acquire Shares of the Company if, as a result of that acquisition, there would no longer be any Shares of the Company in issue other than –

9.4.1 Shares held by one or more subsidiaries of the Company; or

9.4.2 convertible or redeemable Shares.

10. CERTIFICATED AND UNCERTIFICATED SECURITIES

10.1 Securities of the Company are to be issued in certificated or uncertificated form, as shall be determined by the Board from time to time.

10.2 Except to the extent otherwise provided in the Act, the rights and obligations of Security Holders shall not be different solely on the basis of their Securities being Certificated Securities or Uncertificated Securities and each provision of this Memorandum of Incorporation applies with respect to any Uncertificated Securities in the same manner as it applies to Certificated Securities, unless otherwise stated or indicated by the context.

10.3 Any Certificated Securities may cease to be evidenced by certificates and thereafter become Uncertificated Securities.

10.4 Any Uncertificated Securities may be withdrawn from the Uncertificated Securities Register, and certificates issued evidencing those Securities at the election of the holder of those Uncertificated Securities. A holder of Uncertificated Securities, who elects to withdraw all or part of the Uncertificated Securities held by it in an Uncertificated Securities Register, and obtain a certificate in respect of those withdrawn Securities, may so notify the relevant Participant or Central Securities Depository as required by the rules of the Central Securities Depository.

10.5 After receiving notice from a Participant or Central Securities Depository, as the case may be, that the holder of Uncertificated Securities wishes to withdraw all or part of the Uncertificated Securities held by it in an Uncertificated Securities Register, and obtain a certificate in respect thereof, the Company shall –

10.5.1 immediately enter the relevant Security Holder's name and details of its holding of Securities in the Securities Register and indicate on the Securities Register that the securities so withdrawn are no longer held in uncertificated form; and

10.5.2 within 10 (ten) business days (or 20 (twenty) business days in the case of a Security Holder who is not resident within the Republic) prepare and deliver to the relevant person a certificate in respect of the Securities and notify the Central Securities Depository that the Securities are no longer held in uncertificated form.

10.6 The Company may charge a Security Holder a reasonable fee to cover the actual cost of issuing any certificate as contemplated in this clause 10.

11. SECURITIES REGISTER AND CERTIFICATES

11.1 The Company must establish or cause to be established a Securities Register in the form prescribed by the Act and the Regulations and maintain the Securities Register in accordance with the prescribed standards.

11.2 As soon as practicable after the issue or transfer of any Securities, as the case may be, the Company must enter or cause to be entered in the Securities Register, in respect of every class of Securities it has issued or which have been transferred –

11.2.1 the total number of Uncertificated Securities;

11.2.2 with respect to Certificated Securities –

11.2.2.1 the names and addresses of the persons to whom the Certificated Securities were issued or transferred;

11.2.2.2 the number of Certificated Securities issued or transferred to each of them;

11.2.2.3 the number of, and prescribed circumstances relating to, any Securities whose transfer has been restricted;

11.2.2.4 in the case of Securities other than Shares as contemplated in section 43, the number of those Securities issued and outstanding and the names and addresses of the registered owners of the Securities and any holders of beneficial interests therein; and

11.2.2.5 any other prescribed information.

11.3 If the Company has issued Uncertificated Securities, or has issued Securities that have ceased to be Certificated Securities as contemplated in clause 10.3, a record must be administered and maintained by a Participant or Central Securities Depository, in the prescribed form, as the Uncertificated Securities Register, which –

11.3.1 forms part of the Securities Register; and

11.3.2 must contain, with respect to all Uncertificated Securities contemplated in this clause 11, any details referred to in clause 11.2.2, read with the changes required by the context or as determined by the rules of the Central Securities Depository.

11.4 The Securities Register or Uncertificated Securities Register maintained in accordance with the Act shall be sufficient proof of the facts recorded in it, in the absence of evidence to the contrary.

11.5 Unless all the Shares rank equally for all purposes, the Shares, or each class of Shares, and any other Securities, must be distinguished by an appropriate numbering system.

11.6 A certificate evidencing any Certificated Securities of the Company –

11.6.1 must state on its face –

11.6.1.1 the name of the Company;

11.6.1.2 the name of the person to whom the Certificated Securities were issued or transferred; and

11.6.1.3 the number and class of Certificated Securities and designation of the series, if any, evidenced by that certificate;

11.6.2 must be signed by 2 (two) persons authorised by the Board, which signatures may be affixed or placed on the certificate by autographic, mechanical or electronic means; and

11.6.3 is proof that the named Security Holder owns the Securities, in the absence of evidence to the contrary.

11.7 A certificate remains valid despite the subsequent departure from office of any person who signed it.

11.8 If, as contemplated in clause 11.5, all of the Shares rank equally for all purposes, and are therefore not distinguished by a numbering system –

11.8.1 each certificate issued in respect of those Shares must be distinguished by a numbering system; and

11.8.2 if the Share has been transferred, the certificate must be endorsed with a reference number or similar device that will enable each preceding holder of the Share in succession to be identified.

12. BENEFICIAL INTERESTS IN SECURITIES

Save for the Preference Shares, Securities may not be registered in the name of one person for the beneficial interest of another person as set out in section 56(1).

PART 4: TRANSFERS OF SECURITIES AND DISPOSALS OF SHARES

13. **TRANSFER OF SECURITIES**

Certificated Securities

13.1 Subject to any restrictions as may be applicable, (whether by virtue of the preferences, rights, limitations or other terms associated with the Securities in question), any Shareholder or Security Holder may transfer all or any of its Certificated Securities by instrument in writing in any usual or common form or any other form which the Directors may approve.

13.2 Every instrument of transfer in respect of Certificated Securities shall be delivered to the principal place of business of the Company, accompanied by –

13.2.1 the certificate issued in respect of the Certificated Securities to be transferred; and/or

13.2.2 such other evidence as the Company may require to prove the title of the transferor, or his or her right to transfer the Certificated Securities.

13.3 The holder of any Certificated Securities shall be deemed to remain the holder of such Certificated Securities until the name of the transferee is entered in the Securities Register.

Uncertificated Securities

13.4 Subject to any restrictions as may be applicable, (whether by virtue of the preferences, rights, limitations or other terms associated with the Securities in question), the transfer of Uncertificated Securities may be effected only –

13.4.1 by a Participant or Central Securities Depository;

13.4.2 on receipt of an instruction to transfer, which is sent and properly authenticated in terms of the rules of a Central Securities Depository or an order of a Court; and

13.4.3 in accordance with section 53 and the rules of the Central Securities Depository.

13.5 Transfer of ownership in any Uncertificated Securities must be effected by debiting the account in the Uncertificated Securities Register from which the transfer is effected and crediting the account in the Uncertificated Securities Register to which the transfer is effected, in accordance with the rules of the Central Securities Depository.

Securities transfer tax and legal costs

13.6 Subject to the Preference Share Terms, securities transfer tax and other legal costs payable in respect of any transfer of Securities pursuant to this Memorandum of Incorporation will be paid by the Company to the extent that the Company is liable therefor in law, but shall, to that extent, be recoverable from the person acquiring such Securities.

14. **RESTRICTIONS ON THE DISPOSAL AND ENCUMBRANCE OF SHARES**

14.1 Notwithstanding anything to the contrary in this Memorandum of Incorporation and save for any Disposal of Ordinary Shares pursuant to the exercise by any holder of an Ordinary Share of an appraisal right in terms of section 164 for the duration of the Lock-in Period, or in the event that the New Transaction becomes wholly unconditional then until the Discharge Date, no holder of an Ordinary Share shall be entitled to Dispose of or Encumber any or all of its Ordinary Shares other than in accordance with the Transaction Documents.

14.2 In the event that the New Transaction becomes wholly unconditional, with effect from the Delisting Date, notwithstanding anything to the contrary in this Memorandum of Incorporation and save for any transfer of Preference Shares pursuant to the exercise by any holder of a Preference Share of an appraisal right in terms of section 164, Preference Shares may only be transferred with the prior written consent of the Board, which consent may not be unreasonably withheld or delayed. With effect from the Delisting Date the Board shall not register the transfer of a Preference Share unless it is satisfied that the remaining provisions of this Memorandum of Incorporation have been complied with (to the extent that they are applicable).

14.3 The Board shall not register the transfer of an Ordinary Share where it is Disposed of contrary to the provisions of clause 14.1.

15. **NO LIEN**

It is recorded for the avoidance of doubt that fully paid Securities shall not be subject to any lien in favour of the Company and shall be freely transferable.

16. **TRANSMISSION OF SECURITIES**

16.1 The executor of the estate of a deceased sole Security Holder shall be the only person recognised by the Company as having any right to deal with the Security. In the case of a Security registered in the names of 2 (two) or more Security Holders, the survivor or survivors, or the executor of any deceased Security Holder shall be the only person recognised by the Company as having any right to deal with that Security. Any person who submits proof of his appointment as the executor, administrator, trustee, curator, or guardian in respect of the estate of a deceased Shareholder or Security Holder or of a Security Holder whose estate has been sequestrated or of a Security Holder who is otherwise under a disability or as the liquidator of any body corporate which is a Security Holder of the Company, shall be entered in the Securities Register *nomine officii*, and shall thereafter, for all purposes, be deemed to be a Securities Holder.

16.2 Subject to the provisions of clause 16.1, any person becoming entitled to any Security by virtue of the death of a Security Holder shall, upon producing such evidence that he has such title or rights as the Directors think sufficient, have the right either to have such Security transferred to himself or to make such other transfer of the Security as such Security Holder could have made, provided that in respect of a transfer other than to himself –

16.2.1 the Directors shall have the same right to refuse or suspend registration as they would have had in the case of a proposed transfer of such Security by such Security Holder before his death; and

16.2.2 a person becoming entitled to any Security shall not, unless and until he is himself registered as a Security Holder in respect of such Security, be entitled to exercise any voting or other right attaching to such Security or any other right relating to meetings of the Company.

PART 5: SHAREHOLDERS, SHAREHOLDER MEETINGS AND RESOLUTIONS

17. **SINGLE SHAREHOLDER'S AUTHORITY TO ACT**

17.1 If, at any time, as contemplated in section 57(2), the Company has only 1 (one) Shareholder –

17.1.1 that Shareholder may exercise any and all of the voting rights pertaining to the Company, at any time, without notice or compliance with any other internal formalities as set out in that section, and such power is not limited or restricted by this Memorandum of Incorporation; and

17.1.2 the provisions of clauses 18 (Record Date for Exercise of Shareholder Rights), 19 (Shareholders' Meetings), 20 (Shareholders' Meetings by Electronic Communication), 21 (Votes of Shareholders), 23 (Shareholders' Resolutions) and 24 (Shareholders Acting Other Than at a Meeting) shall not apply to the Company.

17.2 If at any time every Shareholder is also a Director –

17.2.1 any matter that is required to be referred by the Board to the Shareholders for decision may be decided by the Shareholders at any time after being referred by the Board, without notice or compliance with any other internal formalities, provided that –

17.2.1.1 every such person was present at the Board meeting when the matter was referred to them in their capacity as Shareholders;

17.2.1.2 sufficient persons are present in their capacity as Shareholders to satisfy the quorum requirements set out in clause 19.11; and

17.2.1.3 a resolution adopted by those persons in their capacity as Shareholders has at least the support that would have been required for it to be adopted as an ordinary resolution or special resolution, as the case may be, at a properly constituted Shareholders' meeting; and

17.2.2 when acting in their capacity as Shareholders, those persons are not subject to the provisions of sections 73 to 78 relating to the duties, obligations, liabilities and indemnification of Directors.

18. RECORD DATE FOR EXERCISE OF SHAREHOLDER RIGHTS

18.1 The record date for the purpose of determining which Shareholders are entitled to –

18.1.1 receive notice of a Shareholders' meeting;

18.1.2 participate in and vote at a Shareholders' meeting;

18.1.3 decide any matter by written consent or by Electronic Communication;

18.1.4 receive a Distribution; or

18.1.5 be allotted or exercise other rights,

shall be determined by the Board, provided that, in respect of the Preference Shares, such record date shall be determined by the Board in accordance with the JSE Listings Requirements.

18.2 Such record date must be published to the Shareholders in a manner that satisfies the JSE Listings Requirements (in respect of the Holders) and any other prescribed requirements.

18.3 Save in respect of the record date applicable to Holders, if, at any time, the Board fails to determine a record date for any action or event, the record date shall be –

18.3.1 in the case of a meeting, the latest date by which the Company is required to give Shareholders notice of that meeting; or

18.3.2 in any other case, the date of the relevant action or event.

19. SHAREHOLDERS' MEETINGS

Calling of Shareholders' Meetings

19.1 Each of the Board or any prescribed officer of the Company authorised by the Board are entitled to call a Shareholders' meeting at any time.

19.2 Subject to clause 17 and to the provisions of section 60 dealing with the passing of resolutions of shareholders otherwise than at a meeting of Shareholders, the Company shall hold a Shareholders' meeting –

19.2.1 at any time that the Board is required by the Act, this Memorandum of Incorporation or the JSE Listings Requirements to refer a matter to Shareholders for decision;

19.2.2 whenever required in terms of the Act to fill a vacancy on the Board in the number of Elected Directors; or

19.2.3 when required in terms of clause 19.3 or by any other provision of this Memorandum of Incorporation.

19.3 The Board shall call a meeting of Shareholders if 1 (one) or more written and signed demands calling for such a meeting are delivered to the Company and –

19.3.1 each such demand describes the specific purpose for which the meeting is proposed; and

19.3.2 in aggregate, demands for substantially the same purpose are made and signed by the holders, at the earliest time specified in any of those demands, of at least 10% (ten percent) of the voting rights entitled to be exercised in relation to the matter proposed to be considered at the meeting.

Annual general meetings

19.4 In addition to other meetings of the Company that may be convened from time to time, until the Delisting Date, the Company shall convene an annual general meeting of its Shareholders once in each calendar year, but no more than 15 (fifteen) months after the date of the previous annual general meeting provided that such requirement shall no longer be applicable with effect from the Delisting Date.

19.5 Subject to the provisions of the JSE Listings Requirements (to the extent applicable), any such annual general meeting –

19.5.1 shall be capable of being held by Electronic Communication in accordance with the further provisions of this Memorandum of Incorporation; and

19.5.2 shall not be capable of being held in accordance with the provisions of section 60, as envisaged in clause 24.

19.6 Each annual general meeting of the Company contemplated in clause 19.4 shall provide for at least the following business to be transacted –

19.6.1 the presentation of the Director's report, audited financial statements for the immediately preceding Financial Year and an audit committee report;

19.6.2 the election of Directors to fill vacancies on the Board in the number of Elected Directors, to the extent required by the Act or by this Memorandum of Incorporation;

19.6.3 the appointment of an Auditor and an audit committee for the following Financial Year; and

19.6.4 any matters raised by the Shareholders, with or without advance notice to the Company.

19.7 Save as otherwise provided herein, the Company is not required to hold any other Shareholders' meetings other than those specifically required by the Act and the JSE Listings Requirements.

Location and notice of meeting

19.8 The Board may determine the location of any Shareholders' meeting, and the Company may hold any such meeting in the Republic or in any foreign country, and the authority of the Board and the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

19.9 The minimum number of days for the Company to deliver a notice of a Shareholders' meeting to the Shareholders as required by section 62 is as provided for in section 62(1) and, accordingly, until the Delisting Date any such notice shall be delivered to all Shareholders who are Shareholders on the relevant record date for the meeting at least 15 (fifteen) business days before the meeting is to begin and with effect from the Delisting Date any such notice shall be delivered to all Shareholders who are Shareholders on the relevant record date for the meeting at least 10 (ten) business days before the meeting is to begin.

19.10 The Company shall deliver notices of meetings to each Shareholder entitled to vote at such meeting who has elected to receive such documents.

Quorum and adjournment of meetings

19.11 The quorum for a Shareholders' meeting to begin or for a matter to be considered, shall be at least 3 (three) Shareholders entitled to attend and vote and be present at the meeting whether in person, by proxy or able to participate by Electronic Communication. In addition –

19.11.1 a Shareholders' meeting may not begin until sufficient persons are present (whether in person or by proxy) at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and

19.11.2 a matter to be decided at a Shareholders' meeting may not begin to be considered unless sufficient persons are present (whether in person or by proxy) at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

19.12 The time periods allowed in section 64(4) and (5) apply to the Company without variation and, accordingly, if within 1 (one) hour after the appointed time for a meeting to begin, the requirements of clause 19.11 –

19.12.1 for that meeting to begin have not been satisfied, the meeting is postponed, without any motion, vote or further notice, for 1 (one) week;

19.12.2 for consideration of a particular matter to begin have not been satisfied –

19.12.2.1 if there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without any motion or vote; or

19.12.2.2 if there is no other business on the agenda of the meeting, the meeting is adjourned, without any motion or vote, for 1 (one) week,

provided that the person intended to chair a meeting that cannot begin due to the operation of clause 19.11 may extend the 1 (one) hour limit allowed in this clause 19.12 for a reasonable period on the grounds that –

19.12.3 exceptional circumstances affecting weather, transportation or Electronic Communication have generally impeded or are generally impeding the ability of Shareholders to be present at the meeting; or

19.12.4 one or more particular Shareholders, having been delayed, have communicated an intention to attend the meeting, and those Shareholders, together with others in attendance, would satisfy the requirements of clause 19.11.

19.13 The accidental omission to give notice of any meeting to any particular Shareholder or Shareholders, or an immaterial defect in the manner or form of giving notice of any such meeting, shall not invalidate any resolution passed at any such meeting.

19.14 Subject to clause 19.15, the Company shall not be required to give further notice of a meeting that has been postponed or adjourned in terms of clause 19.12 unless the location for the meeting is different from –

19.14.1 the location of the postponed or adjourned meeting; or

19.14.2 the location announced at the time of adjournment, in the case of an adjourned meeting.

19.15 For so long as the Preference Shares are listed on the JSE, the Company shall release a notice on the Exchange Information Service of any postponed or adjourned meeting of the Holders.

19.16 If at the time appointed in terms of clause 19.12 for a postponed meeting to begin, or for an adjourned meeting to resume, the requirements of clause 19.12 have not been satisfied, the Shareholders present in person or by proxy will be deemed to constitute a quorum.

19.17 After a quorum has been established for a meeting, or for a matter to be considered at a meeting, all the Shareholders forming part of the quorum must be present at the meeting to hear any matter that must be considered at the meeting.

19.18 The chairperson of a meeting may with the consent of a meeting at which a quorum is present (and must if the meeting resolves thus) adjourn the meeting from time to time and from place to place, but an adjourned meeting may only deal with matters which could legally be dealt with at the meeting on which the adjournment took place.

19.19 As set out in section 64(12), the maximum period allowable for an adjournment of a Shareholders' meeting is the earlier of –

19.19.1 the date that is 120 (one hundred and twenty) business days after the record date determined in accordance with clause 18; and

19.19.2 the date that is 60 (sixty) business days after the date on which the adjournment occurred.

Conduct of meetings

19.20 The chairperson, if any, of the Board shall preside as chairperson at every Shareholder's meeting.

19.21 If there is no such chairperson, or if at any meeting he or she is not present within 15 (fifteen) minutes after the time appointed for holding the meeting or is unwilling to act as chairperson, the Directors present shall choose 1 (one) of their number to be chairperson. If no Director is willing to act as chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the meeting, the Shareholders present shall choose one of their number to be chairperson of the meeting.

19.22 The chairperson of a Shareholders' meeting may –

19.22.1 appoint any firm or persons to act as scrutineers for the purpose of checking any powers of attorney received and for counting the votes at the meeting; and

19.22.2 act on a certificate given by any such scrutineers without requiring production at the meeting of the forms of proxy or himself counting the votes.

19.23 If any votes were counted which ought not to have been counted or if any votes were not counted which ought to have been counted, the error shall not vitiate the resolution, unless –

19.23.1 it is brought to the attention of the chairperson at the meeting; and

19.23.2 in the opinion of the chairperson of the meeting, it is of sufficient magnitude to vitiate the resolution.

19.24 Any objection to the admissibility of any vote (whether on a show of hands or on a poll) shall be raised –

19.24.1 at the meeting or adjourned meeting at which the vote objected to was recorded; or

19.24.2 at the meeting or adjourned meeting at which the result of the poll was announced,

and every vote not then disallowed shall be valid for all purposes. Any objection made timeously shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

19.25 Any minutes of a meeting, or a resolution, signed by the chairperson of the meeting, or by the chairperson of the next meeting of the Shareholders, are evidence of the proceedings of that meeting, or the adoption of that resolution, as the case may be.

19.26 Even if he is not a Shareholder –

19.26.1 any Director; or

19.26.2 the Company's attorney (or where the Company's attorneys are a firm, any partner or director thereof),

may attend and speak at any general meeting, but may not vote, unless he is a Shareholder or the proxy or representative of a Shareholder.

20. SHAREHOLDERS' MEETINGS BY ELECTRONIC COMMUNICATION

20.1 Subject to the provisions of the JSE Listings Requirements in so far as meetings of the Holders are concerned, the Company may conduct a Shareholders' meeting entirely by Electronic Communication or provide for participation in a meeting by Electronic Communication, as set out in section 63, and the power of the Company to do so is not limited or restricted by this Memorandum of Incorporation. Accordingly –

20.1.1 any Shareholders' meeting may be conducted entirely by Electronic Communication; or

20.1.2 one or more Shareholders, or proxies for Shareholders, may participate by Electronic Communication in all or part of any Shareholders' meeting that is being held in person,

so long as the Electronic Communication employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other and without an intermediary, and to participate reasonably effectively in the meeting.

20.2 Any notice of any meeting of Shareholders at which it will be possible for Shareholders to participate by way of Electronic Communication shall inform Shareholders of the ability to so participate and shall provide any necessary information to enable Shareholders or their proxies to access the available medium or means of Electronic Communication, provided that such access shall be at the expense of the Shareholder or proxy concerned.

21. **VOTES OF SHAREHOLDERS**

21.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with this Memorandum of Incorporation, at a meeting of the Shareholders –

21.1.1 every person present and entitled to exercise voting rights shall be entitled to 1 (one) vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise; and

21.1.2 on a poll any person who is present at the meeting, whether as a Shareholder or as proxy for a Shareholder, has the number of votes determined in accordance with the voting rights associated with the Shares held by that Shareholder.

21.2 Voting shall be conducted by means of a polled vote in respect of any matter to be voted on at a meeting of Shareholders if a demand is made for such a vote by –

21.2.1 the chairperson of the meeting;

21.2.2 at least 5 (five) persons having the right to vote on that matter, either as Shareholders or as proxies representing Shareholders; or

21.2.3 a person who is, or persons who together are, entitled, as Shareholders or proxies representing Shareholders, to exercise at least 10% (ten percent) of the voting rights entitled to be voted on that matter.

21.3 At any meeting of the Shareholders, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of clause 21.2, and unless a poll is so demanded, a declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or defeated, and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

21.4 If a poll is duly demanded, it shall be taken in such manner as the chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In computing the majority on the poll, regard shall be had to the number of votes to which each Shareholder is entitled.

21.5 In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place, or at which the poll is demanded, shall not be entitled to a second or casting vote.

21.6 A poll demanded on the election of a chairperson (as contemplated in clause 19.21) or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairperson of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.

21.7 Where there are joint registered holders of any Share, any 1 (one) of such persons may exercise all of the voting rights attached to that Share at any meeting, either personally or by proxy, as if he or she were solely entitled thereto. If more than 1 (one) of such joint holders is present at any meeting, personally or by proxy, the person so present whose name stands first in the Securities Register in respect of such Share shall alone be entitled to vote in respect thereof.

21.8 The board of any company or the controlling body of any other Entity or person that holds any Shares may authorise any person to act as its representative at any meeting of Shareholders of the Company, in which event the following provisions will apply –

21.8.1 the person so authorised may exercise the same powers of the authorising company, Entity or person as it could have exercised if it were an individual holder of Shares; and

21.8.2 the authorising company, Entity or person shall deliver a resolution of the directors of such company or controlling body of such other Entity or person confirming the granting of such authority, and certified under the hand of the chairperson or secretary thereof, with the Company before the commencement of any Shareholders' meeting at which such person intends to exercise any rights of such Shareholder, unless excused from doing so by the chairperson of such meeting.

22. PROXIES AND REPRESENTATIVES

22.1 Any Shareholder may at any time appoint any natural person, including a natural person who is not a Shareholder, as a proxy to –

22.1.1 participate in, and speak and vote at, a Shareholders' meeting on behalf of that Shareholder; or

22.1.2 give or withhold written consent on behalf of that Shareholder to a decision contemplated in section 60,

provided that a Shareholder may appoint more than 1 (one) proxy to exercise voting rights attached to different Securities held by the Shareholder.

22.2 A proxy appointment –

22.2.1 must be in writing, dated and signed by the Shareholder; and

22.2.2 remains valid for –

22.2.2.1 1 (one) year after the date on which it was signed; or

22.2.2.2 any longer or shorter period expressly set out in the appointment,

unless it is revoked in a manner contemplated in the Act or expires earlier as contemplated in the Act.

22.3 The holder of a power of attorney or other written authority from a Shareholder may, if so authorised thereby, represent such Shareholder at any meeting of the Shareholders and such holder shall deliver the power of attorney or other written authority (if any), or a copy thereof, to the Company before such holder exercises any rights of the Shareholder at a Shareholders' meeting. A Shareholder so represented at a meeting of the Shareholders shall be deemed for purposes of this Memorandum of Incorporation to be a Shareholder who is present at the meeting.

22.4 All of the remaining provisions of the Act relating to the appointment and revocation of proxies and the rights of proxies generally shall apply and, in particular –

22.4.1 a Shareholder has the right to appoint 2 (two) or more persons concurrently as proxies as set out in section 58(3)(a) ("**Concurrent Proxies**"), provided that the instrument appointing such Concurrent Proxies clearly states the order in which the votes of the Concurrent Proxies are to take precedence in the event that both or all of the Concurrent Proxies are present, and vote, at the meeting concerned;

22.4.2 a Shareholder's proxy may delegate the proxy's powers to another person as set out in section 58(3)(b);

22.4.3 a Shareholder or his proxy must deliver to the Company or its nominee a copy of the instrument appointing a proxy before the commencement of the meeting at which the proxy intends to exercise that Shareholder's rights, provided that proxies delivered less than 48 (forty eight) hours before the commencement of the meeting up until the time of commencement of the meeting shall be delivered to the chairperson of the meeting; and

22.4.4 unless the instrument appointing a proxy provides otherwise, a Shareholder's proxy may decide, without direction from the Shareholder, whether to exercise or abstain from exercising any voting right of the Shareholder, as set out in section 58(7),

and none of such rights or powers are limited, restricted or varied by this Memorandum of Incorporation.

22.5 Every instrument of proxy shall, as far as circumstances permit, be substantially in the following form, or in such other form as the Directors may approve from time to time –

"I/We ________________________ being a shareholder of Zambezi Platinum (RF) Limited do hereby appoint ________________________ or failing him/her ________________________ or failing him/her, the chairperson of the meeting as my/our proxy to vote or abstain from voting on my/our behalf at the meeting of the Shareholders to be held at________________ on________________ and at any postponement or adjournment thereof as follows:-

	In favour of	*Against*	*Abstain*
Special Resolution 1	....	....	....
Ordinary Resolution 1	....	....	....

(Indicate instruction to proxy by way of a cross in space provided above). Except as instructed above or if no instructions are inserted above, my/our proxy may vote as he/she thinks fit.

***SIGNED** this day of in the year of.*

____

SHAREHOLDER'S SIGNATURE

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- ***a shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a Shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;***
- ***a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;***
- ***irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;***
- ***any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;***
- ***if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company;***
- ***a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise; and***
- ***if the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's Memorandum of Incorporation to be delivered to a shareholder must be delivered by such company to –***
  - o ***the relevant shareholder; or***
  - o ***the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so.***"

22.6 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy was given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

23. **SHAREHOLDERS' RESOLUTIONS**

23.1 For an ordinary resolution to be approved it must be supported by more than 50% (fifty percent) of the voting rights exercised on the resolution, as provided in section 65(7). Notwithstanding anything to the contrary contained in this Memorandum of Incorporation, to the extent that the JSE Listings Requirements require a higher percentage in respect of any particular ordinary resolution, the Company shall not implement such ordinary resolution unless the Company has obtained the support of the applicable percentage prescribed in terms of the JSE Listings Requirements.

23.2 For a special resolution to be approved it must be supported by the holders of at least 75% (seventy five percent) of the voting rights exercised on the resolution, as provided in section 65(9).

23.3 No matters, except –

23.3.1 those matters set out in section 65(11); or

23.3.2 any other matter required by the Act or by this Memorandum of Incorporation to be resolved by means of a special resolution; or

23.3.3 for so long as the Preference Shares are listed on the JSE, any other matter required by the JSE Listings Requirements to be resolved by means of a special resolution,

require a special resolution of the Company.

23.4 In the event that any Shareholder abstains from voting in respect of any resolution, such Shareholder will, for the purposes of determining the number of votes exercised in respect of that resolution, be deemed not to have exercised a vote in respect thereof.

24. **SHAREHOLDERS ACTING OTHER THAN AT A MEETING**

24.1 In accordance with the provisions of section 60, but subject to clause 24.4, a resolution that could be voted on at a Shareholders' meeting (other than in respect of the election of Elected Directors) may instead be –

24.1.1 submitted by the Board for consideration to the Shareholders entitled to exercise the voting rights in relation to the resolution; and

24.1.2 voted on in writing by such Shareholders within a period of 20 (twenty) business days after the resolution was submitted to them.

24.2 A resolution contemplated in clause 24.1 –

24.2.1 will have been adopted if it is supported by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution, as the case may be, at a properly constituted Shareholders' meeting; and

24.2.2 if adopted, will have the same effect as if it had been approved by voting at a meeting.

24.3 Within 10 (ten) business days after adopting a resolution, or conducting an election of Directors in terms of the provisions of this clause 24, the Company shall deliver a statement describing the results of the vote, consent process, or election to every Shareholder who was entitled to vote on or consent to the resolution, or vote on the election of a Director, as the case may be.

24.4 The provisions of this clause 24 shall not apply to –

24.4.1 any Holder meetings that are called for in terms of the JSE Listings Requirements, which Holder meetings must be held "in person"; or

24.4.2 to any annual general meeting of the Company,

provided that, notwithstanding the provisions of clause 24.4.1, any resolutions required in respect of a change of the Company's name, any odd lot offer, any increase in the Company's authorised Share capital and/or the approval of any amendment of this Memorandum of Incorporation may be proposed as written resolutions in accordance with the provisions of section 60 as contemplated in this clause 24.

PART 6: DIRECTORS

25. COMPOSITION OF THE BOARD OF DIRECTORS

Number of Directors

25.1 Until the Release Date, in addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee and a social and ethics committee, the number of Directors shall be not less than 4 (four) persons and not more than 8 (eight) persons.

25.2 With effect from the Release Date, in addition to the minimum number of Directors, if any, that the Company must have to satisfy any of the New Transaction Documents or in terms of the Act to appoint an audit committee and a social and ethics committee, the number of Directors shall be not less than 1 (one) person.

25.3 No person shall be appointed or elected as a Director if such person is in terms of the Act or in terms of this Memorandum of Incorporation, ineligible to serve or is disqualified from serving as a Director.

25.4 Directors shall be appointed in terms of clause 25.17 and elected in terms of clause 25.8 by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company.

25.5 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, save in respect of a vacancy arising in respect of an Appointed Director, fill the vacancy/ies in accordance with clause 25.25 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the Board of Directors or invalidate anything done by the Board of Directors while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.

25.6 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in clause 25.5, their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.

25.7 The Company shall not have *ex officio* directors as contemplated in section 66(4).

Election of Directors

25.8 Subject to clause 25.16, until the Release Date, subject to the minimum number of Directors, if any, that the Company must have to satisfy the requirements in terms of the Act to appoint an audit committee and a social and ethics committee, a maximum of 7 (seven) Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Shareholders.

25.9 In any election of Directors –

25.9.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and

25.9.2 in each vote to fill a vacancy –

25.9.2.1 each vote entitled to be exercised may be exercised once; and

25.9.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate,

provided only that, in the event that the Company only has 1 (one) Shareholder, the provisions of this clause 25.9 will not apply and the election of Directors shall take place in such manner as the Shareholder shall determine.

25.10 Until the Repurchase Implementation Date, each Shareholder ("**Nominating Shareholder**") shall be entitled to nominate 1 (one) person for election as a Director in accordance with the provisions of clause 25.12 (and such entitlement includes the right until the Repurchase Implementation Date to nominate a person for election as a Director to replace any previous nominee of such Shareholder who has, for any reason, ceased to be a Director), whereafter the provisions of clauses 25.10 to 25.13 and clause 26.2 shall no longer be applicable.

25.11 In the event that a Nominating Shareholder nominates a person for election as a Director pursuant to the provisions of clause 25.10, the Board shall ensure that a resolution is proposed to the Shareholders without unreasonable delay for the purpose of conducting such election.

25.12 The Shareholders agree to exercise their respective voting rights in respect of the resolution referred to in clause 25.10, so as to procure the election of the nominee of the Nominating Shareholder in question as a Director. If any Shareholder fails to so exercise its voting rights, such Shareholder hereby irrevocably authorizes the Nominating Shareholder in question to exercise all its voting rights as a Shareholder so as to procure such nominee is elected as a Director. The nomination by a Nominating Shareholder of a person for election as a Director as contemplated in clause 25.10 shall be effected by written notice to the Company, accompanied by a written consent by the nominee to serve as a Director, provided that such notice and consent shall also be accompanied by a written acknowledgement by such nominee that he shall be deemed *ipso facto* to have resigned from office as such forthwith upon him being required to cease holding office as a Director in terms of clause 25.13, which written acknowledgement shall irrevocably appoint such Nominating Shareholder as his agent to sign all such documents and to do all such things as are or may be necessary or required to give effect to and implement his resignation, and shall further confirm that such person shall have no claims against either the Company, or the Shareholders, arising from or relating to such resignation.

25.13 Any person who has been elected as a Director, following his nomination for such election by a particular Nominating Shareholder may at any time be removed as a Director by such Nominating Shareholder. Such removal shall be effected by way of a written notice to the Company and such Director by the Nominating Shareholder in question and shall be effective immediately on the giving of such notice. Without detracting in any way from the provisions of this clause 25.13, the Nominating Shareholder in question may require the Board to convene a Shareholders meeting for the purpose of removing any nominee of such Nominating Shareholder from the Board in terms of sections 71(1) and (2), and all the other Shareholders shall be bound to exercise their voting rights as Shareholders in support of such removal. If any Shareholder fails to so exercise its voting rights, such Shareholder hereby irrevocably authorises the Nominating Shareholder whose nominee is to be removed as a Director to exercise all its voting rights as a Shareholder so as to procure such nominee is removed as a Director.

25.14 The Shareholders may elect a person as a Director to fill any vacancy on the Board in the number of Elected Directors, provided that if the vacancy arises with respect to an Elected Director who was elected as a Director (or deemed to have been elected to the Board) as the nominee (or the deemed nominee) of any Nominating Shareholder as contemplated in clause 25.5, then until the Repurchase Implementation Date such vacancy may only be filled by a person nominated for such purpose by the Nominating Shareholder and such person shall, for the purpose of clause 25.10, be deemed to have been elected as a Director pursuant to a nomination for such election made by the Nominating Shareholder in question.

25.15 Notwithstanding anything to the contrary contained in this Memorandum of Incorporation, in the event that independent directors are required to be appointed as envisaged in Regulation 108(9), the Board shall be entitled to appoint such additional persons to the Board as may be required (in addition to the 8 (eight) Directors envisaged in clause 25.1).

25.16 In the event that the Company is at any time required in terms of the Act to appoint a social and ethics committee, the Shareholders shall, to the extent required by Regulation 43(4), be entitled to elect 1 (one) additional Director to such committee, provided that –

25.16.1 such Director shall not be involved in the day to day management of the Company, as envisaged in regulation 43(4);

25.16.2 the rights and obligations of any such additional Director will be limited to his rights and obligations in his capacity as a member of the social and ethics committee and he will not be required or entitled to partake in any other Board decisions or activities; and

25.16.3 the failure of the Shareholders to so elect such additional Director will result in a vacancy on the Board in the number of Elected Directors, which vacancy the Board will be entitled to fill on a temporary basis pursuant to clause 25.25.

Appointed Director

25.17 Northam shall be entitled to appoint 1 (one) Director to the Board.

25.18 Northam may remove the Appointed Director and replace any such appointee so removed or who has otherwise ceased to be a Director.

25.19 The appointment or removal of an Appointed Director by Northam in terms of clauses 25.17 and 25.18 shall be effected by notice to the Company and will be operative immediately upon receipt by the Company of such notice and a written consent by such person to serve as a Director as contemplated in section 66(7)(b) of the Act, provided that such notice and consent shall be accompanied by a written acknowledgement by such Director that he shall be deemed *ipso facto* to have resigned from office as such forthwith upon him being required to cease holding office as a Director in terms of clause 25.18, which written acknowledgement shall irrevocably appoint Northam as his agent to sign all such documents and to do all such things as are necessary or required to give effect to and implement his resignation, and shall further confirm that such Director shall have no claims against either the Company or the Shareholders, arising from or relating to such resignation.

25.20 The Shareholders may not elect a person as a Director to fill any vacancy on the Board of the Appointed Director.

Eligibility and rotation of Directors

25.21 Apart from satisfying the qualification and eligibility requirements set out in section 69, unless otherwise agreed to by Northam in writing, a person shall be disqualified from becoming or remaining a Director or a prescribed officer of the Company if such person (i) is a director, officer, representative or employee of any person which has any direct or indirect interest in a Competitor, whether as a proprietor, partner, director, shareholder, member of a syndicate or close corporation or advisor (in any way) or otherwise or (b) has any other material conflict of interest in acting as a Director.

25.22 No Director shall be appointed for life or for an indefinite period and until the Release Date, the Directors shall rotate in accordance with the following provisions of this clause 25.22 –

25.22.1 at each annual general meeting referred to in clause 19.4, 1/3 (one third) of the Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3 (one third), shall retire from office, provided that if a Director is appointed as managing Director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors;

25.22.2 the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;

25.22.3 a retiring Director shall be eligible for re-election in accordance with clause 25.8 or re-appointment in accordance with clause 25.17, as the case may be;

25.22.4 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, unless the retiring Director was appointed by Northam in accordance with clause 25.17 and provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with clause 24; and

25.22.5 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including clauses 19.12 to 19.15 (inclusive), read with the changes required by the context, will apply to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.

25.23 The Board shall, through its nomination committee if such committee has been constituted in terms of clause 32, provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution.

Forced Retirement

25.24 Notwithstanding anything to the contrary herein contained, if Northam exercises the Subscription Option at any time, then all the Elected Directors shall immediately retire from office and the Appointed Director shall have the power to fill the vacancies on the Board in the number of Elected Directors in accordance with clause 25.25.

25.25 **Vacancies**

The Board has the power to fill any vacancy on the Board in the number of Elected Directors on a temporary basis, as set out in section 68(3), provided that such appointment must be confirmed by the Shareholders, in accordance with clause 25.4, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i).

26. ALTERNATE DIRECTORS

26.1 Northam shall be entitled to –

26.1.1 appoint 1 (one) or more persons (including an existing Director) as an alternate director to the Appointed Director; and

26.1.2 remove and/or replace any such alternate Director,

and the provisions of clauses 25.17 to 25.19, read with the changes required by the context, shall apply with regard to the appointment and removal of any such alternate Director.

26.2 Until the Repurchase Implementation Date, each Nominating Shareholder shall be entitled, in regard to its nominee who has been elected to the Board and continues to serve as a Director, to nominate 1 (one) or more persons (including an existing Director) for election as an alternate Director to each of the Elected Directors (and such entitlement includes the right to remove and/or nominate a person for election as an alternate director to replace such alternate Elected Director or any previous nominee alternate director of such Nominating Shareholder who has, for any reason, ceased to be an alternate director), provided that –

26.2.1 any nominee of a Nominating Shareholder elected as an alternate Director shall be entitled to serve as an alternate to any 1 (one) or more Directors who have been elected to the Board as nominees of such Shareholder; and

26.2.2 any person so nominated for election as an alternate Director shall not have a material conflict of interest in acting as a Director,

and the provisions of clauses 25.8 and 25.9, each read with the changes required by the context, shall apply with regard to the election and removal of any alternate Elected Director in terms of this clause 26.

26.3 Subject to his advising the Company of an address at which notices may be served upon him, each alternate Director shall be entitled –

26.3.1 to receive notice, in terms of clause 30.4.3, of each meeting of the Board;

26.3.2 whilst acting in place of any Director to whom he is an alternate Director, to attend each meeting of the Board;

26.3.3 in the absence of the Director to whom he is an alternate, to sign a resolution in terms of clause 30 and generally to exercise all the other rights of that Director at any meeting; and

26.3.4 at any meeting of the Board which he attends, to exercise the same number of votes as the Director (to whom he is an alternate) has and who is not present at the meeting.

27. POWERS OF THE BOARD OF DIRECTORS

27.1 Subject to the restrictions set out in clause 5, the Preference Share Terms and the remaining provisions of this Memorandum of Incorporation, the Board has the power to exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1).

27.2 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

27.3 Subject to clause 5 and the provisions of the Preference Share Terms, save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.

27.4 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

28. BORROWING POWERS

Until the Release Date, the Directors shall not, save with Northam's prior written consent or in terms of the New Transaction Documents or the Transaction Documents –

28.1 borrow for the purposes of the Company any sums; nor

28.2 secure the payment or repayment of any sums, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

29. DIRECTORS' INTERESTS

29.1 A Director may hold any other office or place of profit under the Company (except that of auditor) or any Subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.

29.2 Subject to clause 25.21, a Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.

29.3 Each Director and each alternate Director, prescribed officer and member of any committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) and the qualifications contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or any person who is a Related person to them) have a personal financial interest in any matter to be considered by the Board.

30. DIRECTORS' MEETINGS

30.1 Save as may be provided otherwise herein, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

30.2 The Directors may elect a chairperson and a deputy chairperson and determine the period for which each is to hold office. The chairperson, or in his absence the deputy chairperson, shall be entitled to preside over all meetings of Directors. If no chairperson or deputy chairperson is elected, or if at any meeting neither is present or willing to act as chairperson thereof within 10 (ten) minutes of the time appointed for holding the meeting, the Directors present shall choose 1 (one) of their number to be chairperson of such meeting.

30.3 In addition to the provisions of section 73(1), any Director shall at any time be entitled to call a meeting of the Directors.

30.4 The Board has the power to –

30.4.1 consider any matter and/or adopt any resolution other than at a meeting as contemplated in section 74 and, accordingly, any decision that could be voted on at a meeting of the Board may instead be adopted by the written consent of a majority of the Directors, such majority of the Directors including the Appointed Director, given in person or by Electronic Communication, provided that each Director has received notice of the matter to be decided;

30.4.2 conduct a meeting entirely by Electronic Communication, or to provide for participation in a meeting by Electronic Communication, as set out in section 73(3), provided that, as required by such section, the Electronic Communication facility employed ordinarily enables all persons participating in the meeting to communicate concurrently with each other without an intermediary and to participate reasonably effectively in the meeting;

30.4.3 determine the manner and form of providing notice of its meetings as set out in section 73(4), provided that –

30.4.3.1 the notice period for the convening of any meeting of the Board will be at least 7 (seven) days unless the decision of the Directors is required on an urgent basis which justifies a shorter period of notice, in which event the meeting may be called on shorter notice. The decision of the chairperson of the Board, or failing the chairperson for any reason, the decision of any 2 (two) Directors as to whether a matter should be decided on an urgent basis, and the period of notice to be given, shall be final and binding on the Directors; and

30.4.3.2 an agenda of the matters to be discussed at the meeting shall be given to each Director, together with the notice referred to in clause 30.4.3.1; and/or

30.4.4 proceed with a meeting despite a failure or defect in giving notice of the meeting, as provided in section 73(5),

and the powers of the Board in respect of the above matters are not limited or restricted by this Memorandum of Incorporation.

30.5 Any resolution adopted in terms of clause 30.4.1 or 30.4.2 and inserted in the minute book shall be as valid and effective as if it had been passed at a meeting of Directors. Any such resolution may consist of several documents and shall be deemed to have been passed on the date on which it was signed by the last Director who signed it (where applicable, unless a statement to the contrary is made in that resolution).

30.6 The quorum requirement for a Directors' meeting (including an adjourned meeting) to begin, the voting rights at such a meeting, and the requirements for approval of a resolution at such a meeting are as follows –

30.6.1 if all of the Directors of the Company –

30.6.1.1 acknowledge actual receipt of the notice convening a meeting; or

30.6.1.2 are present at a meeting; or

30.6.1.3 waive notice of a meeting,

the meeting may proceed even if the Company failed to give the required notice of that meeting or there was a defect in the giving of the notice;

30.6.2 a majority of the Directors which shall include the Appointed Director must be present at a meeting before a vote may be called at any meeting of the Directors;

30.6.3 each Director has 1 (one) vote on a matter before the Board;

30.6.4 a majority of the votes cast in favour of a resolution is sufficient to approve that resolution;

30.6.5 in the case of a tied vote –

30.6.5.1 the chairperson may not cast a deciding vote in addition to any deliberative vote; and

30.6.5.2 the matter being voted on fails.

30.7 The Directors shall keep minutes of every meeting of the Board and any of its committees, and include in the minutes –

30.7.1 any declaration given by notice or made by a Director as required by section 75; and

30.7.2 every resolution adopted by the Board.

30.8 Resolutions adopted by the Board –

30.8.1 must be dated and sequentially numbered; and

30.8.2 are effective as of the date of the resolution, unless any resolution states otherwise.

30.9 Any minutes of a meeting, or a resolution, signed by the chairperson of the meeting, or by the chairperson of the next meeting of the Board, are evidence of the proceedings of that meeting, or the adoption of that resolution, as the case may be.

31. DIRECTORS' COMPENSATION

31.1 No remuneration shall be paid to any Director in his capacity as a Director.

31.2 The Directors may not be paid the travelling expenses nor shall they be reimbursed any other expenses properly and necessarily incurred by them in and about the Company's business, whether or not authorised by the Board.

31.3 Any Director who –

31.3.1 serves on any executive or other committee; or

31.3.2 devotes special attention to the business of the Company; or

31.3.3 goes or resides outside South Africa for the purpose of the Company; or

31.3.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,

shall not be paid any extra remuneration or allowances.

32. **COMMITTEES OF THE BOARD**

32.1 Subject to clause 32.2, the Board may not –

32.1.1 appoint committees of Directors and delegate to any such committee any of the authority of the Board as set out in section 72(1); and/or

32.1.2 include in any such committee persons who are not Directors, as set out in section 72(2)(a),

and the power of the Board in this regard is limited and restricted by this Memorandum of Incorporation.

32.2 If and for as long as it is required to do so in terms of the Act, and unless the Company is exempted from doing so by the Tribunal in terms of section 72(5), the Board must appoint an audit committee (in terms of section 94) and a social and ethics committee (in terms of section 72(4) read with Regulation 43) having the powers and functions prescribed in terms of section 72 and the Regulations.

32.3 If and for as long as any of the Preference Shares are listed on the JSE, the Board shall appoint such Board committees as are required by the JSE Listings Requirements, having such functions and powers as are prescribed by or in terms of the JSE Listings Requirements.

32.4 The Company must further appoint an audit committee in the manner and for the purposes set out in Part D of Chapter 3 of the Act and in accordance with the JSE Listings Requirements.

33. **INDEMNIFICATION OF DIRECTORS**

33.1 Until the Release Date, the Company may not –

33.1.1 advance expenses to a Director or directly or indirectly indemnify a Director in respect of the defence of legal proceedings, as set out in section 78(4);

33.1.2 indemnify a Director in respect of liability as set out in section 78(5); and/or

33.1.3 purchase insurance to protect the Company or a Director as set out in section 78(7),

and the power of the Company in this regard is limited, restricted or extended by this Memorandum of Incorporation.

33.2 The provisions of clause 33.1 shall apply *mutatis mutandis* in respect of any former Director, prescribed officer or member of any committee of the Board, including the audit committee and social and ethics committee.

PART 7: FINANCIAL MATTERS

34. **FINANCIAL ASSISTANCE**

34.1 Subject to clause 5 and the Preference Share Terms, until the Release Date, the Board may not authorise the Company to provide financial assistance by way of loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any Securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any such Securities, as set out in section 44 other than in terms of the New Transaction Documents or with Northam's prior written consent, and the authority of the Board in this regard is limited and restricted by this Memorandum of Incorporation.

34.2 Subject to clause 5 and the Preference Share Terms, until the Release Date, the Board may not authorise the Company to provide direct or indirect financial assistance to a Director or prescribed officer of the Company or to a director of prescribed officer of a related or inter-related company (as defined in the Act), or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member, as set out in section 45 other than in terms of the New Transaction Documents or with Northam's prior written consent, and the authority of the Board in this regard is limited and restricted by this Memorandum of Incorporation.

35. DISTRIBUTIONS

Subject to the provisions of clause 5, the N Share Terms and the Preference Share Terms and the provisions of the Act (particularly section 46):

35.1 The Company may make a proposed Distribution if such Distribution –

35.1.1 is pursuant to an existing legal obligation of the Company, or a Court order; or

35.1.2 is authorised by resolution of the Board, in compliance with the JSE Listings Requirements (if applicable),

provided that if such Distribution is a repayment of capital, the Company shall not be entitled to make such Distribution on the basis that it may be called up again.

35.2 If Northam exercises the Subscription Option, the Company shall not make any Distribution to the remaining Ordinary Shareholders until such time as Northam has exercised the Put Option and the Company has repurchased the Ordinary Share held by Northam in accordance with the provisions of the Put Option.

35.3 No Distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such Distribution is payable.

35.4 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

35.5 The Directors may from time to time declare and pay to the Shareholders such interim Distributions as the Directors consider appropriate.

35.6 All unclaimed Distributions (other than monetary Distributions) may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that Distributions unclaimed for a period of 3 (three) years (or such longer period as the law may prescribe for the prescription of a claim) from the date on which they were declared may be declared forfeited by the Directors for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit. All unclaimed monies due to any Shareholder/s shall be held by the Company in trust until lawfully claimed by such Shareholder/s, provided that such unclaimed monies shall be subject to the laws of prescription.

35.7 Any Distribution, interest or other sum payable in cash to a Shareholder may be paid by cheque or warrant sent by post and addressed to –

35.7.1 the Shareholder at his registered address; or

35.7.2 such person and at such address as the Shareholder may in writing direct.

35.8 Every such cheque or warrant shall –

35.8.1 be made payable to the order of the person to whom it is addressed; and

35.8.2 be sent at the risk of the Shareholder.

35.9 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid.

35.10 A Shareholder or any one or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any Distributions or other moneys paid in respect of a Share held by such Shareholder or joint Shareholders.

35.11 When such cheque or warrant is paid, it shall discharge the Company of any further liability in respect of the amount concerned.

35.12 A Distribution may also be paid in any other way determined by the Directors, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.

35.13 Without detracting from the ability of the Company to issue Capitalisation Shares, any Distribution may be paid wholly or in part –

35.13.1 by the Distribution of specific assets; or

35.13.2 by the issue of Shares, debentures or securities of the Company or of any other company; or

35.13.3 in cash; or

35.13.4 in any other way which the Directors may at the time of declaring the Distribution determine.

35.14 Where any difficulty arises in regard to such Distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on Distribution.

35.15 The Directors may –

35.15.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of Distribution; and

35.15.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the Distribution as the Directors deem expedient.

35.16 Any Distribution must be made payable to Shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date.

36. ANNUAL FINANCIAL STATEMENTS

36.1 The Company shall keep all such accurate and complete accounting records, in English, as are necessary to enable the Company to satisfy its obligations in terms of –

36.1.1 the Act;

36.1.2 any other law with respect to the preparation of financial statements to which the Company may be subject; and

36.1.3 this Memorandum of Incorporation.

36.2 The Company shall each year prepare annual financial statements within 6 (six) months after the end of its Financial Year, or such shorter period as may be appropriate to provide the required notice of an annual general meeting in terms of section 61(7).

36.3 Until the Delisting Date, the Company shall appoint an Auditor each year at its annual general meeting. If the Company appoints a firm as its Auditor, any change in the composition of the members of that firm shall not by itself create a vacancy in the office of Auditor.

36.4 Until the Delisting Date, the annual financial statements of the Company shall be prepared and audited in accordance with the provisions of section 30 of the Act.

36.5 Until the Delisting Date, a copy of the annual financial statements must be sent to Shareholders at least 15 (fifteen) business days before the date of the annual general meeting of the Company at which such annual financial statements will be considered.

36.6 The annual financial statements shall be prepared on a basis that is not inconsistent with any unalterable or non-elective provision of the Act and shall satisfy, as to form and content, the financial reporting standards of IFRS and, subject to and in accordance with IFRS –

36.6.1 present fairly the state of affairs and business of the Company and explain the transactions and financial position of the business of the Company;

36.6.2 show the Company's assets, liabilities and equity, as well as its income and expenses and any other prescribed information;

36.6.3 set out the date on which the statements were produced and the accounting period to which they apply; and

36.6.4 until the Delisting Date, bear on the first page thereof a prominent notice indicating that the annual financial statements have been audited and the name and professional designation of the person who prepared them.

PART 8: GENERAL

37. COMPANY SECRETARY

37.1 The Company must appoint a company secretary.

37.2 The company secretary must have the requisite knowledge of, or experience in respect of, relevant laws and be a permanent resident of the Republic.

37.3 The Board must fill any vacancy in the office of company secretary within 60 (sixty) business days after such vacancy arises by a person whom the Directors consider to have the requisite knowledge and experience.

38. ACCESS TO COMPANY RECORDS

38.1 Each person who holds or has a beneficial interest in any Securities issued by the Company is entitled to inspect and copy, upon payment of the prescribed maximum charge for any such copy, the information contained in the records of the Company referred to in section 26(1), being –

38.1.1 this Memorandum of Incorporation, and any amendments or alterations thereof;

38.1.2 a record of the Directors, including the details of any person who has served as a Director, for a period of 7 (seven) years after that person has ceased to serve as a Director, and any information relating to such persons referred to in section 24(5);

38.1.3 all –

38.1.3.1 reports presented at an annual general meeting of the Company for a period of 7 (seven) years after the date of any such meeting; and

38.1.3.2 annual financial statements required by the Act for a period of 7 (seven) years after the date on which each such particular statements were issued;

38.1.4 notice and minutes of all Shareholders' meetings, including –

38.1.4.1 all resolutions adopted by them, for 7 (seven) years after the date each such resolution was adopted; and

38.1.4.2 any document that was made available by the Company to the holders of Securities in relation to each such resolution;

38.1.5 any written communications sent generally by the Company to all holders of any class of the Company's Securities, for a period of 7 (seven) years after the date on which each of such communications was issued; and

38.1.6 the Securities Register of the Company.

38.2 A person not contemplated in clause 38.1 has a right to inspect the Securities Register and the register of Directors of the Company upon payment of the prescribed maximum fee for any such inspection.

38.3 A person who wishes to inspect the Uncertificated Securities Register may do so only through the Company in terms of section 26, and in accordance with the rules of the Central Securities Depository. Within 5 (five) business days after the date of a request for inspection, the Company must produce a record of the Uncertificated Securities Register, which record must reflect at least the details referred to in section 50(3)(b) at the close of business on the day on which the request for inspection was made.

39. AMENDMENT OF MEMORANDUM OF INCORPORATION

39.1 Subject to clause 5, the Preference Share Terms and the N Share Terms, this Memorandum of Incorporation may only be altered or amended by way of a special resolution of the Shareholders in accordance with section 16(1)(c) and, prior to the Release Date, with the prior written consent of Northam.

39.2 An amendment of this Memorandum of Incorporation will take effect from the later of –

39.2.1 the date on, and time at, which the Commission accepts the filing of the notice of amendment contemplated in section 16(7); and

39.2.2 the date, if any, set out in the said notice of amendment,

save in the case of an amendment that changes the name of the Company, which will take effect from the date set out in the amended registration certificate issued by the Commission.

40. NOTICES

40.1 All notices, other than notices to Holders, shall be delivered by the Company to each Shareholder, as the case may be, physically, by fax, by email, by registered post, or by any other means authorised in terms of Table CR 3 annexed to the Regulations.

40.2 All notices to Holders shall, in addition to the above –

40.2.1 be delivered by the Company to each Shareholder of the Company physically, by fax, by email, by registered post, or by any other means authorised in terms of Table CR 3 annexed to the Regulations; and

40.2.2 until the Delisting Date, be simultaneously given to the Issuer Services Division of the JSE,

and shall be given in writing in any manner authorised by the JSE Listings Requirements and the Regulations. All notices to Holders shall, in addition to the above, be released through the Exchange Information Service provided that, in the event that the Preference Shares cease to be listed on the JSE, all the provisions of this Memorandum of Incorporation relating to the publication of notices via the Exchange Information Service shall no longer apply and such notices shall thereafter only be published in accordance with the provisions of the Act.

40.3 Each Shareholder of the Company –

40.3.1 shall notify in writing to the Company an address, which address shall be his registered address for the purposes of receiving written notices from the Company by post; and

40.3.2 may notify in writing to the Company an email address and/or facsimile number, which address shall be his address for the purposes of receiving notices by way of Electronic Communication (and by doing so the Shareholder concerned shall be deemed to have confirmed that notices sent to such address can conveniently be printed by that Shareholder within a reasonable time and at a reasonable cost as contemplated in section 6(10)).

40.4 Any Shareholder whose address in the Securities Register is an address not within South Africa, and who shall from time to time furnish the Company with an address within South Africa at which notices can be served upon him, shall be entitled to have notices served upon him at such address.

40.5 In the case of joint holders of a Share, all notices shall, unless such holders otherwise in writing request and the Directors agree, be given to that Shareholder whose name appears first in the Securities Register and a notice so given shall be deemed sufficient notice to all the joint holders.

40.6 Any notice sent by any means permitted in Table CR 3 annexed to the Regulations shall be deemed to have been delivered as provided for that method of delivery in such Table.

40.7 Every person who by operation of law, transfer or other means whatsoever becomes entitled to any Share, shall be bound by every notice in respect of that Share which, previously to his name and address being entered in the Securities Register, was given to the person from whom he derives his title to such Share.

40.8 Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in pursuance of this Memorandum of Incorporation shall, notwithstanding that such Shareholder was then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served in respect of any Shares, whether held solely or jointly with other persons by such Shareholder, until some other person be registered in his stead as the sole or joint holder thereof, and such service shall for all purposes of this Memorandum of Incorporation be deemed a sufficient service of such notice or document on his heirs, executors or administrators, and all persons (if any) jointly interested with him in any such Shares.

41. **WINDING UP**

Subject to the Preference Share Terms and the N Share Terms –

41.1 If the Company be wound up, the assets remaining after payment of the debts and liabilities of the Company and the costs of the liquidation shall be applied as follows –

41.1.1 to repay to the Shareholders the amounts paid up on the Shares respectively held by each of them; and

41.1.2 the balance (if any) shall be Distributed among the Shareholders in proportion to the number of Shares respectively held by each of them,

provided that the provisions of this clause shall be subject to the rights of the Holders and the holders of any other Shares (if any) issued upon special conditions.

41.2 In a winding-up, any part of the assets of the Company, including any shares or securities of other companies may, with the sanction of a special resolution of the Company, be paid to the Shareholders of the Company *in specie*, or may, with the same sanction, be vested in trustees for the benefit of such Shareholders, and the liquidation of the Company may be closed and the Company dissolved.

42. **RULES**

The Board is prohibited from making, amending or repealing any rules as contemplated in section 15(3) and the Board's capacity to make such rules is hereby excluded.

43. **RESOLUTION OF DISPUTES**

43.1 In the event of there being any dispute or difference between any persons bound by this Memorandum of Incorporation, including any dispute or difference arising out of or in respect of –

43.1.1 any of the provisions of this Memorandum of Incorporation; and/or

43.1.2 any relationship between any 2 (two) or more persons in their capacities as Shareholders; and/or

43.1.3 any relationship between any person, in its capacity as a Shareholder, on the one hand, and the Company on the other hand; and/or

43.1.4 any relationship between any person, in his or her capacity as a Director, on the one hand, and the Company on the other hand; and/or

43.1.5 any relationship between any person, in his or her capacity as a prescribed officer of the Company, on the one hand, and the Company on the other hand; and/or

43.1.6 any relationship between any person, in his or her capacity as a member of a committee of the Board, on the one hand, and the Company on the other hand; and/or

43.1.7 any right and/or obligation of any Shareholder, in its capacity as a Shareholder, against or to the Company and/or any other Shareholder; and/or

43.1.8 any right and/or obligation of the Company against or to any Shareholder (in its capacity as a Shareholder), and/or any Director (in his or her capacity as a Director), and/or any prescribed officer of the Company (in his or her capacity as a prescribed officer of the Company), and/or any other person serving the Company as a member of a committee of the Board with reference to such service; and/or

43.1.9 any right and/or obligation of any Director (in his or her capacity as Director) against or to the Company; and/or

43.1.10 any right and/or obligation of any prescribed officer of the Company (in his or her capacity as a prescribed officer of the Company) against or to the Company; and/or

43.1.11 any right or obligation of any other person serving the Company as a member of the committee of the Board with reference to such service,

such dispute or difference shall, except to the extent that (i) such dispute or difference is with a Holder or, where such dispute or difference relates to the terms of the Preference Shares, with any person who at any time subscribed for or held any Preference Shares, or (ii) provision is made elsewhere in this Memorandum of Incorporation for the final resolution of the dispute or difference in question, on written demand by any such person be submitted to arbitration at Johannesburg before a single arbitrator in accordance with the rules of the Arbitration Foundation of South Africa ("**AFSA**"), which arbitration shall be administered by AFSA.

43.2 Should AFSA, as an institution, not be operating at that time or not be accepting requests for arbitration for any reason, then the arbitration shall be conducted in accordance with the AFSA rules for commercial arbitration (as last applied by AFSA) before a single arbitrator appointed by agreement between the parties to the dispute or difference or failing agreement within 10 (ten) business days of the demand for arbitration, then any party to the dispute or difference shall be entitled to forthwith call upon the chairperson of the Bar Council of the city or town in which the registered office of the Company is situated (or which is closest thereto) to nominate the arbitrator, provided that the person so nominated shall be an advocate or attorney of not less than 15 (fifteen) years standing as such. The person so nominated shall be the duly appointed arbitrator in respect of the dispute or difference. In the event of the attorneys of the parties to the dispute or difference failing to agree on any matter relating to the administration of the arbitration, such matter shall be referred to and decided by the arbitrator whose decision shall be final and binding on the parties to the dispute.

43.3 Any party to the arbitration may appeal the decision of the arbitrator or arbitrators in terms of the AFSA rules for commercial arbitration.

43.4 Nothing herein contained shall be deemed to prevent or prohibit a party to the arbitration from applying to the appropriate court for urgent relief or for judgment in relation to a liquidated claim.

43.5 Any arbitration in terms of this clause 43 (including any appeal proceedings) shall be conducted *in camera* and the parties to the arbitration shall treat as confidential details of the dispute or difference submitted to arbitration, the conduct of the arbitration proceedings and the outcome of the arbitration.

43.6 This clause 43 will continue to be binding notwithstanding any liquidation of the Company, the commencement of any business rescue proceedings in respect of the Company or the sale by any person of any Securities held by that person in the Company, to the extent that the implementation of the provisions of this clause will not give rise to any contravention of any provision of the Act or of any other applicable legislation.

43.7 The written demand by a party to the dispute in terms of clause 43.1 that the dispute or difference be submitted to arbitration, shall be deemed to be a legal process for the purpose of interrupting extinctive prescription in terms of the Prescription Act, 1969.

ANNEXURE "1"

PREFERENCE SHARE TERMS

1. **DEFINITIONS**

1.1 In this annexure "**1**", unless inconsistent with or otherwise indicated by the context –

1.1.1 all expressions defined in the Memorandum of Incorporation to which these Preference Share Terms form annexure "**1**", shall have the same meanings when used in this annexure "**1**";

1.1.2 the word "**clause**" shall refer to clauses in this annexure "**1**";

1.1.3 "**Accumulated Dividends**" means, in respect of each Preference Share and on any day, the aggregate of –

1.1.3.1 any Scheduled Dividend for any Calculation Period which ended prior to that day, to the extent to which that Scheduled Dividend has not been paid; plus

1.1.3.2 any Additional Dividends which have become payable but which have not been paid;

1.1.4 "**Actual Redemption Date**" means, in relation to any Preference Share and provided that the Company has paid all the Preference Dividends in respect of that Preference Share, the date on which the Company redeems that Preference Share either by paying its Redemption Price to its Holder or by distributing Northam Shares in specie to the Holder;

1.1.5 "**Additional Dividend**" means, in respect of each Preference Share, the dividends (over and above the Scheduled Dividend in respect of that Preference Share) envisaged in clauses 2.5 and 2.9;

1.1.6 "**Administration Services Agreement**" means the written agreement headed "*Administration Services Agreement*" entered into or to be entered into between the Company and Northam in terms of which the parties *inter alia* agree that (i) Northam shall attend to the day-to-day management of the Company's business and the administration of the Company's affairs, and (ii) Northam shall pay all the costs and expenses, including any fees that become payable to the Agent in terms of the Agency Agreement, incurred in the administration of the Company's affairs, to a maximum amount from time to time determined in accordance with that agreement;

1.1.7 "**Agency Agreement**" means the written agreement headed "*Agency Agreement*" entered into or to be entered into between the Company, Northam and an Agent in terms of which (i) the Company appoints the Agent to perform all the functions assigned to the Agent by these Preference Share Terms in return for the payment of agreed fees, (ii) Northam, as a principal and primary obligation, undertakes to pay those fees to the Agent, (iii) the aforesaid undertaking constitutes a stipulation for the benefit of all the Holders and Beneficiaries, and (iv) each such Holder and Beneficiary is entitled to accept the benefit of that stipulation in the manner envisaged in the agreement;

1.1.8 "**Agent**" means the person appointed by the Company in terms of the Agency Agreement from time to time;

1.1.9 "**Authority**" means any court or any governmental, intergovernmental or supranational body, agency, department or any regulatory, self-regulatory or other authority;

1.1.10 "**BBBEE Act**" means the Broad-Based Black Economic Empowerment Act, No. 53 of 2003;

1.1.11 "**BEE**" means black economic empowerment as contemplated in the BEE Laws;

1.1.12 "**BEE Codes**" means the Codes of Good Practice on BBBEE contemplated in section 9 of the BBBEE Act, as gazetted from time to time;

1.1.13 "**BEE Laws**" means the BBBEE Act, the BEE Codes, the MPRDA, the Mining Charter and the Mining Codes to the extent that such laws are applicable or may become applicable to the Northam Group and/or its business activities from time to time and any other similar laws which may be applicable to the Northam Group and/or its business activities from time to time;

1.1.14 "**BEE Shares**" means, collectively, the Subscription Shares and the Sale Shares including, in the event of a sub-division or consolidation of the Subscription Shares or the Sale Shares, all such sub-divided or consolidated shares and any additional Northam Shares held by the Company from time to time;

1.1.15 "**Beneficiary**" means, in relation to each Preference Share, the holder of that Preference Share as reflected in the records of the applicable Programme Participant, provided that that for purposes of clauses 2.14 and 9.11, "**Beneficiary**" shall include a person who was, as at the Actual Redemption Date, holder of that Preference Share as reflected in the records of the applicable Programme Participant;

1.1.16 "**Black Persons**" means natural persons who are both (i) "*Black People*" as defined in the BBBEE Act as read together with the BEE Codes and (ii) HDSAs;

1.1.17 "**Business Day**" means any day other than a Saturday, Sunday or officially recognised public holiday on which banks are generally open for business in the Republic of South Africa;

1.1.18 "**Calculation Date**" means 31 December of each year;

1.1.19 "**Calculation Period**" means each period which commences on the day after a Calculation Date and which ends on the next Calculation Date provided that –

1.1.19.1 the first Calculation Period in respect of each Preference Share shall commence on the Issue Date and end on the first Calculation Date that occurs immediately thereafter; and

1.1.19.2 the last Calculation Period in respect of each Preference Share shall end on (i) the Actual Redemption Date of that Preference Share, or (ii) if the Company is liquidated prior to the redemption of that Preference Share, the date on which the Company pays the Return of Capital envisaged in clause 10.1 to the applicable Holder;

1.1.20 "**Capitalisation Share**" means any share that is issued by way of a capitalisation of a company's profits or reserves;

1.1.21 "**Cash Dividend**" means any Distribution which is paid by Northam in respect of the BEE Shares in cash, other than a Special Dividend, a Return of Capital or a Repurchase Price;

1.1.22 "**Change Event**" means a Normal Tax Event, the Initial Dividends Tax Event or a Subsequent Dividends Tax Event;

1.1.23 "**Change of Control**" means, in relation to Northam, that any person, or that two or more persons acting in concert (as defined in the Act) –

1.1.23.1 has (or have, as the case may be) acquired Control of Northam; or

1.1.23.2 makes (or make, as the case may be) an offer to the shareholders of Northam, whether directly or through a scheme of arrangement, which, if accepted or approved by Northam Shareholders, will result in it/them acquiring Control of Northam;

1.1.24 "**Company Business**" means the business of the Company which shall be limited to the activities listed in clause 5 of this Memorandum of Incorporation;

1.1.25 "**Company Trigger Events**" means the Trigger Events envisaged in sub-clauses 7.1.1 to 7.1.14;

1.1.26 "**Control**" means, in relation to a company, "control" as defined in section 2 of the Act;

1.1.27 "**Corporate Tax Rate**" means the rate at which Normal Tax is levied on the taxable income of companies generally (excluding gold mining companies, long-term insurance companies, personal services providers, public benefit organisations and small business corporations) (which is 28% (twenty eighty percent) as at the Tax Reference Date);

1.1.28 "**CPI**" means the average annual rate of change (expressed as a percentage) in the Consumer Price Index, for all metropolitan areas as published in the Government Gazette by Statistics South Africa, or such other index reflecting the official rate of inflation in South Africa as may replace it, which annual change shall be determined by comparing the most recently published index with the index published in respect of the corresponding month in the previous year;

1.1.29 “**Decision**” means any decision that the Holders are required to make in connection with the Preference Shares;

1.1.30 “**Decision Matrix**” means the table contained in clause 9.5;

1.1.31 “**Discharge Date**” means the Actual Redemption Date on which the Company redeems the last of the outstanding Preference Shares;

1.1.32 “**Disposal**” means sale, lease, license, transfer, loan or other disposal by any person of any asset, undertaking or business (whether by a voluntary or involuntary transaction or series of transactions), and “**Dispose**” shall be construed accordingly;

1.1.33 “**Distribution Accrual Date**” means, in relation to any Cash Dividend, Special Dividend Return of Capital or Repurchase Price, the date on which that Cash Dividend, Special Dividend, Return of Capital or Repurchase Price becomes payable by Northam;

1.1.34 “**Distribution**” means any “distribution” as defined in the Act and includes, in relation to –

1.1.34.1 the Company (i) the Preference Dividends and any dividends paid by the Company in respect of the Ordinary Shares and the N Shares, (ii) the Redemption Prices paid by the Company in respect of the Preference Shares, and (iii) the repurchase of any share of any class; and

1.1.34.2 Northam, any Cash Dividend, Special Dividend or Return of Capital paid by Northam in respect of the BEE Shares and any Repurchase Price paid by Northam in respect of the Repurchase of all or any BEE Shares;

1.1.35 “**Distribution Receipts Account**” means a bank account which Northam must open and operate on behalf of the Company in accordance with clause 3.9, for the various purposes set out in these Preference Share Terms;

1.1.36 “**Dividend Rate**” means, subject to adjustment in terms of the Rate Adjustment Provisions, a nominal rate equal to the aggregate of the Prime Rate and 3.5% (three point five percent);

1.1.37 “**Dividends Exemption Provisions**” means section 10(i)(k) of the Tax Act as at the Tax Reference Date;

1.1.38 “**Dividends Tax**” means the withholding Tax on dividends, imposed (as at the Tax Reference Date) under Part VIII of Chapter II of the Tax Act or any Tax, imposed on the payment or receipt of dividends, that replaces the aforesaid withholding Tax from time to time;

1.1.39 “**Encumbrance**” means a mortgage bond, notarial bond, cession in security, charge, pledge, hypothec, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect and “**Encumber**” shall bear a corresponding meaning;

1.1.40 “**Exchange Information Service**” means the JSE’s service known as the “Securities Exchange News Service” or any service that replaces the aforesaid service from time to time;

1.1.41 “**Final Judgement**” means any judgment by any court of competent jurisdiction if that judgment (i) is not subject to appeal, or (ii) is subject to appeal but the period for the institution of such an appeal has passed and no appeal has been instituted;

1.1.42 “**Financial Indebtedness**” means any indebtedness for or in respect of –

1.1.42.1 moneys borrowed;

1.1.42.2 any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

1.1.42.3 any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock, preference shares, or any similar instrument;

1.1.42.4 the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS (International Financial Reporting Standards), be treated as a finance or capital lease;

1.1.42.5 receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

1.1.42.6 any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

1.1.42.7 any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);

1.1.42.8 any amount raised by, and all amounts accrued and/or payable on account of, the issue of shares which are redeemable;

1.1.42.9 the amount of any liability in respect of any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

1.1.42.10 the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in clauses 1.1.42.1 to 1.1.42.9 above;

1.1.43 "**Guarantee**" means a written agreement headed "*Guarantee*" entered into or to be entered into between Northam, the Company and the Agent which provides, *inter alia*, that (i) Northam irrevocably and unconditionally guarantees the payment of all amounts (whether in respect of the Preference Dividends or the Redemption Price) which the Company has contracted to pay (but failed to pay on the due date therefor) in respect of the Preference Shares (in terms of these Preference Share Terms); (ii) the aforesaid undertaking constitutes a stipulation for the benefit of all the Holders and Beneficiaries of the relevant Preference Shares; (iii) each such Holder and Beneficiary shall accept the benefit of that stipulation and agree to be bound by the provisions of the agreement in the manner specified in the agreement, and (iv) Northam shall, at its election, be entitled to settle claims made against it under the Guarantee by means of the issue of a determinable number of Northam Shares and/or the payment of cash to each applicable Holder and Beneficiary;

1.1.44 "**HDSA**" means a "*historically disadvantaged person*" as defined in the MPRDA;

1.1.45 "**HDSA Company**" means a company in respect of which –

1.1.45.1 Black Persons are able to exercise, without restriction, at least 75% (seventy five percent) of the total voting rights attaching to the securities in that company, measured using the flow though principle (as defined in the BEE Codes); and

1.1.45.2 Black Persons have a right to a claim against that company representing return on ownership of the company (similar to a dividend right) that is at least 75% (seventy five percent) of the total of such rights, measured using the flow though principle (as defined in the BEE Codes); and

1.1.45.3 Black Persons have the right and ability to direct and determine the appointment, election and removal of at least 75% (seventy five percent) of the total number of directors of that company; and

1.1.45.4 at least 75% (seventy five percent) of the directors of that company are Black Persons and are able to exercise, without restriction, at least 75% (seventy five percent) of the total voting rights exercisable by all the directors of the company,

save as a result of Northam holding an Ordinary Share and having elected the directors of the Company as at the Issue Date or holding the N Share;

1.1.46 "**Holder**" means, in relation to a Preference Share, its registered holder as reflected in the Company's share register, provided that for purposes of clauses 2.14 and 9.11, "**Holder**" shall include a person who was, as at the Actual Redemption Date, the registered holder of the relevant Preference Shares as reflected in the Company's share register;

1.1.47 "**Holder Cure Notice**" means a Holder Cure Notice as defined in clause 7.5.2;

1.1.48 "**Holder Meeting**" means a meeting of the Holders (convened for the purposes of the making of a Decision in accordance with the provisions of clause 9);

1.1.49 "**Holder Redemption Notice**" means a Holder Redemption Notice as defined clause 7.5.3;

1.1.50 "**Initial Dividends Tax Event**" means that –

1.1.50.1 the Company's STC Credit is deemed to be nil in terms of section 64J(5) of the Tax Act (or any legislation that replaces that section after the Tax Reference Date); and

1.1.50.2 the Tax Act is amended in such a manner as has the effect that Resident Companies will cease to be exempt from the Dividends Tax, whether in whole or in part;

1.1.51 "**Insolvency Event**" means, in relation to any person, any of the following events or circumstances –

1.1.51.1 it is dissolved or de-registered;

1.1.51.2 an order or declaration is made, or a resolution is passed, for the administration, custodianship, bankruptcy, liquidation, winding-up, receivership, trusteeship, de-registration or dissolution (and, in each case, whether provisional or final) of it, its assets or its estate or an order or declaration is made, or a resolution is passed, to authorise the commencement of any business rescue proceeding in respect of it, its assets or its estate;

1.1.51.3 it convenes any meeting to consider the passing of a resolution for the administration, custodianship, bankruptcy, liquidation, winding-up, receivership, trusteeship, de-registration or dissolution (and, in each case, whether provisional or final) of it, its assets or its estate or to authorise the commencement of any business rescue proceeding in respect of it, its assets or its estate;

1.1.51.4 it seeks the appointment of an administrator, liquidator (whether provisional or final), business rescue practitioner, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets or estate;

1.1.51.5 it has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

1.1.51.6 it is unable (or admits inability) to pay its debts generally as they fall due or is (or admits to being) otherwise insolvent or stops, suspends or threatens to stop or suspend payment of all or a material part of its indebtedness or proposes or seeks to make or makes a general assignment or any arrangement or composition with or for the benefit of its creditors generally or a moratorium is agreed or declared in respect of or affecting all or a material part of its indebtedness;

1.1.51.7 it takes any proceeding or other step with a view to the general readjustment, rescheduling or deferral of its indebtedness (or any part thereof which it would otherwise be unable to pay when due) or proposes to take any such step;

1.1.51.8 any receiver, administrative receiver, judicial receiver, administrator, compulsory manager, judicial custodian, trustee in bankruptcy, liquidator, business rescue practitioner or the like is appointed in respect of it, its estate or any material part of its assets or it requests any such appointment;

1.1.51.9 it commits any act which, if such act was committed by a natural person, would be an act of insolvency within the meaning of section 8 of the Insolvency Act, No. 24 of 1936 or any equivalent legislation in any jurisdiction to which such person is subject;

1.1.51.10 it is or is deemed by any authority or legislation to be Financially Distressed (as defined in the Act);

1.1.51.11 it causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses 1.1.51.1 to 1.1.51.10; or

1.1.51.12 it takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

1.1.52 "**Issue Date**" means the date on which the Company issues the Preference Shares to the first Holders;

1.1.53 "**Issue Price**" means, in relation to a Preference Share, the issue price paid to the Company for that Preference Share by its first Holder;

1.1.54 "**Lock In Fee**" means an amount of R400,000,000 (four hundred million rand) which (as envisaged in the Subscription Agreement) Northam will pay to the Company in return for an undertaking (by the Company) not (i) to Dispose of the BEE Shares for a period of 10 (ten) years commencing on the Issue Date, and (ii) for the aforesaid period of 10 (ten) years, to have any interest, whether financial or otherwise and whether directly or indirectly, in any entity of any nature whatsoever that competes with Northam or the Northam Group;

1.1.55 "**Material Adverse Event**" means, in relation to a party, any event, circumstance or matter or combination of events, circumstances or matters which in the opinion of the Holders has or is reasonably likely to have a material adverse effect on:

1.1.55.1 the ability of that party to perform its respective obligations under these Preference Share Terms, the Northam Pledge and Cession and/or the Guarantee;

1.1.55.2 the validity or enforceability of these Preference Share Terms, the Northam Pledge and Cession and/or the Guarantee or the rights or remedies of any Holder under any of the aforementioned agreements;

1.1.56 "**Material Dividend Rate Event**" means if, as a result of a change in the Prime Rate or the occurrence of one or more Change Events, the Dividend Rate is equal to or more than 20% (twenty percent) for a continuous period of 6 (six) months or more, provided that in the case of a Change Event that results in a retrospective adjustment to the Dividend Rate, the 6 (six) month period shall be calculated from the date of the retrospective adjustment;

1.1.57 "**Material Dividend Rate Trigger Event**" means the Trigger Event envisaged in clause 7.1.13;

1.1.58 "**MPRDA**" means the Mineral and Petroleum Resources Development Act, No. 28 of 2002;

1.1.59 "**N Redemption Notice**" means a N Redemption Notice as defined clause 7.2.2;

1.1.60 "**Normal Tax**" means the Tax levied, in terms of section 5 of the Tax Act, on "*taxable income*" as defined in the Tax Act or any Tax on income or capital gains which replaces the aforesaid Tax from time to time;

1.1.61 "**Normal Tax Event**" means, in relation to any Preference Dividend, that such dividend becomes subject to the Normal Tax for any reason whatsoever including, but without limitation –

1.1.61.1 as a result of any amendment to the Tax Act which takes effect after the Tax Reference Date; or

1.1.61.2 if the Preference Share to which that Preference Dividend relates is or becomes a "hybrid equity instrument" as defined in section 8E of the Tax Act or is or becomes a "third party backed share" as defined in section 8EA of the Tax Act,

except if the applicable Preference Dividend becomes subject to the Normal Tax as a result of (i) any Taxing Exceptions, or (ii) any actions or omissions of the applicable Holder or Beneficiary which have the result that the Dividends Exemption Provisions do not apply to that Preference Dividend;

1.1.62 "**Northam Clawback**" means, if Northam –

1.1.62.1 makes any payments under the Guarantee (either in cash and/or by issuing Northam Shares to the applicable Holders); or

1.1.62.2 subscribes for an Ordinary Share (in cash and/or through the issue of Northam Shares to the Company) to capitalise the Company in order to enable the Company to comply with its obligation to redeem the Preference Shares and pay the outstanding Preference Dividends to the Holders or, after the Actual Redemption Date, to make payment of any additional Preference Dividends as envisaged in clause 2.14 ("**Subscription**"),

Northam's right (conferred on it under the Northam Pledge and Cession) to claim payment from the Company of the amounts thus paid by it under the Guarantee or pursuant to the Subscription and/or, as the case may be, to claim payment of the agreed value of any

Northam Shares issued by it to the Holders in order to settle its obligations under the Guarantee or the Subscription;

1.1.63 "**Northam Pledge and Cession**" means a written agreement headed "*Pledge and Cession*" entered into or to be entered into between the Company and Northam, in terms of which the Company pledges and cedes (i) the BEE Shares, and (ii) its right, title and interest in and to the Distribution Receipts Account, to Northam as security for the Company's obligations under the Northam Clawback;

1.1.64 "**Northam Trigger Events**" means the Trigger Events envisaged in sub-clauses 7.1.14 to 7.1.26;

1.1.65 "**Participant**" means a participant of the central securities depository, as defined in the Financial Markets Act;

1.1.66 "**Preference Dividends**" means, in respect of each Preference Share, the applicable Scheduled Dividends and Additional Dividends;

1.1.67 "**Preference Share**" means a cumulative, non-participating no par value preference share in the Company's share capital which confers, on its Holder, the rights, obligations and privileges set out in these Preference Share Terms;

1.1.68 "**Preference Share Terms**" means the rights and privileges of the Preference Shares as set out in this annexure "**1**";

1.1.69 "**Prime Rate**" means the percentage publicly quoted as the basic rate of interest levied by Nedbank Limited from time to time on overdraft, calculated on a 365 (three hundred and sixty five) day year, irrespective of whether the applicable year is a leap year, and proved, prima facie, in the event of a dispute and in the absence of manifest error, by a certificate under the hand of any director or manager of Nedbank Limited, whose appointment and authority need not be proved or, if such rate becomes defunct or no longer a proxy for a cash yield, such other alternative rate as may be determined by the Agent in a commercially reasonable manner;

1.1.70 "**Programme Participant**" means each Participant who holds any Preference Shares in custody for the Beneficiary thereof;

1.1.71 "**Rate Adjustment Provisions**" means clauses 2.6, 2.7, 2.10 and 2.12;

1.1.72 "**Redemption Price**" means, in relation to each Preference Share, an amount equal to its Issue Price;

1.1.73 "**Refinance**" means any Financial Indebtedness which the Company incurs for the specific purpose of redeeming the Preference Shares, provided that the proceeds of such Financial Indebtedness shall be paid into the Distribution Receipts Account;

1.1.74 "**Repurchase**" means any repurchase of BEE Shares by Northam, irrespective of whether the amount payable by Northam pursuant to such repurchase amounts to a reduction of Northam's share capital;

1.1.75 "**Repurchase Price**" means, if Northam Repurchases any of the BEE Shares, the price that becomes payable by Northam to the Company in respect of such Repurchase;

1.1.76 "**Required Majority**" means, in relation to any Decision, such a percentage of the votes cast by the Holders in favour of that Decision (at the Holder Meeting convened to consider that Decision) as is indicated in respect of that Decision in the Decisions Matrix;

1.1.77 "**Return of Capital**" means any Distribution paid by Northam in respect of the BEE Shares to the extent to which such Distribution represents a reduction of Northam's share capital attributable to the Northam Shares;

1.1.78 "**Resident Company**" means any company (as defined in the Tax Act) which is a resident (as defined in the Tax Act);

1.1.79 "**RLA**" means, in relation to a rights offer (as defined in section 95 of the Act) a renounceable letter of allotment (which entitles the holder thereof to subscribe for a specific number of shares in the applicable company's share capital at a specific price);

1.1.80 "**Sale Shares**" means 47,710,331 (forty seven million seven hundred and ten thousand three hundred and thirty one) Northam Shares;

1.1.81 "**Sale Price**" means an amount of R41.00 (forty one Rand) per Sale Share;

1.1.82 "**SARS**" means the South African Revenue Service;

1.1.83 "**Scheduled Dividend**" means, in respect of each Preference Share and for each Calculation Period, the Preference Dividend calculated in accordance with the formula contained in clause 2.4;

1.1.84 "**Scheduled Redemption Date**" means, in respect of each Preference Share, the day before the 10^{th} (tenth) anniversary of the Issue Date;

1.1.85 "**Scrip Dividend**" means any Distribution made by Northam in respect of the BEE Shares if that Distribution is settled by means of an issue of Northam Shares;

1.1.86 "**Special Dividend**" means any dividend paid by Northam in respect of the BEE Shares if Northam designates such dividend as a special dividend;

1.1.87 "**STC Credit**" means an "STC credit" as defined (as at the Tax Reference Date) in section 64J of the Tax Act;

1.1.88 "**STT**" means the securities transfer tax imposed under the Securities Transfer Tax Act, No. 25 of 2007;

1.1.89 "**Subscription Price**" means an amount of R41.00 (forty one Rand) per Subscription Share;

1.1.90 "**Subscription Shares**" means 112,195,122 (one hundred and twelve million one hundred and ninety five thousand one hundred and twenty two) Northam Shares;

1.1.91 "**Subsequent Dividends Tax Event**" means, if the Initial Dividends Tax Event has occurred, that the rate at which the Dividends Tax is levied is increased or decreased;

1.1.92 "**Tax**" means any tax, levy, impose, duty or other charge or withholding of any similar nature including (i) the Normal Tax, the Dividends Tax and STT, and (ii) any interest or penalties payable in connection with any failure to pay or any delay in paying any Tax;

1.1.93 "**Tax Act**" means the Income Tax Act, No. 58 of 1962, as amended from time to time;

1.1.94 "**Tax Admin Act**" means the Tax Administration Act, No. 28 of 2011;

1.1.95 "**Tax Warranties**" means the warranties contained in clause 5.3;

1.1.96 "**Tax Reference Date**" means 1 October 2014, provided that for purposes of clause 5, the "**Tax Reference Date**" shall mean the last practicable date prior to the posting of the Prospectus (as defined in the Subscription Agreement);

1.1.97 "**Taxing Exceptions**" means the provisions of paragraphs (aa) to (ii) of the proviso to section 10(i)(k) of the Tax Act as at the Tax Reference Date;

1.1.98 "**30 Day VWAP**" means, as at any day, the volume weighted average traded price at which the Northam Shares traded on the JSE for the 30 (thirty) Trading Days immediately prior to that day, as published by INET BFA or, if INET BFA should cease to publish such information, then such information published by any equivalent reputable agency nominated by the Agent, provided that in the determination of that volume weighted average trade price, transactions that are not concluded through the trading systems of the JSE, but which are nevertheless settled through the JSE's settlement systems, shall be disregarded;

1.1.99 "**Trading Days**" means any day on which trading takes place on the JSE;

1.1.100 "**Treasury Transaction**" means any currency or interest purchase, cap or collar agreement, forward rate agreements, interest rates or currency future or option contracts, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap or combined interest rate and currency swap agreement and any other similar agreement in each case entered into in connection with protection against or benefit from fluctuation in any rate or price; and

1.1.101 "**Trigger Event**" means the occurrence of any facts or circumstances envisaged in clause 7.1.

2. DIVIDENDS

Entitlement

2.1 Each Preference Share shall entitle the Holder thereof to the Preference Dividends calculated in accordance with this clause 2.

2.2 Subject to clause 2.3, the Preference Dividends shall rank prior to the dividend rights of any other class of shares in the Company's share capital (including the Ordinary Shares and the N Share).

2.3 Despite the provisions of clause 2.2, the Company shall be entitled to Distribute, as a dividend in respect of the Ordinary Shares, an amount equal to the Lock In Fee minus the Agent's reasonable estimate of the Taxes that will become payable by the Company in respect of the Lock In Fee.

Scheduled Dividend

2.4 For each Calculation Period each Preference Share shall be entitled to a Scheduled Dividend in an amount equal to the aggregate of the amounts calculated in respect of each day during that Calculation Period in accordance with the following formula –

$a = (b + c + d – e) \times f$

in which formula

a = the amount for the applicable day;

b = the Issue Price of the applicable Preference Share;

c = the Accumulated Dividends in respect of that Preference Share at 17h00, Johannesburg time, on the 1st (first) day of that Calculation Period;

d = any Additional Dividends that have become payable by the Company in respect of that Preference Share during the period (the "**Subject Period**") which (i) commences on the first day of the applicable Calculation Period, and (ii) ends on the day before the day in respect of which the Scheduled Dividend is calculated;

e = any Preference Dividends that have been paid by the Company in respect of the applicable Preference Share during the Subject Period; and

f = the Dividend Rate on the day for which the Scheduled Dividend is calculated, divided by 365.

Normal Tax Events

2.5 If a Normal Tax Event occurs in relation to any Scheduled Dividend which has already been paid, the Company shall pay, to the Holder of the applicable Preference Share, an Additional Dividend calculated in accordance with the following formula –

$a = [b \div (1 – c)] – b$

in which formula

a = the applicable Additional Dividend (in respect of each applicable Preference Share);

b = the amount of the applicable Scheduled Dividend (in respect of one Preference Share) which has become subject to the Normal Tax; and

c = the Corporate Tax Rate on the day on which the Normal Tax Event occurs.

2.6 If a Normal Tax Event occurs and, as a result of such occurrence, any Scheduled Dividends or Accumulated Dividends which has not yet been paid will become subject to the Normal Tax, the Dividend Rate shall be increased to the percentage calculated in accordance with the following formula –

$a = b \div (1 – c)$

in which formula

a = the increased Dividend Rate;

b = the Dividend Rate prior to its adjustment in accordance with this clause 2.6; and

c = the Corporate Tax Rate on the date on which the applicable Normal Tax Event occurs.

2.7 If (i) the Dividend Rate is increased in accordance with clause 2.6, and (ii) after such increase the Corporate Tax Rate increases or decreases, the Dividend Rate shall be recalculated in accordance with the formula contained in clause 2.6 on the basis that:

2.7.1 the value of "b" in that formula shall be the Dividend Rate immediately prior to the applicable increase or decrease in the Corporate Tax Rate calculated without accounting for the adjustment to the Dividend Rate in accordance with clause 2.6; and

2.7.2 the value of "c" in that formula shall be the increased or decreased Corporate Tax Rate.

2.8 For the purposes of clauses 2.4 to 2.6, a Normal Tax Event shall occur, if that event comes about as a result of –

2.8.1 any amendment to the Tax Act, on the date on which that amendment becomes effective; or

2.8.2 if SARS contends (in dealing with any Holder or any Beneficiary) that the Preference Dividends paid by the Company to or for the benefit of that Holder or Beneficiary are subject to the Normal Tax as a result of the application of the Tax Act as at the Tax Reference Date, but other than as a result of (i) any actions or omissions of the applicable Holder or Beneficiary that have the effect that the Dividends Exemption Provisions do not apply to the applicable Preference Dividends, or (ii) the fact that any of the Taxing Exceptions applies in respect of that Preference Dividend –

2.8.2.1 on the date on which the Company has obtained an opinion from a practicing senior advocate who specialises in Tax matters to the effect that the Preference Dividends are in fact subject to the Normal Tax; or

2.8.2.2 on the date on which the Beneficiary has litigated SARS' contentions in a court of competent jurisdiction and SARS has obtained a Final Judgment which rules that its contentions are correct.

The Initial Dividends Tax Event

2.9 If the Initial Dividends Tax Event occurs in relation to any Scheduled Dividend which the Company has already paid, the Company shall pay an Additional Dividend in respect of each Preference Share calculated in accordance with the following formula –

$a = [b \div (1 - c)] - b$

in which formula

a = the Additional Dividend per Preference Share;

b = the amount of the applicable Scheduled Dividend (in respect of one Preference Share) which has become subject to the Dividends Tax in the hands of Resident Companies; and

c = the rate at which the applicable Scheduled Dividend has become subject to the Dividends Tax.

2.10 If the Initial Dividends Tax Event occurs and, as a result of any such occurrence, any Scheduled Dividends which have not yet been paid will become subject to the Dividends Tax in the hands of a Resident Company, the Dividend Rate shall be increased to the rate determined in accordance with the following formula –

$a = b \div (1 - c)$

in which formula

a = the increased Dividend Rate;

b = the Dividend Rate prior to its adjustment in accordance with this clause 2.10; and

c = the rate at which the applicable Scheduled Dividends will become subject to the Dividends Tax in the hands of Resident Companies.

2.11 The Initial Dividends Tax Event shall occur on the date on which the applicable amendment to the Tax Act (which has the effect of subjecting dividends that accrue to Resident Companies to the withholding tax) takes effect.

Subsequent Dividends Tax Event

2.12 If the Subsequent Dividends Tax Event occurs the Dividend Rate shall be adjusted to the percentage calculated in accordance with the following formula –

$a = (b \times (1 - d)) \div (1 - c)$

in which formula

a = the Dividend Rate after its adjustment;

b = the Dividend Rate prior to its adjustment;

c = the rate at which the Dividends Tax is levied on Resident Companies after the occurrence of the applicable Subsequent Dividend Tax Event; and

d = the rate at which the Dividends Tax is levied on Resident Companies prior to the occurrence of the applicable Subsequent Dividends Tax Event.

Discharge Date

2.13 Subject to clause 2.14 no Holder shall have the right, in relation to any specific Preference Share, to claim payment as a result of the occurrence of a Change Event if (i) that Change Event occurs after the Actual Redemption Date on which the applicable Preference Share is redeemed, or (ii) the fact that the applicable Change Event has occurred becomes apparent only after that Actual Redemption Date.

2.14 The provisions of clause 2.13 do not apply in respect of any Holder or Beneficiary who has, prior to or after the Actual Redemption Date of the Preference Shares held by him (i) been assessed by SARS in respect of any Preference Dividends on the basis that those Preference Dividends are subject to the Normal Tax as a result of the application of the provisions of the Tax Act as at the Tax Reference Date (other than as a result of a contention by SARS to the effect that the Dividends Exemption Provisions do not apply to the applicable Holder or Beneficiary as a result of anything done or omitted to be done by that Holder or Beneficiary or as a result of the fact that any of the Taxing Exceptions applies to that Holder or Beneficiary), and (ii) instituted proceedings in a court of competent jurisdiction against SARS in which the Holder or Beneficiary contends that the assessment levied by SARS is incorrect (and that the applicable Preference Dividends are not subject to the Normal Tax), provided that SARS obtains a Final Judgement against that Holder or Beneficiary by the date 2 (two) years after the applicable Actual Redemption Date.

3. **PAYMENT OF DIVIDENDS**

Cash Dividends

3.1 If Northam declares a Cash Dividend, the Agent shall, prior to the applicable Distribution Accrual Date, determine –

3.1.1 a reasonable provision for the Taxes (if any) that will become payable by the Company in respect of that Cash Dividend;

3.1.2 the amount that will remain of the Cash Dividend after that provision for Taxes has been deducted (the "**Available Cash Dividend**");

3.1.3 the Accumulated Dividends (in respect of all the Preference Shares) on the applicable Distribution Accrual Date; and

3.1.4 the excess, if any (the "**Excess Cash Dividend**") of (i) an amount equal to 90% (ninety percent) of the Available Cash Dividend, over (ii) the Accumulated Dividends (in respect of all the Preference Shares) on the applicable Distribution Accrual Date.

3.2 The Company shall procure that, on each Distribution Accrual Date, Northam pays the applicable Cash Dividend by making the following payments on behalf of the Company –

3.2.1 to the Holders and as Preference Dividends an amount equal to the lesser of (i) 90% (ninety percent) of the Available Cash Dividend, and (ii) the Accumulated Dividends (in respect of all the outstanding Preference Shares) on that Distribution Accrual Date;

3.2.2 thereafter, an amount equal to 10% (ten percent) of the Available Cash Dividend as Distributions in respect of the Ordinary Shares; and

3.2.3 thereafter, the Excess Cash Dividend (if any) into the Distribution Receipts Account.

Special Dividends, Return of Capital and Repurchases

3.3 If Northam (i) resolves to pay a Special Dividend or a Return of Capital, or (ii) Repurchases all or any of the BEE Shares and accordingly becomes obliged to pay a Repurchase Price, the Agent shall, prior to the applicable Distribution Accrual Date, determine –

3.3.1 a reasonable provision for the Taxes (if any) that will become payable by the Company in respect of that Special Dividend, Return of Capital or Repurchase Price;

3.3.2 the amount (the "**Available Distribution**") that will remain of that Special Dividend, Return of Capital or Repurchase Price after that provision for Taxes has been deducted;

3.3.3 the Accumulated Dividends (in respect of all the Preference Shares) on the applicable Distribution Accrual Date; and

3.3.4 the excess, if any (the "**Excess Distribution**") of the Available Distribution over the Accumulated Dividends (in respect of all the Preference Shares) on the applicable Distribution Accrual Date.

3.4 The Company shall procure that, on each Distribution Accrual Date Northam pays the amounts in respect of the applicable Special Dividend, Return of Capital or Repurchase Price by making the following payments on behalf of the Company to the Holders and as Preference Dividends –

3.4.1 to the Holders and as Preference Dividends an amount equal to the lesser of (i) the Available Distribution, and (ii) the Accumulated Dividends (in respect of all the outstanding Preference Shares) on that Distribution Accrual Date or Payment Date; and

3.4.2 thereafter, the Excess Distribution (if any) into the Distribution Receipts Account.

Scrip Dividends

3.5 If Northam declares any dividend on the basis that a holder of Northam Shares is entitled to elect either to receive a Cash Dividend or a Scrip Dividend –

3.5.1 the Company shall elect to receive a Cash Dividend; and

3.5.2 on the Distribution Accrual Date on which Northam pays that Cash Dividend, the provisions of clauses 3.1 and 3.2 shall apply.

3.6 If Northam declares any dividends on the basis that the applicable dividend will be settled by means of the issue of Northam Shares (and if no cash alternative is offered to the Holders), that dividend shall for all purposes be treated as an issue of Capitalisation Shares by Northam to the Company and the Company shall accordingly comply, in relation to the Northam Shares issued to it in settlement of that dividend, with the provisions of clause 3.7.

Capitalisation Shares

3.7 If Northam issues any Capitalisation Shares to the Company –

3.7.1 the Agent shall, acting on behalf of the Company, sell those Capitalisation Shares as soon as may be reasonably possible in the circumstances (taking account of the fact that, in order to avoid a reduction of the market price of Northam Shares as a result of such sale, it may be prudent to sell the applicable Capitalisation Shares over a period of time);

3.7.2 within 5 (five) Business Days of the date on which all the applicable Capitalisation Shares have been sold, the Agent shall determine (i) the total Disposal proceeds obtained as a result of the Disposal of the applicable Capitalisation Shares; (ii) all the costs directly and reasonably incurred by the Agent in selling those Capitalisation Shares; (iii) an estimate of the Taxes that will become payable by the Company as a result of those sales and any interest accrued in favour of the Company on the amounts received; (iv) the remainder of the Disposal Proceeds obtained by the Company and any interest accrued thereon after the deduction of the aforesaid costs and Tax provision (such remainder the "**Net Capitalisation Proceeds**"); (v) the Accumulated Dividends (in respect of all the Preference Shares) on the date (the "**Determination Date**") on which the Agent undertakes its aforesaid determination, and (vi) the excess, if any (the "**Excess Capitalisation Proceeds**") of the Net Capitalisation Proceeds over the aforesaid Accumulated Dividends; and

3.7.3 on the Determination Date the Company shall pay –

3.7.3.1 to the Holders, and as Preference Dividends, an amount equal to the lesser of (i) the Net Capitalisation Proceeds, and (ii) the Accumulated Dividends (in respect of all the Preference Shares) on the Determination Date; and

3.7.3.2 thereafter, the Excess Capitalisation Proceeds (if any) into the Distribution Receipts Account.

Renounceable Letters of Allotment

3.8 If Northam issues any RLAs to the Company (in respect of a rights offer undertaken by Northam) –

3.8.1 the Agent shall, acting on behalf of the Company, sell those RLAs as soon as may be reasonably possible in the circumstances (and, in undertaking such sales, the Company shall use reasonable endeavours to maximise the Disposal proceeds in respect of the RLAs);

3.8.2 within 5 (five) Business Days of the date on which the Agent has sold all the applicable RLAs, the Agent shall determine (i) the total disposal proceeds obtained by the Company pursuant to the Disposal of those RLAs; (ii) all the costs reasonably and directly incurred by the Agent in connection with such sale and any interest accrued in favour of the Company on the amounts received; (iii) an estimate of the Taxes that will become payable by the Company as a result of such sale and any interest accrued thereon; (iv) the difference between the Disposal Proceeds and interest in respect of those RLAs and the aforesaid costs and Tax provision (such difference the "**Net RLA Proceeds**"); (v) the Accumulated Dividends (in respect of all the Preference Shares) on the date (the "**RLA Determination Date**") on which the Agent undertakes its determination, and (vi) the excess, if any (the "**Excess RLA Proceeds**") of the Net RLA Proceeds over those Accumulated Dividends; and

3.8.3 on the RLA Determination Date the Company shall pay –

3.8.3.1 to the Holders and as Preference Dividends the lesser of (i) the Net RLA Proceeds, and (ii) the Accumulated Dividends (in respect of all the Preference Shares) on the RLA Determination Date; and

3.8.3.2 thereafter, the Excess RLA Proceeds (if any) into the Distribution Receipts Account.

The Distribution Receipts Account

3.9 The Company shall procure that Northam shall open and operate the Distribution Receipts Account on the following basis –

3.9.1 Northam shall at all times be entitled to view that account; and

3.9.2 all withdrawals from that account shall only be authorised by persons nominated in writing by Northam, and the Company shall procure that the bank with whom the Distribution Receipts Account is operated (i) accepts the aforesaid arrangements, and (ii) agrees not to change those arrangements other than on the written instructions of persons authorised thereto by Northam.

3.10 If the Company holds any amounts in the Distribution Receipts Account on the last day of any Calculation Period, Northam (acting on behalf of the Company) shall on that last day pay to the Holders, out of the Distribution Receipts Account and as Preference Dividends, an amount equal to the lesser of (i) the amount held in the Distribution Receipts Account on the last day of the applicable Calculation Period, and (ii) the Accumulated Dividends (in respect of all the Preference Shares) on that last day.

3.11 The Company shall not withdraw any amount out of the Distribution Receipts Account other than to pay –

3.11.1 Preference Dividends in accordance with the provisions of clause 3; or

3.11.2 the Redemption Prices of Preference Shares which the Company elects to redeem voluntarily pursuant to the provisions of clause 4.1 or becomes obliged to redeem pursuant to the provisions of clause 8.1.

Attribution

3.12 All the amounts paid by the Company to the Holders on account of the Preference Dividends shall be attributed firstly to any Additional Dividends that have not yet been paid and thereafter to the Scheduled Dividends.

4. VOLUNTARY REDEMPTION

Right to Redeem

4.1 At any time prior to the date 3 (three) years and 1 (one) day after the Issue Date, the Company shall at any time be entitled (but not obliged) to redeem such number of Preference Shares as the Company may in its discretion determine out of amounts, other than Refinance, held by it in the Distribution Receipts Account.

4.2 If the Company elects to redeem, as envisaged in clause 4.1, some of the Preference Shares out of amounts (other than Refinance) held by it in the Distribution Receipts Account, the Company shall, subject to such rounding down as the Agent may in its discretion determine, redeem the Preference Shares in question *pro rata* and across all the Holders (so that the Company shall redeem such a number of Preference Shares held by any specific Holder as bears the same ratio to all the Preference Shares redeemed by the Company, as the ratio of the Preference Shares held by that Holder bears to all the Preference Shares).

Procedure

4.3 If the Company elects to redeem any of the Preference Shares voluntarily –

4.3.1 the Agent, on behalf of the Company, shall give notice (a "**Voluntary Redemption Notice**") by means of the Exchange Information Service to the Holders of the Company's intention to redeem Preference Shares voluntarily;

4.3.2 the Voluntary Redemption Notice shall set out (i) the date (the "**Early Redemption Date**") on which the Company will redeem the applicable Preference Shares, (ii) the number (the "**Voluntary Redemption Shares**") of the Preference Shares that the Company will redeem voluntarily, and (iii) the allocation of the Voluntary Redemption Shares amongst the Holders; and

4.3.3 the Voluntary Redemption Notice shall be revocable and, despite the giving of the Voluntary Redemption Notice, the Company shall not be obliged to redeem either the Voluntary Redemption Shares or any other Preference Shares on the applicable Early Redemption Date; but

4.3.4 if (i) the Agent delivers a Voluntary Redemption Notice, and (ii) the Company does not redeem the applicable Voluntary Redemption Shares on the applicable Early Redemption Date, the Company shall not thereafter redeem any Preference Shares voluntarily without first procuring that the Agent publishes a further Voluntarily Redemption Notice.

4.4 On the Voluntary Redemption Date specified in a Voluntary Redemption Notice the Company shall be entitled (but not obliged) to pay the Redemption Prices of the Voluntary Redemption Shares to the Programme Participants for payment to the applicable Beneficiaries.

5. WARRANTIES

General Warranties

5.1 The Company hereby gives each of the following warranties to each Beneficiary and each such a warranty is given as at the Issue Date –

5.1.1 the Company has been duly incorporated and validly exists under the laws of South Africa;

5.1.2 all resolutions of the Company, whether they are special resolutions or resolutions of its Board, which are required to create and issue the Preference Shares have been validly adopted;

5.1.3 the Company has not undertaken any business other than any transactions concluded in the normal and ordinary course of the Company Business;

5.1.4 the BEE Shares are not subject to any Encumbrance in favour of any person (other than under the Northam Pledge and Cession);

5.1.5 the Guarantee is valid, binding and enforceable (against Northam) in accordance with its terms, and

5.1.6 all information provided by the Company to the Holders on or before the Issue Date in connection with the Company and/or the Preference Shares was true and correct in all material respects.

5.2 If the Company breaches any warranty contained in clause 5.1 each Beneficiary shall be entitled to recover from the Company such damages (if any) as it may have suffered as a result of that breach, provided that proceedings to recover those damages shall be instituted in the manner envisaged in clause 9.8 (and in no other manner).

Tax Warranties

5.3 The Company hereby gives the following warranties to each Beneficiary (i) initially as at the Issue Date, and (ii) thereafter on the basis that each such warranty shall be deemed to have been repeated on each day between the Issue Date and the Discharge Date –

5.3.1 the Company shall comply, in all respects, with the Act (and in particular with section 46 thereof) in relation to the payment of each Preference Dividend;

5.3.2 no Preference Dividend shall be paid out of the Company's "contributed tax capital" as defined in the Tax Act;

5.3.3 the Redemption Price of each Preference Share shall be paid out of the Company's contributed tax capital;

5.3.4 each Preference Dividend will constitute a "dividend" as defined in the Tax Act as at the Tax Reference Date;

5.3.5 the Preference Shares are neither (i) "hybrid equity instruments" as defined in section 8E of the Tax Act as at the Tax Reference Date, nor (ii) "third party backed shares" as defined in the Tax Act as at the Tax Reference Date;

5.3.6 it will use the Issue Prices obtained by it for the Preference Shares entirely in order to pay the Subscription Price in respect of all of the Subscription Shares and the Sale Price in respect of all of the Sale Shares.

5.4 In addition the Company warrants to each Beneficiary that, as at the Issue Date the Dividends Exemption Provision applies to the Preference Dividends so that, and as at the Issue Date, the Preference Dividends are exempt from the Normal Tax except to the extent to which (i) any of the Taxing Exceptions applies, or (ii) the Dividends Exemption Provisions do not apply as a result of any acts or omissions of the Holder or Beneficiary of any applicable Preference Shares.

5.5 Except if (i) a Normal Tax Event has occurred, or (ii) as a result of the actions or omissions of the applicable Holder or Beneficiary any Preference Dividend has become subject to the Normal Tax, or (iii) a Taxing Exemption applies to any Preference Dividend, each Beneficiary shall be entitled to complete its Tax returns on the basis that the Preference Dividends are exempt from the Normal Tax. In the circumstances, and if the Company breaches any Tax Warranty –

5.5.1 each Beneficiary shall be entitled to recover, from the Company, all such damage as it may suffer as a result of such breach, provided that proceedings to recover those damages shall be instituted in the manner envisaged in clause 9.7 (and in no other manner); and

5.5.2 if, as a result of such breach, any Preference Dividend paid by the Company becomes subject to the Normal Tax, each Beneficiary's damages shall, without limitation, include (i) any interest that becomes payable by that Beneficiary under the Tax Act as a result of the fact that it has claimed (in its Tax returns) that the Preference Dividends are exempt from the Normal Tax, and (ii) any penalties of any nature levied by SARS under the Tax Admin Act (including an "understatement penalty" as envisaged in section 223 of that Act as at the Tax Reference Date).

6. **UNDERTAKINGS**

The Undertakings

6.1 The Company shall, until the Discharge Date –

6.1.1 maintain its corporate existence and comply with all laws that are applicable to it;

6.1.2 subject to clause 8, not Dispose of the BEE Shares nor any other asset of the Company (other than the Capitalisation Shares and the RLAs in the manner contemplated in these Preference Share Terms) other than pursuant to the Northam Pledge and Cession;

6.1.3 not undertake any business other than the Company Business;

6.1.4 ensure that each Preference Share remains validly issued and listed on the JSE until its Actual Redemption Date;

6.1.5 comply with all its obligations under the Administration Services Agreement and, except if the Agent (authorised by the applicable Required Majority) has otherwise agreed in writing, enforce all its rights under the Administration Services Agreement;

6.1.6 not terminate the Administration Services Agreement for any reason;

6.1.7 not issue any share of any class other than the Ordinary Shares, the Preference Shares and the N Share; and

6.1.8 not make any Distribution in respect of (i) the Ordinary Shares other than at the times and to the extent specifically authorised by these Preference Share Terms, or (ii) the N Share other than at the times and to the extent envisaged in the N Share Terms and provided that the outstanding Preference Shares have been fully redeemed;

6.1.9 not create any Encumbrance over any of its assets including, but without limitation, the BEE Shares, other than pursuant to the Northam Pledge and Cession;

6.1.10 not incur any Financial Indebtedness save in the event that the Company is required to settle all or a portion of the unpaid Preference Dividends and/or the Redemption Price in cash as envisaged in clause 8.5, 8.10 or 8.12, and such Financial Indebtedness is for the purpose of enabling the Company to redeem the Preference Shares or settle all or a portion of the unpaid Preference Dividends;

6.1.11 not incur any liability of any nature whatsoever other than a liability permitted under these Preference Share Terms; and

6.1.12 not enter into any transaction other than in the normal and ordinary course of the Company Business and on arm's length terms.

6.2 If (i) prior to date on which Northam's STC Credit is deemed to be zero in terms of section 64J(5) of the Tax Act, Northam pays a Cash Dividend, Special Dividend or Repurchase Price in respect of all or any of the BEE Shares, and (ii) notifies the Company, as envisaged in section 64J(1)(b) of the Tax Act that such payment will reduce Northam's STC Credit, the Company shall, until the date on which (in terms of the provisions of section 64J(3) of the Tax Act) its own STC Credit is deemed to be zero –

6.2.1 allocate its own STC Credit to the Preference Dividends paid by it, such allocation to be made *pro rata* to the number of Preference Shares held by each Holder; and

6.2.2 advise each Holder, as envisaged in section 64J(1)(b) of the Tax Act that the payment of the applicable Preference Dividend will reduce the Company's STC Credit.

Breach

6.3 If the Company breaches any undertaking provided by it pursuant to clause 6.1 or clause 6.2, each Beneficiary shall be entitled to recover from the Company such damages as that Beneficiary may have suffered as a result of the Company's breach of the applicable undertaking, provided that proceedings to recover those damages shall be instituted in the manner envisaged in clause 9.8 (and in no other manner).

7. TRIGGER EVENTS

The Events

7.1 A Trigger Event shall occur if any of the following facts or circumstances occur (whether or not such occurrence is within the Company's control) –

7.1.1 the Company fails to pay the Preference Dividends envisaged in clauses 3.2, 3.4.1, 3.7.3.1, 3.8.3.1 and 3.10 on the applicable due date for such payment;

7.1.2 the Company pays any Preference Dividend but fails to comply with section 46 of the Act in relation to such payment;

7.1.3 the Company fails to deal with any Capitalisation Shares issued to it in respect of the BEE Shares in the manner envisaged in clause 3.7;

7.1.4 the Company fails to deal with any RLAs issued to it in respect of the BEE Shares in the manner envisaged in clause 3.8;

7.1.5 the Company breaches any warranty contained in either clause 5.1 or in clause 5.3 and fails to remedy that breach within 5 (five) Business Days of being required to do so in writing by the Agent (and the Agent shall be entitled to deliver such a notice to the Company without first obtaining instructions from the Holders);

7.1.6 the Company breaches any undertaking given by it to the Holders pursuant to clause 6 and fails to remedy such breach within 10 (ten) Business Days of written notice by the Agent requiring it to do so (and the Agent shall be entitled to deliver such written notice without first obtaining instructions from the Holders);

7.1.7 the Company breaches any obligation imposed on it under these Preference Share Terms, other than the obligations envisaged in clauses 7.1.1 to 7.1.6 and fails to remedy that breach within 20 (twenty) Business Days of receipt of written notice from the Agent requiring it to do so (and the Agent shall be entitled to deliver such written notice without first obtaining instructions from the Holders);

7.1.8 the Company fails to comply with, or fails to pay any sum due by it under, any final judgment or final order made or given by any court of competent jurisdiction in an amount exceeding R10,000,000 (ten million Rand);

7.1.9 an Insolvency Event occurs in relation to the Company;

7.1.10 the Northam Pledge and Cession ceases to confer security in accordance with its terms;

7.1.11 the Company ceases to be an HDSA Company and has failed to remedy such position within the time period envisaged in the Subscription Agreement;

7.1.12 a Material Adverse Event occurs in relation to the Company;

7.1.13 a Material Dividend Rate Event occurs;

7.1.14 the Department of Mineral Resources and/or other relevant governmental authority ceases to recognise the BEE Shares as contributing 31.4% (thirty one comma four percent) HDSA equity ownership in Northam, other than as a result of Northam issuing additional Northam Shares, thereby diluting the HDSA equity ownership in Northam;

7.1.15 an Insolvency Event occurs in relation to Northam;

7.1.16 Northam fails to comply with, or pay any sum due by it under, any final judgment or any final order made or given by any court of competent jurisdiction in an amount exceeding R100 000 000 (one hundred million Rand);

7.1.17 Northam forfeits any of its mining licenses if the licenses thus forfeited (i) contribute more than 25% (twenty five percent) to Northam's resource reserve, or (ii) contributed more than 25% (twenty five percent) of Northam's revenue for its most recent financial year;

7.1.18 the Guarantee becomes unenforceable for any reason whatsoever or Northam repudiates its obligations under the Guarantee;

7.1.19 a Change of Control occurs in relation to Northam;

7.1.20 the Northam Shares cease to be listed on the JSE or a resolution is proposed to Northam Shareholders to delist the Northam Shares;

7.1.21 the Northam Shares are suspended from trading on the JSE on which they are listed, for more than 5 (five) consecutive Trading Days (other than as a result of a general suspension of shares on the JSE);

7.1.22 the authority or ability of Northam to conduct its business is wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction, cancellation or suspension of approval or other action by or on behalf of any governmental, regulatory or other authority or other person;

7.1.23 any Financial Indebtedness of Northam exceeding an aggregate amount of R500,000,000 (five hundred million) (escalating annually at CPI from the 1st (first) anniversary of the Issue Date) becomes immediately due and payable, or is capable of being declared due and payable (or any commitment in respect of any such indebtedness is withdrawn or cancelled), in each case, prior to its stated maturity by reason of an event of default (however described) which has not been remedied within any applicable grace period;

7.1.24 Northam fails to discharge any Financial Indebtedness exceeding an amount of R500,000,000 (five hundred million) (escalating annually at CPI from the 1st (first) anniversary of the Issue Date) in aggregate on the later of (i) its due date or (ii) upon the expiry of the grace period therefor, if any (other than a liability which Northam is contesting in good faith on the basis of favourable legal advice);

7.1.25 a resolution is proposed or passed in terms of which Northam is authorised to Dispose of all or the greater part of its assets or undertaking as defined in section 1 of the Act (or a similar provision in any applicable law after the Issue Date) or Northam otherwise ceases to carry on business; or

7.1.26 a Material Adverse Event occurs in relation to Northam.

The Company Trigger Events

7.2 If a Company Trigger Event or a Material Dividend Rate Trigger Event occurs the N Shareholder shall be entitled (but not obliged) –

7.2.1 to give written notice (an "**N Cure Notice**") to the Company and the Agent in which the N Shareholder requires the Company to remedy the applicable occurrence within 1 (one) Business Day of the receipt of the N Cure Notice; and

7.2.2 if the Company does not remedy the applicable Company Trigger Event or Material Dividend Rate Trigger Event within the aforesaid 1 (one) Business Day period, to deliver written notice (an "**N Redemption Notice**") to the Company and the Agent in which it requires the Company to redeem all the Preference Shares.

7.3 If the N Shareholder wishes to exercise the rights conferred on it by clause 7.2, the N Shareholder shall –

7.3.1 deliver the N Cure Notice to the Company and the Agent within 30 (thirty) days of the date on which the N Shareholder first becomes aware of the fact that the applicable Company Trigger Event or Material Dividend Rate Trigger Event has occurred; and

7.3.2 thereafter, and if it becomes entitled to deliver an N Redemption Notice, deliver that notice to the Company and the Agent on a Business Day occurring within 10 (ten) days of the date on which it becomes entitled to do so and by no later than 13:00 on the particular Business Day,

failing which the N Shareholder's right to require redemption as a result of the occurrence of the applicable Company Trigger Event or Material Dividend Rate Trigger Event shall lapse (but if a further Company Trigger Event or Material Dividend Rate Trigger Event occurs thereafter, the N Shareholder shall again be entitled to the rights conferred on it by clause 7.2).

7.4 If (i) a Company Trigger Event or Material Dividend Rate Trigger Event occurs, and (ii) the N Shareholder delivers a N Redemption Notice to the Company and the Agent by the date envisaged in clause 7.3.2, the Agent shall be required to –

7.4.1 publish a notice on the Company's behalf by means of the Exchange Information Service in which the Agent notifies the Holders that (i) the Company has become obliged to redeem Preference Shares, (ii) the date on which the Company must redeem the Preference Shares, and (iii) the number of Northam Shares that the Company must transfer to each Holder in the event that it elects to settle unpaid Preference Dividends by transferring Northam Shares;

7.4.2 deliver written notice (a "**Restriction Notice**") to the Company within 2 (two) days of receipt by it of the N Redemption Notice in which the Agent notifies the Company of the details of any one or more of the Holders or Beneficiaries are subject to the restrictions envisaged in clause 8.13 and full details thereof.

7.5 If (i) a Company Trigger Event occurs, and (ii) the N Shareholder does not deliver a N Cure Notice or a N Redemption Notice to the Company and the Agent by the dates envisaged in clause 7.3.2 –

7.5.1 the Agent shall convene a Holder Meeting as soon as may be reasonably possible in the circumstances for the purposes of determining what steps (if any) the Holders should take as a result of the occurrence of the applicable Company Trigger Event;

7.5.2 if the Holders resolve, by the applicable Required Majority, to call on the Company to remedy the applicable occurrence, the Agent shall deliver written notice (a "**Holder Cure Notice**") to such effect to the Company on a Business Day occurring within 2 (two) days of the date on Holders' resolution and by no later than 13:00 on the particular Business Day; and

7.5.3 if the Company fails to comply with the Holder Cure Notice within a period of 1 (one Business Day), the Agent shall (if it has been so authorised by the Holders by means of the applicable Required Majority) deliver written notice (a "**Holder Redemption Notice**") to the Company on a Business Day occurring within 2 (two) days of the date of the expiry of the remedy period in which the Agent (i) requires the Company to redeem the Preference Shares and (ii) notifies the Company of details any one or more of the Holders or Beneficiaries are subject to the restrictions envisaged in clause 8.13 and full details thereof.

7.6 For the avoidance of doubt, it is recorded that the Agent shall not be entitled to deliver a Holder Cure Notice in respect of the occurrence of a Material Dividend Rate Trigger Event.

The Northam Trigger Event

7.7 The N Shareholder shall not have the right to require the redemption of the Preference Shares on the grounds that a Northam Trigger Event has occurred.

7.8 If a Northam Trigger Event occurs –

7.8.1 the Agent shall convene a Holder Meeting in order to determine the steps, if any, to be taken as a result of such occurrence;

7.8.2 if the Holders resolve by the applicable Required Majority to require the Company to remedy the applicable Northam Trigger Event the Agent shall deliver a Holder Cure Notice to such effect to the Company on a Business Day occurring within 2 (two) days of the date on Holders' resolution and by no later than 13:00 on the particular Business Day; and

7.8.3 if the Company fails to remedy the applicable occurrence within 1 (one) Business Day of receipt of the Holder Cure Notice by it, the Agent shall (if so authorised by the Holders by means of the applicable Required Majority) deliver a Holder Redemption Notice to the Company on a Business Day occurring within 2 (two) days of the date of the expiry of the remedy period, in which the Agent (i) requires the Company to redeem the outstanding Preference Shares and (ii) notifies the Company of details any one or more of the Holders or Beneficiaries are subject to the restrictions envisaged in clause 8.13 and full details thereof.

Date for Redemption

7.9 The Company shall redeem all the outstanding Preference Shares within 4 (four) Business Days of the receipt by it of an N Redemption Notice or 2 (two) Business Days of the receipt by it of a Holder Redemption Notice, provided that if the Holder Redemption Notice is delivered to the Company as a result of a Change of Control as envisaged in clause 1.1.23.2, the Company shall redeem all the outstanding Preference Shares within 2 (two) Business Days of the date on which any person, or two or more persons acting in concert (as defined in the Act) acquire/s Control of Northam.

8. REDEMPTION

The Distribution Receipts Account

8.1 If, on the date 3 (three) years and 1 (one) day after the Issue Date or on any day thereafter, the Company holds more than R10,000,000 (ten million Rand) (the "**Redemption Threshold**") in the Distribution Receipts Account after it has paid all the Accumulated Dividends –

8.1.1 the Agent shall, by the date 5 (five) Business Days after the cash held by the Company in the Distribution Receipts Account exceeds the Redemption Threshold, publish a notice by means of the Exchange Information Service to the effect that the Company (i) holds cash in excess of the Redemption Threshold in the Distribution Receipts Account, and (ii) the Company must accordingly redeem such a number of the Preference Shares as is set out in the aforesaid notice; and

8.1.2 on the date 2 (two) Business Days after the publication of that notice, the Company shall redeem the applicable number of Preference Shares, such redemption to be effected (subject to such rounding down as the Agent may in its discretion determine) *pro rata* and across all the Holders (so that the Company shall redeem such a number of Preference Shares held by any specific Holder as bears the same ratio to all the Preference Shares redeemed by the Company, as the ratio of the Preference Shares held by that Holder bears to all the Preference Shares).

Compulsory Redemption

8.2 The Company shall redeem –

8.2.1 the outstanding Preference Shares if it becomes obliged to do so by virtue of the delivery of an N Redemption Notice or a Holder Redemption Notice; and

8.2.2 all the outstanding Preference Shares on the Scheduled Redemption Date.

Redemption *in specie*

8.3 If the Company becomes obliged to redeem the Preferences Shares, either in terms of clause 8.2.1 or clause 8.2.2, the Company shall, subject to clauses 8.4, 8.5 and 8.13, settle the Redemption Price of each Preference Share by –

8.3.1 transferring, to the Holder of that Preference Share and subject to such rounding down as may be reasonably determined by the Agent in writing, such a number of Northam Shares as is determined in accordance with the following formula –

$a = b \div c$

in which formula

a = the number of Northam Shares to be distributed *in specie* to the Holder of the applicable Preference Shares;

b = the Redemption Price of the applicable Preference Shares; and

c = 90% (ninety percent) of the 30 Day VWAP of 1 (one) Northam Share on the date on which the Company becomes obliged to redeem the Preference Shares; and

8.3.2 paying the balance (if any) in cash.

8.4 The Agent shall –

8.4.1 determine (i) the number of Northam Shares that must be distributed by the Company to each Holder in order to settle the Redemption Price in respect of the outstanding Preference Shares and (ii) the number of Northam Shares that must be distributed by the Company to each Holder in the event that the Company elects to settle unpaid Preference Dividends by transferring Northam Shares; and

8.4.2 publish a notice by means of the Exchange Information Service in which the Agent notifies the Holders that (i) the Company has become obliged to redeem Preference Shares; (ii) the date on which the Company must redeem the Preference Shares; (iii) the number of Northam Shares that the Company must transfer to each Holder in order to settle the Redemption

Price in respect of the outstanding Preference Shares; (iv) the number of Northam Shares that the Company must transfer to each Holder in the event that it elects to settle unpaid Preference Dividends by transferring Northam Shares and (v) requesting that Holders notify the Agent in writing of any restrictions as envisaged in clause 8.13 and full details thereof within 1 (one) day of the said notice.

8.5 If the Company becomes obliged to redeem the Preferences Shares pursuant to a delisting or proposed delisting of the Northam Shares as envisaged in clause 7.1.20; the Northam Shares being suspended from trading as envisaged in clause 7.1.21 or a Change of Control as envisaged in clause 7.1.19, the Company shall be obliged to redeem the Preference Shares in cash.

Refinance

8.6 Despite the provisions of clause 8.3, if the Company becomes obliged to redeem the Preferences Shares, either in terms of clause 8.2.1 or clause 8.2.2, the Company shall, with the prior written consent of the N Shareholder and the Agent (if it has been so authorised by the Holders by means of the applicable Required Majority), be entitled to incur Refinance in order to redeem the outstanding Preference Shares in cash (or partly in cash as envisaged in clause 8.8), provided that if the Company becomes obliged to redeem the Preferences Shares pursuant to a delisting or proposed delisting of the Northam Shares as envisaged in clause 7.1.19 or a Change of Control as envisaged in clause 7.1.18, the Company shall be obliged to incur Refinance in order to redeem the outstanding Preference Shares in cash.

8.7 If the Company incurs any Refinance in order to redeem the Preference Shares in cash (or partly in cash as envisaged in clause 8.8), the Company shall –

8.7.1 procure that the proceeds of that Refinance are paid into the Distribution Receipts Account; and

8.7.2 on the due date for redemption of the Preference Shares, redeem those shares by paying the Redemption Price to the Holders, on the basis that payment shall be made out of the Distribution Receipts Account.

Redemption partly *in specie* and partly in cash

8.8 If the Company becomes obliged to redeem the Preferences Shares, either in terms of clause 8.2.1 or clause 8.2.2, the Company shall, subject to clauses 8.4, 8.6, 8.13 and 8.5, be entitled to settle the Redemption Price of the Preference Shares partly in cash (as envisaged in clause 8.6) and settling the balance by transferring, to the Holders of the Preference Shares, a number of Northam Shares and subject to such rounding down as may be reasonably determined by the Agent in writing, such a number of Northam Shares as is determined in accordance with the following formula –

$a = b \div c$

in which formula

a = the number of Northam Shares to be distributed in specie to the Holder of the applicable Preference Shares;

b = the Redemption Price of the applicable Preference Shares less that portion of the Redemption Price which will be settled in cash; and

c = 90% (ninety percent) of the 30 Day VWAP of 1 (one) Northam Share on the date on which the Company becomes obliged to redeem the Preference Shares.

Payment of Preference Dividend

8.9 The Company shall, on the date on which it redeems any Preference Shares –

8.9.1 voluntarily in terms of clause 4.1, pay to each Holder all the unpaid Preference Dividends in respect of the Preference Shares held by that Holder in cash; or

8.9.2 in terms of this clause 8, settle the outstanding Preference Dividends in respect of that share, at its election –

8.9.2.1 subject to clause 8.6, by making a cash payment to the Holders of the Preference Shares; or

8.9.2.2 by –

8.9.2.2.1 subject to clauses 8.4, 8.13 and 8.10, transferring, to the Holder of that Preference Share and subject to such rounding down as may be reasonably determined by the Agent in writing, such a number of Northam Shares as is determined in accordance with the following formula –

$a = b \div c$

in which formula

a = the number of Northam Shares to be distributed *in specie* to the Holder of the applicable Preference Shares;

b = the unpaid Preference Dividends of the applicable Preference Shares; and

c = 90% (ninety percent) of the 30 Day VWAP of 1 (one) Northam Share on the date on which the Company becomes obliged to redeem the Preference Shares; and

8.9.2.2.2 paying the balance (if any) in cash; or

8.9.2.3 subject to clauses 8.4, 8.6, 8.10 8.13, partly by making a cash payment to the Holders of the Preference Shares and settling the balance by transferring, to the Holders of the Preference Shares, a number of Northam Shares and subject to such rounding down as may be reasonably determined by the Agent in writing, such a number of Northam Shares as is determined in accordance with the following formula –

$a = b \div c$

in which formula

a = the number of Northam Shares to be distributed *in specie* to the Holder of the applicable Preference Shares;

b = the unpaid Preference Dividends of the applicable Preference Shares less that portion of the Preference Dividends that will be settled in cash; and

c = 90% (ninety percent) of the 30 Day VWAP of 1 (one) Northam Share on the date on which the Company becomes obliged to redeem the Preference Shares.

8.10 If the Company becomes obliged to redeem the Preferences Shares pursuant to a delisting or proposed delisting of the Northam Shares as envisaged in clause 7.1.20; the Northam Shares being suspended from trading as envisaged in clause 7.1.21 or a Change of Control as envisaged in clause 7.1.19, the Company shall be obliged to settle the outstanding Preference Dividends in respect of those shares by making a cash payment to the Holders of the Preference Shares.

Securities Transfer Tax

8.11 The Company shall pay all the STT that becomes payable as a result of the settlement of outstanding Preference Dividends in accordance with clause 8.9 or the redemption of any Preference Shares.

8.12 If the Company settles any Preference Dividends or redeems any Preference Share by transferring any of its Northam Shares to the applicable Holder, the Company shall pay the STT that becomes payable as a result of such transfer and the Company hereby indemnifies each applicable Holder against the payment of such STT and any claims that may be made against that Holder by any person (including SARS) for payment of the applicable STT.

Holder/Beneficiary Restrictions

8.13 If the Company (i) elects to settle (whether partly or in full) the unpaid Preference Dividends through the transfer of Northam Shares in accordance with clause 8.9.2.2.1 or clause 8.9.2.3 and/or (ii) is obliged to settle the Redemption Price through the transfer of Northam Shares in accordance with clause 8.3 and/or (iii) elects to settle the Redemption Price partly in cash and partly through the transfer of Northam Shares in accordance with clause 8.8, then to the extent that the transfer of such Northam Shares to a particular Holder or, in the case of a Holder that is a Programme Participant, the transfer of such Northam Shares by a Holder to a Beneficiary will –

8.13.1 require the prior approval or consent of any Authority in terms of any law; or

8.13.2 result in the relevant Holder being required to make a mandatory offer to the remaining holders of Northam Shares in accordance with the takeover provisions of the Act (or similar provisions in any applicable law after the Signature Date),

as set out in the Restriction Notice or the Holder Redemption Notice, as the case may be, the Company shall be obliged to settle the unpaid Preference Dividends and/or the Redemption Price, as the case may be, in respect of the relevant number of outstanding Preference Shares held by such Holder or Beneficiary in cash (in order to avoid the application of clauses 8.13.1 and 8.13.2) and the unpaid Preference Dividends and/or the Redemption Price (as the case may be) in respect of the balance of the Preference Shares held by the Holder or the Beneficiary, through the issue of Northam Shares in accordance with clauses 8.9.2.2.1, 8.9.2.3 and 8.3 respectively.

9. HOLDER MEETINGS

Role of the Agent

9.1 The Agent shall –

9.1.1 represent the Holders in their dealings with the Company arising under the Preference Shares and these Preference Share Terms;

9.1.2 if it becomes necessary for the Holders to make a Decision, convene a Holder Meeting; and

9.1.3 in dealing with the Company, act strictly in accordance with the instructions given to it by the Holders by means of the applicable Required Majorities.

9.2 If Northam is both the Agent and the N Shareholder (i) Northam shall, in performing the function assigned to the Agent in terms of these Preference Share Terms, act as agent for and on behalf of the Holders, but (ii) in exercising any discretions and/or performing any functions assigned to the N Shareholder under these Preference Share Terms, act in its own right and without the need for obtaining instructions from the Holders.

Holder Meetings

9.3 If it becomes necessary for the Agent to convene a Holder Meeting the Agent shall –

9.3.1 convene that meeting on the giving of 7 (seven) Business Days' notice or, if the Agent believes that the matter in question is urgent, on such shorter notice as the Agent may determine in its reasonable discretion; and

9.3.2 convene each Holder meeting by giving notice by means of the Exchange Information Service, that notice to set out (i) the date and time of the meeting, and (ii) the details of the Decision that the Holders are required to make at the meeting.

9.4 The Agent shall appoint a person to chair each Holder Meeting and –

9.4.1 a quorum of meetings of the Holders shall be Holders who, between them, are the registered holders of at least 25% (twenty five percent) of the outstanding Preference Shares;

9.4.2 each Holder shall have 1 (one) vote for each Preference Share held by him;

9.4.3 all resolutions shall be by means of a poll and each Holder shall (i) exercise all the votes attributable to the Preference Shares held by it in accordance with the instructions provided to it by the applicable Beneficiaries, and (ii) itself make such arrangements as it may deem appropriate in order to obtain instructions from the applicable Beneficiaries.

The Decisions Matrix

9.5 The Required Majority in respect of each Decision is set out in the table below –

Decision	Required Majority
Any amendment of the Preference Share Terms	80%
Enforcement of the Company's rights under the Administration Services Agreement	80%
Any amendment to the Guarantee	80%
Any consent or approval required by the Company pursuant to the Preference Share Terms	80%
The issue of a Holder Cure Notice	25% plus one vote
The issue of any Holder Redemption Notice	25% plus one vote
Any decision to institute legal proceedings against the Company or to claim against the Guarantee	25% plus one vote
Any decision not specifically mentioned in this table	80% plus one vote

9.6 If the Holders adopt a resolution to issue a Holder Cure Notice the Holders may, as part of that resolution, authorise the Agent to issue a Holder Redemption Notice if the Company fails to comply with the Holder Cure Notice.

Publication

9.7 The Agent shall cause the details of each Decision adopted at a Holder Meeting to be published on the Exchange Information Service as soon as may be reasonably possible after that resolution has been adopted.

Enforcement

9.8 If the Holders resolve to institute any action of any nature whatsoever against the Company (arising under the Preference Shares and these Preference Share Terms) or against Northam (arising under the Guarantee) including, but without limitation, actions –

9.8.1 against the Company (i) for payment of any damages arising out of any breach of any warranty or undertaking given by the Company to the Holders under these Preference Share Terms, or (ii) for payment of any amounts that have become payable by the Company to the Holders under these Preference Share Terms, or (iii) for the specific enforcement of any of the Company's obligations under these Preference Share Terms, or (iv) to obtain an interdict against the Company to prevent it from breaching any of the provisions of these Preference Share Terms;

9.8.2 for the liquidation of the Company or for the commencement of business rescue proceedings against the Company; or

9.8.3 for the liquidation of Northam or for the commencement of business rescue proceedings against Northam;

such action shall be instituted in accordance with the provisions of clause 9.9.

9.9 Legal action arising out of the Preference Shares, these Preference Shares Terms and the Guarantee shall be brought in the following manner –

9.9.1 the Holders shall, by a Required Majority of 50% (fifty percent) plus 1 (one) vote, appoint an attorney to prosecute those proceedings;

9.9.2 the Holders shall, *pro rata* to their holdings of the Preference Shares, pay the reasonable costs of the applicable attorney in instituting those proceedings; and

9.9.3 any decision relating to those proceedings shall be adopted by the Holders by a required majority of 50% (fifty percent) plus 1 (one) vote.

9.10 Subject to clause 9.11, no Holder or Beneficiary shall itself institute any action of any nature whatsoever (including, but without limitation, the types of action envisaged in clause 9.8) against either the Agent or Northam (in its capacity as the guarantor under the Guarantee) but each Holder shall be limited, in enforcing its rights under the Preference Shares, these Preference Share Terms and the Guarantee, to proceedings taken by the Holders jointly and in accordance with the provisions of clause 9.8.

9.11 If pursuant to clause 2.14 any Holder or Beneficiary has the right, in relation to any specific Preference Shares, to claim payment of any amounts as a result of the occurrence of a Change Event if that Change Event occurs after the Actual Redemption Date on which the applicable Preference Share is redeemed, that Holder or Beneficiary shall be entitled to claim payment of such amounts directly from the Company and to itself institute any action of any nature whatsoever (including, but without limitation, the types of action envisaged in clause 9.8) against either the Agent or Northam (in its capacity as the guarantor under the Guarantee) in order to recover such amounts.

10. RETURN OF CAPITAL

10.1 On the liquidation of the Company each Preference Share shall confer on its Holder (for payment to the applicable Beneficiaries) a right to a return of capital in an amount equal to the Redemption Price of that Preference Share together with all Accumulated Dividends calculated up to the day on which that return of capital is paid to the applicable Holder.

10.2 Save as envisaged in clause 10.1, the Preference Share shall not be entitled to participate in the Company's excess assets on its liquidation.

11. VOTING

11.1 The Preference Shares shall not entitle the Holders to vote at meetings of the Company's shareholders except –

11.1.1 if a Trigger Event other than a Material Dividend Rate Trigger Event has occurred and has not been remedied;

11.1.2 the Company has not redeemed all of the Preference Shares on the Scheduled Redemption Date;

11.1.3 in relation to any resolution of the Company to (i) repurchase any shares of any class or affect a reduction in capital through any other corporate transaction, or (ii) place itself into voluntary liquidation; or

11.1.4 in respect of a resolution proposed to amend the preferences, rights, limitations and other terms associated with the Preference Shares.

11.2 If the Preference Shares are entitled to vote those shares shall, between them, be entitled to such a number of votes as is equal to 95% (ninety five percent) of all the votes exercisable by all the Company's shareholders (and each Preference Share shall have such a number of votes as is equal to the aggregate number of votes exercisable by all the Preference Shares divided by the number of the Preference Shares then in issue).

ANNEXURE "1A"

In the event that the Zambezi Scheme (as defined in the Implementation and Framework Agreement) becomes unconditional in accordance with its terms, with effect from the date on which the Zambezi Scheme is implemented the Preference Share Terms are as follows:

PREFERENCE SHARE TERMS

1. DEFINITIONS

1.1 In this annexure "**1A**", unless inconsistent with or otherwise indicated by the context –

1.1.1 all expressions defined in the Memorandum of Incorporation to which these Preference Share Terms form annexure "**1A**", shall have the same meanings when used in this annexure "**1A**";

1.1.2 the word "**clause**" shall refer to clauses in this annexure "**1A**";

1.1.3 "**Accumulated Dividends**" means, in respect of each Preference Share and on any day, the aggregate of any Scheduled Dividends for any Calculation Periods which ended prior to that day, to the extent to which those Scheduled Dividends have not been paid;

1.1.4 "**Actual Redemption Date**" means, in relation to any Preference Share and provided that the Company has paid all the Preference Dividends in respect of that Preference Share, the date on which the Company settles the Redemption Price of that Preference Share by (i) transferring Northam Shares (each valued at the Reference Price) to the Holder of that Preference Share or (ii) paying the Redemption Price of that Preference Share to the Holder of that Preference Share in cash;

1.1.5 "**Administration Services Agreement**" means the written agreement headed "*Administration Services Agreement*" entered into between the Company and Northam in terms of which the Parties *inter alia* agree that (i) Northam shall attend to the day-to-day management of the Company's business and the administration of the Company's affairs, and (ii) Northam shall pay all costs and expenses incurred in the administration of the Company's affairs, to a maximum amount from time to time determined in accordance with that agreement;

1.1.6 "**Authority**" means any court or any governmental, intergovernmental or supranational body, agency, department or any regulatory, self-regulatory or other authority;

1.1.7 "**Business Day**" means any day other than a Saturday, Sunday or officially recognised public holiday on which banks are generally open for business in the Republic of South Africa;

1.1.8 "**Calculation Period**" means –

1.1.8.1 the period that commenced on the Issue Date and ended on 31 December 2015;

1.1.8.2 the 2016 calendar year, the 2017 calendar year, the 2018 calendar year, the 2019 calendar year and the 2020 calendar year;

1.1.8.3 the period that commenced on 1 January 2021 and will end on the Zambezi Scheme Implementation Date;

1.1.8.4 the period that commences on the day after the Zambezi Scheme Implementation Date and ends on 31 December 2021; and

1.1.8.5 thereafter, each calendar year during which any Preference Shares remain outstanding, provided that the last Calculation Period in respect of any particular Preference Share shall end on the Actual Redemption Date on which the Company redeems that Preference Share;

1.1.9 "**Company Business**" means the business of the Company which shall be limited to the activities listed in clause 5 of this Memorandum of Incorporation;

1.1.10 "**Compulsory Redemption Notice**" means the notice defined as such in clause 5.2.2;

1.1.11 "**Discharge Date**" means the Actual Redemption Date on which the Company redeems the last of the outstanding Preference Shares;

1.1.12 "**Disposal**" means sale, lease, licence, transfer, loan or other disposal by any person of any asset, undertaking or business (whether by a voluntary or involuntary transaction or series of transactions), and "**Dispose**" shall be construed accordingly;

1.1.13 "**Distribution**" means a *"distribution"* as defined in the Act;

1.1.14 "**Distribution Receipts Account**" means the bank account operated by Northam on behalf of the Company for the purposes of receiving, holding and disbursing the Receipts;

1.1.15 "**Dividend Payment Date**" means the date 2 (two) Business Days after any day on which the Company receives any Receipts in an amount in excess of R1,000,000 (one million Rand);

1.1.16 "**Dividend Rate**" means a nominal rate equal to the aggregate of the Prime Rate and 3.5% (three point five percent);

1.1.17 "**Encumbrance**" means a mortgage bond, notarial bond, cession in security, charge, pledge, hypothec, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect and "**Encumber**" shall bear a corresponding meaning;

1.1.18 "**Final Judgement**" means any judgment by any court of competent jurisdiction if that judgment (i) is not subject to appeal, or (ii) is subject to appeal but the period for the institution of such an appeal has passed and no appeal has been instituted;

1.1.19 "**Financial Indebtedness**" means any indebtedness for or in respect of –

1.1.19.1 moneys borrowed;

1.1.19.2 any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

1.1.19.3 any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock, preference shares, or any similar instrument;

1.1.19.4 the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS (International Financial Reporting Standards), be treated as a finance or capital lease;

1.1.19.5 receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

1.1.19.6 any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

1.1.19.7 any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);

1.1.19.8 any amount raised by, and all amounts accrued and/or payable on account of, the issue of shares which are redeemable;

1.1.19.9 the amount of any liability in respect of any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

1.1.19.10 the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in clauses 1.1.19.1 to 1.1.19.9 above;

1.1.20 "**Guarantee**" means a written agreement headed "*Guarantee*" entered into between, *inter alios*, Northam and the Company on or about 31 March 2015 which provides, *inter alia*, that Northam irrevocably and unconditionally guarantees the payment of all amounts (whether in respect of the Preference Dividends or the Redemption Price) which the Company has contracted to pay (but failed to pay on the due date therefor) in respect of the Preference Shares (in terms of these Preference Share Terms);

1.1.21 "**Holder**" means, in relation to a Preference Share, its registered holder as reflected in the Company's share register;

1.1.22 “**Implementation and Framework Agreement**” means the written agreement headed “*Implementation and Framework Agreement*” entered into between the Company and Northam on 22 March 2021, as amended from time to time;

1.1.23 “**Implementation Dividends**” means all the Distributions (whether or not they are dividends *in specie*) that the Company is required to make to the Ordinary Shareholders in terms of the Implementation and Framework Agreement;

1.1.24 “**Insolvency Event**” means, in relation to any person, any of the following events or circumstances –

1.1.24.1 it is dissolved or de-registered;

1.1.24.2 an order or declaration is made, or a resolution is passed, for the administration, custodianship, bankruptcy, liquidation, winding-up, receivership, trusteeship, de-registration or dissolution (and, in each case, whether provisional or final) of it, its assets or its estate or an order or declaration is made, or a resolution is passed, to authorise the commencement of any business rescue proceeding in respect of it, its assets or its estate;

1.1.24.3 it convenes any meeting to consider the passing of a resolution for the administration, custodianship, bankruptcy, liquidation, winding-up, receivership, trusteeship, de-registration or dissolution (and, in each case, whether provisional or final) of it, its assets or its estate or to authorise the commencement of any business rescue proceeding in respect of it, its assets or its estate;

1.1.24.4 it seeks the appointment of an administrator, liquidator (whether provisional or final), business rescue practitioner, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets or estate;

1.1.24.5 it has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;

1.1.24.6 it is unable (or admits inability) to pay its debts generally as they fall due or is (or admits to being) otherwise insolvent or stops, suspends or threatens to stop or suspend payment of all or a material part of its indebtedness or proposes or seeks to make or makes a general assignment or any arrangement or composition with or for the benefit of its creditors generally or a moratorium is agreed or declared in respect of or affecting all or a material part of its indebtedness;

1.1.24.7 it takes any proceeding or other step with a view to the general readjustment, rescheduling or deferral of its indebtedness (or any part thereof which it would otherwise be unable to pay when due) or proposes to take any such step;

1.1.24.8 any receiver, administrative receiver, judicial receiver, administrator, compulsory manager, judicial custodian, trustee in bankruptcy, liquidator, business rescue practitioner or the like is appointed in respect of it, its estate or any material part of its assets or it requests any such appointment;

1.1.24.9 it commits any act which, if such act was committed by a natural person, would be an act of insolvency within the meaning of section 8 of the Insolvency Act, No. 24 of 1936 or any equivalent legislation in any jurisdiction to which such person is subject;

1.1.24.10 it is or is deemed by any authority or legislation to be Financially Distressed (as defined in the Act);

1.1.24.11 it causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses 1.1.24.1 to 1.1.24.10; or

1.1.24.12 it takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

1.1.25 "**Issue Date**" means the date on which the Company issued the Preference Shares to the first Holders, being 18 May 2015;

1.1.26 "**Issue Price**" means, in relation to a Preference Share, the issue price paid to the Company for that Preference Share by its first Holder;

1.1.27 "**Material Adverse Event**" means, in relation to the Company, any event, circumstance or matter or combination of events, circumstances or matters which in the opinion of the Holders has or is reasonably likely to have a material adverse effect on –

1.1.27.1 the ability of the Company to perform its obligations under these Preference Share Terms;

1.1.27.2 the validity or enforceability of these Preference Share Terms;

1.1.28 "**MPRDA**" means the Mineral and Petroleum Resources Development Act, No. 28 of 2002;

1.1.29 "**Net Value Distribution Date**" shall bear the meaning ascribed thereto in the Implementation and Framework Agreement (being the date on which the Company will pay certain of the Implementation Dividends to the Ordinary Shareholders);

1.1.30 "**Northam Pledge and Cession**" means the written agreement headed "*Pledge and Cession*" entered into between the Company and Northam, in terms of which the Company has pledged and ceded, in *securitatem debiti* (i) its Northam Shares, and (ii) its right, title and interest in and to the Distribution Receipts Account, to Northam as security for certain obligations owing by the Company to Northam;

1.1.31 "**Preference Dividends**" means, in respect of each Preference Share, the applicable Scheduled Dividends and Premium Dividend;

1.1.32 "**Preference Share**" means a cumulative, non-participating no par value preference share in the Company's share capital which confers, on its Holder, the rights, obligations and privileges set out in these Preference Share Terms;

1.1.33 "**Preference Share Terms**" means the rights and privileges of the Preference Shares as set out in this annexure "**1A**";

1.1.34 "**Premium Dividend**" means, in relation to each Preference Share, a dividend in an amount equal to 11.11% (eleven point eleven percent) recurring of the aggregate of (i) the Issue Price of that Preference Share; and (ii) the Accumulated Dividends in respect of that Preference Share as at the Zambezi Scheme Implementation Date;

1.1.35 "**Prime Rate**" means the percentage publicly quoted as the basic rate of interest levied by Nedbank Limited from time to time on overdraft, calculated on a 365 (three hundred and sixty five) day year, irrespective of whether the applicable year is a leap year, and proved, prima facie, in the event of a dispute and in the absence of manifest error, by a certificate under the hand of any director or manager of Nedbank Limited, whose appointment and authority need not be proved;

1.1.36 "**Receipts**" means any amounts received by the Company from any person and for any reason and include –

1.1.36.1 any Distributions paid to the Company in respect of any Northam Shares held by the Company from time to time;

1.1.36.2 the proceeds of the Disposal of any Northam Shares by the Company as permitted in terms of this Memorandum of Incorporation, whether by way of a repurchase of those Northam Shares by Northam or otherwise; or

1.1.36.3 any subscription prices paid to the Company by any person for the issue of any shares of any class in the Company to that person (save for any subscriptions made to capitalise the Company in order to settle taxes),

but excluding any Receipts required in order to Distribute the Implementation Dividends and/or to pay any taxes in accordance with the Implementation and Framework Agreement;

1.1.37 "**Redemption Price**" means, in relation to each Preference Share, an amount equal to its Issue Price;

1.1.38 "**Reference Price**" means an amount of R160-00 (one hundred and sixty Rand) per Northam Share;

1.1.39 "**Repurchase Implementation Date**" shall bear the meaning ascribed thereto in the Implementation and Framework Agreement (being the date on which Northam will repurchase the applicable Northam Shares from the Company);

1.1.40 "**Revised Accumulated Dividends**" means, in relation to any Preference Share, the aggregate of –

1.1.40.1 the Accumulated Dividends in respect of that Preference Share as at the Zambezi Scheme Implementation Date; and

1.1.40.2 the Premium Dividend in respect of that Preference Share;

1.1.41 "**SARS**" means the South African Revenue Service;

1.1.42 "**Scheduled Dividend**" means, in respect of each Preference Share and for each Calculation Period, the Preference Dividend calculated in accordance with the formula contained in clause 2.4;

1.1.43 "**Scheduled Redemption Date**" means, in respect of each Preference Share, the day before the 10^{th} (tenth) anniversary of the Issue Date, being 17 May 2025;

1.1.44 "**STT**" means the securities transfer tax imposed under the Securities Transfer Tax Act, No. 25 of 2007;

1.1.45 "**Subsequent Period**" means the period which commences on the day after the Zambezi Scheme Implementation Date and ends on the Actual Redemption Date on which the Company redeems the last outstanding Preference Share;

1.1.46 "**Tax Act**" means the Income Tax Act, No 58 of 1962, as amended from time to time;

1.1.47 "**Tax Reference Date**" means 1 October 2014;

1.1.48 "**Treasury Transaction**" means any currency or interest purchase, cap or collar agreement, forward rate agreements, interest rates or currency future or option contracts, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap or combined interest rate and currency swap agreement and any other similar agreement in each case entered into in connection with protection against or benefit from fluctuation in any rate or price;

1.1.49 "**Trigger Event**" means the occurrence of any facts or circumstances envisaged in clause 5.1; and

1.1.50 "**Zambezi Scheme Implementation Date**" shall bear the meaning ascribed thereto in the Implementation and Framework Agreement (being the date on which Northam will acquire the Preference Shares held by Zambezi Scheme Participants (as defined in the Implementation and Framework Agreement)).

2. DIVIDENDS

Entitlement

2.1 Each Preference Share shall entitle the Holder thereof to the Preference Dividends determined in accordance with this clause 2.

2.2 Subject to clause 2.3, the Preference Dividends shall rank prior to the dividend rights of any other class of shares in the Company's share capital (including the Ordinary Shares and the N Share).

2.3 Despite the provisions of clause 2.2 the Company shall be entitled to –

2.3.1 Distribute the Implementation Dividends to the Ordinary Shareholders in accordance with the provisions of the Implementation and Framework Agreement; and

2.3.2 make any Distributions in respect of the N Shares provided that (i) the Company paid the Accumulated Dividends in full on the immediately preceding Dividend Payment Date, and (ii) it complies with the provisions of section 46 of the Act.

Scheduled Dividend

2.4 For each Calculation Period each Preference Share shall be entitled to a Scheduled Dividend in an amount equal to the aggregate of the amounts calculated in respect of each day during that Calculation Period in accordance with the following formula –

$a = (b + c) \times d$

in which formula

a = the amount for the applicable day;

b = the Issue Price of the applicable Preference Share;

c = the Accumulated Dividends in respect of that Preference Share at 17h00, Johannesburg time, on the 1st (first) day of that Calculation Period; and

d = the Dividend Rate on the day for which the Scheduled Dividend is calculated, divided by 365.

Premium Dividend

2.5 In addition to the Scheduled Dividend, each Preference Share shall be entitled to the Premium Dividend. For the avoidance of doubt, any Holder who exercises appraisal rights in terms of the Zambezi Scheme as envisaged in section 164 of the Companies Act will not be entitled to receive the Premium Dividends in respect of the Preference Shares held by them.

Settlement

2.6 On each Dividend Payment Date or, in the case of the Revised Accumulated Dividends, on the Repurchase Implementation Date, the Company shall settle all or a portion of the Preference Dividends or the Revised Accumulated Dividends by, as the case may be, by –

2.6.1 making payment to the Holder, of an amount equal to the lower of –

2.6.1.1 all the Receipts which the Company holds on that Dividend Payment Date; and

2.6.1.2 the Accumulated Dividends or the Revised Accumulated Dividends, as the case may be; and/or

2.6.2 transferring to that Holder such a number of Northam Shares as is determined by dividing the Accumulated Dividends or the Revised Accumulated Dividends, as the case may be, in respect of all the Preference Shares held by that Holder by the Reference Price (rounded down to the nearest whole number).

3. **WARRANTIES**

General Warranties

3.1 The Company hereby gives each of the following warranties to the Holder and each such warranty is given as at the Issue Date and each date thereafter until the Actual Redemption Date on which the last outstanding Preference Share is redeemed –

3.1.1 the Company has been duly incorporated and validly exists under the laws of South Africa;

3.1.2 all resolutions of the Company, whether they are special resolutions or resolutions of its Board, which are required to create and issue the Preference Shares have been validly adopted;

3.1.3 the Company has not undertaken any business other than the transactions envisaged in the Implementation and Framework Agreement and transactions concluded in the normal and ordinary course of the Company Business;

3.1.4 the Company's Northam Shares are not subject to any Encumbrance in favour of any person other than under the Northam Pledge and Cession; and

3.1.5 all information provided by the Company to the Holder on or before the Issue Date in connection with the Company and/or the Preference Shares was true and correct in all material respects.

3.2 If the Company breaches any warranty contained in clause 3.1 each Holder shall be entitled to recover from the Company such damages (if any) as it may have suffered as a result of that breach.

Warranties

3.3 The Company hereby gives the following warranties to the Holder (i) initially as at the Issue Date, and (ii) thereafter on the basis that each such warranty shall be deemed to have been repeated on each day between the Issue Date and the Discharge Date –

3.3.1 the Company shall comply, in all respects, with the Act (and in particular with section 46 thereof) in relation to the payment of each Preference Dividend;

3.3.2 no Preference Dividend shall be paid out of the Company's "contributed tax capital" as defined in the Tax Act;

3.3.3 the Redemption Price of each Preference Share shall be paid out of the Company's contributed tax capital;

3.3.4 each Preference Dividend will constitute a "dividend" as defined in the Tax Act as at the Tax Reference Date;

3.3.5 the Preference Shares are neither (i) "hybrid equity instruments" as defined in section 8E of the Tax Act as at the Tax Reference Date, nor (ii) "third party backed shares" as defined in the Tax Act as at the Tax Reference Date; and

3.3.6 it has applied the Issue Prices obtained by it for the Preference Shares entirely for the purpose of acquiring its Northam Shares.

4. **UNDERTAKINGS**

The Undertakings

4.1 The Company shall, until the Discharge Date –

4.1.1 maintain its corporate existence and comply with all laws that are applicable to it;

4.1.2 not Dispose of any of its Northam Shares other than in the manner and to the extent envisaged in the Implementation and Framework Agreement;

4.1.3 not undertake any business other than the Company Business;

4.1.4 ensure that each Preference Share remains validly issued until its Actual Redemption Date;

4.1.5 comply with all its obligations under the Administration Services Agreement and, except if the Holder has agreed otherwise in writing (i) enforce all its rights under that agreement, and (ii) not terminate that agreement for any reason;

4.1.6 not, without the prior written approval of the Holder –

4.1.6.1 issue any share of any class other than the Ordinary Shares, the Preference Shares and the N Share;

4.1.6.2 make any Distributions in respect of (i) the Ordinary Shares other than at the times and to the extent envisaged in the Implementation and Framework Agreement or in accordance with clause 2.3.1; or (ii) the N Share other than in accordance with clause 2.3.2 of these Preference Share Terms;

4.1.6.3 create or allow to subsist any Encumbrance over any of its assets including, but without limitation, its Northam Shares other than under the Northam Pledge and Cession;

4.1.6.4 incur any Financial Indebtedness;

4.1.6.5 incur any liability of any nature whatsoever other than a liability permitted under the Implementation and Framework Agreement or these Preference Share Terms; and

4.1.6.6 enter into any transaction other than the transactions envisaged in the Implementation and Framework Agreement and/or transactions concluded in the normal and ordinary course of the Company Business and on arm's length terms.

Breach

4.2 If the Company breaches any undertaking provided by it pursuant to clause 4.1 each Holder shall be entitled to recover from the Company such damages as that Holder may have suffered as a result of the Company's breach of the applicable undertaking.

5. TRIGGER EVENTS

The Events

5.1 A Trigger Event shall occur if any of the following facts or circumstances occur (whether or not such occurrence is within the Company's control) –

5.1.1 the Company fails to pay any Preference Dividends on the due date for payment;

5.1.2 the Company pays any Preference Dividend but fails to comply with section 46 of the Act in relation to such payment;

5.1.3 the Company breaches any warranty contained in either clause 3.1 or in clause 3.3 and fails to remedy that breach within 5 (five) Business Days of being required to do so in writing by the Holder;

5.1.4 the Company breaches any undertaking given by it to the Holder pursuant to clause 4 and fails to remedy such breach within 10 (ten) Business Days of written notice by any Holder requiring it to do so;

5.1.5 the Company breaches any obligation imposed on it under these Preference Share Terms, other than the obligations envisaged in clauses 5.1.1 to 5.1.4 and fails to remedy that breach within 20 (twenty) Business Days of receipt of written notice from the Holder requiring it to do so;

5.1.6 the Company fails to comply with, or fails to pay any sum due by it under, any Final Judgment or final order made or given by any court of competent jurisdiction in an amount exceeding R10 000 000 (ten million Rand);

5.1.7 an Insolvency Event occurs in relation to the Company; and

5.1.8 a Material Adverse Event occurs in relation to the Company.

Holder's Remedy

5.2 If a Trigger Event occurs each Holder shall be entitled to –

5.2.1 deliver a written notice (a "**Cure Notice**") to the Company in which it requires the Company to remedy the applicable event within 1 (one) Business Day of receipt of the Cure Notice; and

5.2.2 if the Company does not remedy the Trigger Event within the aforesaid 1 (one) Business Day period, to deliver written notice (a "**Compulsory Redemption Notice**") to the Company in which it requires the Company to redeem all the Preference Shares (and to pay all the Accumulated Dividends).

6. REDEMPTION

Compulsory Redemption

6.1 The Company shall redeem all the outstanding Preference Shares:

6.1.1 if it becomes obliged to do so by virtue of the delivery of a Compulsory Redemption Notice, within 2 (two) Business Days of delivery of such notice; or

6.1.2 on the Scheduled Redemption Date.

Early Redemption

6.2 The Company shall be entitled to redeem all or any of the outstanding Preference Shares voluntarily at any time during the period that commences on the Net Value Distribution Date and ends on the day before the Scheduled Redemption Date. If the Company wishes to exercise its aforesaid right of early redemption –

6.2.1 the Company shall deliver written notice (an "**Early Redemption Notice**") to the Holder in which the Company sets out (i) the number of the outstanding Preference Shares (the "**Early Redemption Shares**") that the Company wishes to redeem, and (ii) the date on which the Company wishes to redeem the Early Redemption Shares, which date shall not be sooner than 5 (five) Business Days after delivery of the Early Redemption Notice;

6.2.2 the delivery of an Early Redemption Notice shall not create any obligation on the part of the Company to redeem the Early Redemption Shares (or any other Preference Shares) and any Early Redemption Notice delivered by the Company to the Holder shall at all times be revocable; but

6.2.3 if the Company does not redeem the Early Redemption Shares on the Early Redemption Date, the Company shall not thereafter voluntarily redeem any of the outstanding Preference Shares without first delivering another Early Redemption Notice; and

6.2.4 if (i) there is more than one Holder, and (ii) the Company elects to redeem some but not all of the Preference Shares voluntarily, the Company shall not redeem any Preference Shares held by any Holder without at the same time redeeming the same *pro rata* portion of the Preference Shares held by each other Holder.

Settlement of Preference Dividends

6.3 The Company shall settle the Accumulated Dividends in respect of an outstanding Preference Share to the Holder on the Actual Redemption Date on which the Company redeems that Preference Share.

Settlement of Redemption Prices

6.4 Each Preference Share shall be redeemed at its Redemption Price.

6.5 The Company shall, on the Actual Redemption Date on which it redeems any outstanding Preference Shares held by a Holder, settle the Redemption Price of the applicable Preference Share by (i) transferring to the Holder such a number of Northam Shares as is calculated by dividing the Redemption Prices of all the applicable Preference Shares by the Reference Price (rounded down to the nearest whole number); or (ii) making payment of the Redemption Price to the Holder.

Securities Transfer Tax

6.6 The Company shall pay all the STT that becomes payable as a result of the redemption of any Preference Share.

6.7 The Company shall pay the STT that becomes payable as a result of any transfer of Northam Shares by it in settlement of the Revised Accumulated Dividends and the Redemption Prices of the Preference Shares. The Company hereby indemnifies each applicable Holder against the payment of such STT and any claims that may be made against that Holder by any person (including SARS) arising out of the non-payment of that STT.

7. **RETURN OF CAPITAL**

7.1 On the liquidation of the Company each Preference Share shall confer on its Holder a right to a return of capital in an amount equal to the Redemption Price of that Preference Share together with all Accumulated Dividends calculated up to the day on which that return of capital is paid to the applicable Holder.

7.2 Save as envisaged in clause 7.1, the Preference Share shall not be entitled to participate in the Company's excess assets on its liquidation.

8. **VOTING**

8.1 The Preference Shares shall not entitle the Holder to vote at meetings of the Company's shareholders except –

8.1.1 if a Trigger Event has occurred and has not been remedied;

8.1.2 the Company has not redeemed all of the Preference Shares on the Scheduled Redemption Date;

8.1.3 in relation to any resolution of the Company to (i) repurchase any shares of any class or affect a reduction in capital through any other corporate transaction, or (ii) place itself into voluntary liquidation; or

8.1.4 in respect of a resolution proposed to amend the preferences, rights, limitations and other terms associated with the Preference Shares.

8.2 If the Preference Shares are entitled to vote those shares shall, between them, be entitled to such a number of votes as is equal to 95% (ninety five percent) of all the votes exercisable by all the Company's shareholders (and each Preference Share shall have such a number of votes as is equal to the aggregate number of votes exercisable by all the Preference Shares divided by the number of the Preference Shares then in issue).

9. **TRANSFERS**

The transfer of Preference Shares is restricted in terms of clause 14.2 of the Memorandum of Incorporation to which these Preference Share Terms form annexure "1A"

N SHARE TERMS

10. **DEFINITIONS**

10.1 In this annexure "**2**", unless inconsistent with or otherwise indicated by the context –

10.1.1 all expressions defined in the Memorandum of Incorporation to which these N Share Terms form annexure "**2**" shall have the same meanings when used in this annexure "**2**";

10.1.2 the word "**clause**" shall refer to clauses in this annexure "**2**";

10.1.3 "**Escalation Rate**" means a nominal annual compounded annually rate equal to the aggregate of the Prime Rate plus 3.5% (three point five percent) calculated daily based on a 365 (three hundred and sixty five) day year, irrespective of whether the applicable year is a leap year;

10.1.4 "**N Dividend**" means the dividend amount, if any, calculated in accordance with clause 11.2.1 or 11.2.2, as the case may be;

10.1.5 "**Voluntary Trigger Event**" means (i) a Trigger Event, the occurrence of which was brought about through the actions or inactions of the Company or was otherwise within the control of the Company and/or (ii) a Trigger Event relating to the HDSA status of the Company; and

10.1.6 "**Zambezi Retention Release Amount**" shall have the meaning ascribed thereto in the Implementation and Framework Agreement.

11. **DIVIDEND ENTITLEMENT**

11.1 In the event that the New Transaction –

11.1.1 becomes wholly unconditional, then with effect from the Net Value Distribution Date and subject to the Preference Share Terms and settlement of the Net Value Distribution and Zambezi Retention Release Amount (if any), the N Shares shall entitle the N Shareholder to receive 100% of any and all Distributions made by the Company; or

11.1.2 does not become wholly unconditional, the N Shares shall entitle the N Shareholder to dividends only if (i) a Voluntary Trigger Event occurs and (ii) as a result of such occurrence either the Holders or the N Shareholder require the Company to redeem the outstanding Preference Shares.

11.2 If the N Shares become entitled to dividends in accordance with clause 11.1, those dividends shall –

11.2.1 in the event that the New Transaction becomes wholly unconditional, subject to the Preference Share Terms and settlement of the Net Value Distribution and Zambezi Retention Release Amount (if any), be equal to 100% of any and all relevant Distributions made by the Company;

11.2.2 in the event that the New Transaction does not become wholly unconditional –

11.2.2.1 be equal to the Lock-In Fee escalated at the Escalation Rate for the period which (i) commences on the date on which the Company issues the first Preference Share, and (ii) terminates on the date on which the Company pays the N Dividend to the N Shareholder;

11.2.2.2 rank after the Preference Dividends (and the Company shall not pay the N Dividend except if it has paid all the unpaid Preference Dividends and redeemed all the Preference Shares); and

11.2.3 rank prior to the dividend rights of the Ordinary Shares.

11.3 In the event that the New Transaction does not become wholly unconditional, the Company shall pay the N Dividend to the N Shareholder (i) on the business day immediately succeeding the date on which the Company redeems the Preference Shares and pays all the outstanding Preference Dividends or (ii) in the event that the Company fails to redeem the Preference Shares and pay all the outstanding Preference Dividends in accordance with the provisions of the Preference Share Terms, on the business day immediately succeeding the date on which Northam settles the Redemption Prices in respect of the outstanding Preference Shares and the outstanding Preference Dividends in accordance with the Guarantee.

12. REDEMPTION

12.1 The N Shareholder shall not have any right to require the redemption of the N Share.

12.2 If the New Transaction does not become wholly unconditional, then the Company shall be entitled to redeem the N Shares voluntarily on any date after –

12.2.1 the Company has redeemed all the outstanding Preference Shares and paid all the outstanding Preference Dividends; and

12.2.2 if the N Shares have become entitled to an N Dividend, the Company has paid that N Dividend,

by paying an amount of 1 (one) cent to the N Shareholder.

12.3 Against redemption of the N Shares, the N Shareholder shall return its share certificates in respect of the N Shares to the Company, whereafter the N Shares shall be cancelled.

13. VOTING

13.1 In the event that the New Transaction –

13.1.1 becomes wholly unconditional, then with effect from the Net Value Distribution Date and subject to the Preference Share Terms, notwithstanding anything to the contrary herein contained:

13.1.1.1 the N Shares shall entitle the N Shareholder to vote on all matters submitted to Shareholders for voting;

13.1.1.2 save as may be required by law, the N Shares and the Ordinary Shares and/or Preference Shares, as the case may be, will vote together and not as separate classes; and

13.1.1.3 the N Shares shall entitle the N Shareholder to such number of votes at all meetings of the Shareholders as is equal to 99% (ninety nine percent) of all the votes exercisable by all the Shareholders at such meeting; or

13.1.2 does not become wholly unconditional, the N Shares shall not entitle the N Shareholder to vote at meetings of the Company's Shareholders except in respect of a resolution proposed to amend the preferences, rights, limitations and other terms associated with the N Shares, in which case the N Shares shall be entitled to such a number of votes as is equal to 95% (ninety five percent) of all the votes exercisable by all the Shareholders.

14. **RETURN OF CAPITAL**

14.1 On the liquidation of the Company, in the event that the New Transaction –

14.1.1 becomes wholly unconditional, notwithstanding the terms of the Ordinary Shares as set out in clause 6.1.1 of the Memorandum of Incorporation, then with effect from the Net Value Distribution Date and subject to the Preference Share Terms and settlement of the Net Value Distribution and Zambezi Retention Release Amount (if any) to the extent applicable, the N Shares shall confer on its holder the right to receive 100% of the net assets of the Company upon its liquidation; or

14.1.2 does not become wholly unconditional, the N Shares shall confer on the N Shareholder a right to a return of capital in an amount equal to the N Dividend calculated –

14.1.2.1 on the assumption that a Trigger Event has occurred and that, as a result of such occurrence, the Holders or the N Shareholder have required the redemption of the Preference Shares; and

14.1.2.2 up to the date on which the Company is liquidated.

14.2 The N Shares' rights to a return of capital shall rank after the rights of the Preference Shares but prior to the rights of the Ordinary Shares.

14.3 Save as envisaged in clause 14.1, the N Shares shall not be entitled to participate in the Company' excess assets on its liquidation.

ANNEXURE 5: *PRO FORMA* FINANCIAL INFORMATION OF ZAMBEZI

The definitions and interpretations commencing on page 5 of the Circular to which this annexure is attached apply to this annexure, unless otherwise stated or the context so requires.

The table below sets out the *pro forma* financial information of the Transaction on Zambezi.

The *pro forma* financial information has been prepared for illustrative purposes only in order to provide information on how the Transaction may affect the financial performance and position of Zambezi.

The *pro forma* financial information assumes all Transaction Conditions (as contemplated in paragraph 6.2 as read with annexures 2 and 3 of the Circular) are fulfilled or waived and the Repurchase has been implemented. In addition, the *pro forma* financial information is based on a particular tax treatment which has been submitted to SARS for confirmation in terms of the request for the Tax Ruling. The *pro forma* financial information has been prepared to illustrate the effect of the Transaction on Zambezi, had the Transaction been implemented on 1 July 2020 for purposes of the *pro forma* statement of profit or loss and other comprehensive income and on 31 December 2020 for purposes of the *pro forma* statement of financial position.

The *pro forma* financial information is the responsibility of the Zambezi Directors and, is provided for illustrative purposes only and because of its nature, may not fairly represent the financial performance and position of Zambezi after the implementation of the Transaction. In this regard, the adjustments reflected in the *pro forma* financial information are only illustrative and are determined with reference to, *inter alia*, the 30 Day VWAP as at Friday, 30 April 2021 ("**Relevant Date**"). For the avoidance of doubt, the actual adjustments will be determined with reference to, *inter alia*, the prevailing Northam Share price or the 30 Day VWAP immediately prior to the implementation of the Transaction.

The *pro forma* financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), the Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants, the Regulations, and accounting policies that comply with IFRS and which are consistent with those applied in the preparation of the interim financial results of Zambezi as at 31 December 2020.

The Independent Reporting Accountant's assurance report on the *pro forma* financial information of the Transaction on Zambezi is included in annexure 6 to the Circular.

PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2020

	31 December 2020 Reported	Revised Accumulated Dividends Settlement	Repurchase	Net Value Distribution	After implementation of steps 1 to 6 of the Transaction	Settlement of the Zambezi Taxes and Zambezi Preference Share Redemption	After implementation of the Transaction
	Reported	*Pro forma*	*Pro forma*	*Pro forma*	*Pro forma*	*Pro forma*	*Pro forma*
Notes	*1*	*3 – 5*	*7 – 8*	*10 – 11*	*12*	*14 – 15*	17
R'000							
Mark to market fair value adjustment	14 923 976	(2 675 448)	(2 039 919)	1 459 181	**11 667 790**	(2 029 530)	**9 638 260**
Preference share dividends	(630 253)	(1 519 880)	–	–	(2 150 133)	–	(2 150 133)
Interest received	8	–	–	–	8	–	8
Bank charges	(2)	–	–	–	(2)	–	(2)
Profit before tax	**14 293 729**	**(4 195 328)**	**(2 039 919)**	**1 459 181**	**9 517 663**	**(2 029 530)**	**7 488 133**
Tax	(3 342 973)	564 315	765 598	(326 857)	**(2 339 917)**	411 685	**(1 928 232)**
Profit and total comprehensive income for the period	**10 950 756**	**(3 631 013)**	**(1 274 321)**	**1 132 324**	**7 177 746**	**(1 617 845)**	**5 559 901**
Earnings per Zambezi Ordinary Share (cents)	**109 507 560**				**71 777 466**		**55 599 019**
Weighted average number of Zambezi Ordinary Shares in issue	**10 000**				**10 000**		**10 000**

PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	31 December 2020 Reported	Revised Accumulated Dividends Settlement	Repurchase	Net Value Distribution	After implementation of steps 1 to 6 of the Transaction	Settlement of the Zambezi Taxes and Zambezi Preference Share Redemption	After implementation of the Transaction
	Reported	*Pro forma*	*Pro forma*	*Pro forma*	*Pro forma*	*Pro forma*	*Pro forma*
Notes	*1*	*2 – 5*	*6 – 8*	*9 – 11*	*12*	*13 – 16*	*17*
R'000							
Non-current assets	**33 504 990**	**(11 318 123)**	**(7 429 589)**	**(6 171 624)**	**8 585 654**	**(8 585 654)**	–
Investment in associate	33 504 990	(11 318 123)	(7 429 589)	(6 171 624)	**8 585 654**	(8 585 654)	–
Current assets	**506**	–	**5 389 670**	**(767 866)**	**4 622 310**	**(4 621 804)**	**506**
Trade and other receivables	1	–	–	–	**1**	–	**1**
Northam loan account	–	–	5 389 670	(767 866)	**4 621 804**	(4 621 804)	–
Cash and cash equivalents	505	–	–	–	**505**	–	**505**
Total assets	**33 505 496**	**(11 318 123)**	**(2 039 919)**	**(6 939 490)**	**13 207 964**	**(13 207 458)**	**506**
Equities and liabilities							
Total equity	**14 246 479**	**(4 087 460)**	**(1 274 321)**	**(7 266 347)**	**1 618 351**	**(1 617 845)**	**506**
Stated capital	–	–	–	–	–	–	–
Retained earnings	14 246 479	(4 087 460)	(1 274 321)	(7 266 347)	**1 618 351**	(1 617 845)	**506**
Non-current liabilities	**19 259 017**	**(8 705 517)**	**(1 338 578)**	**(1 111 933)**	**8 102 989**	**(8 102 989)**	–
Deferred tax liability	6 036 546	(2 039 170)	(1 338 578)	(1 111 933)	**1 546 865**	(1 546 865)	–
Preference share liability	13 222 471	(6 666 347)	–	–	**6 556 124**	(6 556 124)	–
Current liabilities	–	**1 474 854**	**572 980**	**1 438 790**	**3 486 624**	**(3 486 624)**	–
South African Revenue Service	–	1 474 854	572 980	1 438 790	**3 486 624**	(3 486 624)	–
Total equity and liabilities	**33 505 496**	**(11 318 123)**	**(2 039 919)**	**(6 939 490)**	**13 207 964**	**(13 207 458)**	**506**
Net asset value per Zambezi Ordinary Share (cents)	**142 464 790**				**16 183 508**		**5 060**
Zambezi Ordinary Shares in issue	**10 000**				**10 000**		**10 000**

NOTES TO THE *PRO FORMA* FINANCIAL INFORMATION OF ZAMBEZI:

The notes that follow are relevant to the *pro forma* financial information of Zambezi [1].

None of the adjustments are expected to have a continuing effect on the financial information of Zambezi.

1. The financial information included in the column labelled "*31 December 2020 Reported*" has been extracted, without adjustment, and/or derived from Zambezi's reviewed interim condensed results for the six months ended 31 December 2020 ("**Zambezi's Interim Results**") as referred to in the notice of availability published on SENS on 19 March 2021. The earnings per Zambezi Ordinary Share and net asset value per Zambezi Ordinary Share are not disclosed in Zambezi's Interim Results but have been derived and included for purposes of the *pro forma* financial information.

Step 2: Revised Accumulated Dividends Settlement

2. Settlement by Zambezi of the Revised Accumulated Dividends of R8.6 billion, calculated as 159 905 453 Zambezi Preference Shares multiplied by R54.05 (which R54.05 includes the sum of the Accumulated Dividends together with an amount equal to 11.11% recurring of the Face Value per Zambezi Preference Share as at the Relevant Date) through the transfer by Zambezi of 54 016 716 Northam Shares held by it, calculated using the agreed R160.00 per Northam Share.
3. The recognition of a portion of the Revised Accumulated Dividends comprising:
   3.1 R456.4 million of Accumulated Dividends between 1 January 2021 and the Relevant Date in the statement of financial position of Zambezi; and
   3.2 R1.5 billion of Accumulated Dividends in respect of the premium of 11.11% recurring of the Face Value per Zambezi Preference Share as at the Relevant Date, which amount is recognised as preference share dividends in the statement of profit and loss and other comprehensive income.
4. The recognition of a mark to market fair value adjustment loss of R2.7 billion in respect of the 54 016 716 Northam Shares transferred to Northam, calculated using the agreed R160 per Northam Share as at the Relevant Date.
5. The disposal of the Northam Shares by Zambezi results in the derecognition of R2.0 billion of the deferred tax liability and the recognition of R1.5 billion in respect of STT and Capital Gains Taxes ("**CGT**"), which net amount is recognised as tax income in the statement of profit and loss and other comprehensive income.

Step 3: Repurchase

6. Northam acquires 35 458 356 Repurchase Shares held by Zambezi in terms of the Repurchase, at a price of R152.00 per Repurchase Shares for an aggregate consideration of R5.4 billion, recognised by Zambezi in the Northam loan account.
7. The recognition of a mark to market fair value adjustment loss of R2.0 billion in respect of the 35 458 356 Repurchase Shares acquired by Northam, at a price of R152.00 per Repurchase Share as at the Relevant Date.
8. The disposal of the Repurchase Shares by Zambezi results in the derecognition of R1.3 billion of the deferred tax liability and the recognition of R573.0 million in CGT, which net amount is recognised as tax income in the statement of profit and loss and other comprehensive income.

Step 5: Net Value Distribution

9. Net Value Distribution to Zambezi Ordinary Shareholders which includes:
   9.1 the Net Value Cash Distribution of an amount equal to R767.9 million, comprising the following:
      9.1.1 an amount of R516.8 million retained by Northam and utilised to settle the Zambezi Ordinary Shareholder Loan;
      9.1.2 an amount of R70.1 million payable to Zambezi's advisors in respect of a portion of the Zambezi Transaction Costs;
      9.1.3 an amount of R161.9 million in respect of the Proportionate Lock-in Fee Amount; and
      9.1.4 an amount of R19.1 million in respect of the STT Liability Amount,

      the settlement of which is against the Northam loan account.
   9.2 the declaration by Zambezi of a dividend *in specie* of an aggregate of 29 454 609 Residual Northam Shares to the Zambezi Ordinary Shareholders valued at a 30 Day VWAP of R259.07 per Residual Northam Share as at the Relevant Date.
10. The recognition of a mark to market fair value adjustment gain of R1.5 billion in respect of the 29 454 609 Northam Shares Distributed by Zambezi to Zambezi Ordinary Shareholders, valued at a 30 Day VWAP of R259.07 per Northam Share as at the Relevant Date.
11. The Net Value Distribution results in the derecognition of R1.1 billion of the deferred tax liability and the recognition of R1.4 billion in CGT, which net amount is recognised as a tax expense in the statement of profit and loss and other comprehensive income.

After implementation of steps 1 to 6 of the Transaction

12. The financial information included in the column labelled *"After implementation of steps 1 to 6 of the Transaction*" column has been prepared based on Zambezi's Interim Results (refer to note 1 above) and taking into account the adjustments in notes 2 to 11 above.

Steps 7-9: Settlement of Zambezi Taxes and Zambezi Preference Share Redemption

13. The settlement of the R6.6 billion aggregate Zambezi Preference Share issue price comprising 159 905 453 Zambezi Preference Shares at the issue price (as defined in the Zambezi Pref Share Terms) of R41.00 per Zambezi Preference Share through the transfer of 40 975 772 Northam Shares held by Zambezi to Northam, calculated using the agreed value of R160.00 per Northam Share.
14. The recognition of a mark to market fair value adjustment loss of R2.0 billion in respect of the 40 975 772 Northam Shares transferred by Zambezi to Northam, valued at R160.00 per Northam Share.
15. The transfer of the Northam Shares by Zambezi results in the derecognition of R1.5 billion of the deferred tax liability and the recognition of R1.1 billion in CGT and STT, which net amount is recognised as tax income in the statement of profit and loss and other comprehensive income.
16. Northam, on behalf of Zambezi, settles the total tax (comprising CGT and STT) of R4.6 billion payable by Zambezi, which is recognised against the Northam loan account.

After implementation of the Transaction

17. The financial information included in the *"After implementation of the Transaction*" column has been prepared based on Zambezi's Interim Results (refer to note 1 above) and taking into account the adjustments in notes 2 to 11 and 13 to 16 above.

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[1] Step 1: Zambezi Scheme, the Zambezi Delisting and the Zambezi MOI Amendments, step 4: Northam assumes control of Zambezi, step 6: ESOP Repurchase and step 10: voluntary winding-up of Zambezi have no effect on the *pro forma* financial information of Zambezi and therefore said steps are not included as adjustments.

ANNEXURE 6: INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF ZAMBEZI

The definitions and interpretations commencing on page 5 of the Circular to which this annexure is attached, ***do not*** *apply to this annexure.*

Independent Reporting Accountant's Assurance Report on the Compilation of *Pro Forma* Financial Information Included in a Circular

To the Directors of Zambezi Platinum (RF) Limited ("**Directors**")

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information Included in a Circular

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Zambezi Platinum (RF) Limited ("**Zambezi**"), by the Directors.

The *pro forma* financial information, as set out in Annexure 5 on pages 130 to 133 of the circular to which this annexure is attached ("**Circular**"), consists of the *pro forma* statement of financial position as at 31 December 2020, the *pro forma* statement of profit or loss and other comprehensive income for the period ended 31 December 2020 and related notes (collectively the "***Pro forma* Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the *Pro form*a Financial Information is described in Annexure 5 on page 130 of the Circular.

The *Pro forma* Financial Information has been compiled by the Directors to illustrate the impact of the corporate action or event, described in paragraph 2 on pages 23 and 24 of the Circular, on Zambezi's financial position as at 31 December 2020, and Zambezi's financial performance for the period then ended, as if the corporate action or event had taken place at 31 December 2020 and for the period then ended. As part of this process, information about Zambezi's financial position, and financial performance has been extracted by the Directors from Zambezi's financial statements for the period ended 31 December 2020, on which an auditor's review report was issued on 19 March 2021.

Directors' Responsibility for the Pro forma Financial Information

The Directors are responsible for compiling the *Pro forma* Financial Information on the basis of the applicable criteria described in Annexure 5 on page 130 of the Circular.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors ("**IRBA Code**"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

The firm applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the *Pro forma* Financial Information has been compiled, in all material respects, by the Directors on the basis described in Annexure 5 on page 130 of the Circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus*, which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *Pro forma* Financial Information has been compiled, in all material respects, on the basis described in Annexure 5 on page 130 of the Circular.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro forma* Financial Information.

The purpose of *Pro forma* Financial Information included in a Circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of Zambezi as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the corporate action or event at 31 December 2020 would have been as presented.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the *Pro forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

The related *pro forma* adjustments give appropriate effect to those criteria; and

The *Pro forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of Zambezi, the corporate action or event in respect of which the *Pro forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria described in Annexure 5 on page 130 of the Circular.

Ernst & Young Inc.
Director: Ebrahim Dhorat CA(SA)
Registered Auditor
Reporting Accountant
Johannesburg

14 June 2021

ANNEXURE 7: EXTRACTS OF THE AUDITED ANNUAL FINANCIAL STATEMENTS OF ZAMBEZI FOR THE YEARS ENDED 30 JUNE 2018, 30 JUNE 2019 AND 30 JUNE 2020

The definitions and interpretations commencing on page 5 of the Circular to which this annexure is attached apply to this annexure, unless otherwise stated or the context so requires.

The information contained in this annexure has been extracted from the audited annual financial statements of Zambezi for the years ended 30 June 2018, 30 June 2019 and 30 June 2020. The full annual financial statements of Zambezi, which have been audited by Ernst & Young Inc., are available on Zambezi's website at www.northam.co.za/zambezi/. The information contained in this annexure is the responsibility of the Zambezi Directors and has not been reviewed or reported on by Ernst & Young Inc.

The group financial statements represent the results of Zambezi. The investment held in Northam is recognised as an associate which is equity accounted for in the group financial statements and valued at fair value in the separate financial statements of Zambezi. The fair value is represented by the market value at the reporting date. These are not consolidated financial statements as defined by IFRS 10 *Consolidated Financial Statements*, however they are referred to as group results to indicate that they are not the separate financial statements of Zambezi.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP			COMPANY		
	Audited 30 June 2020 R'000	**Audited 30 June 2019 R'000**	**Audited 30 June 2018 R'000**	**Audited 30 June 2020 R'000**	**Audited 30 June 2019 R'000**	**Audited 30 June 2018 R'000**
Share of earnings from associate	1 076 840	428 272	126 001	–	–	–
Mark to market fair value adjustment	–	–	–	9 146 592	3 569 090	(602 844)
Impairment	–	–	(940 175)	–	–	–
Reversal of impairment	–	940 175	–	–	–	–
Preference share dividends	(1 432 850)	(1 340 718)	(1 182 093)	(1 432 850)	(1 340 718)	(1 182 093)
Interest received	29	32	35	29	32	35
Bank charges	(1)	(4)	(1)	(1)	(4)	(1)
Other	–	(1)	–	–	(1)	–
(Loss) / profit before tax	(355 982)	27 756	(1 996 233)	7 713 770	2 228 399	(1 784 903)
Tax	(242 930)	(152 600)	27 653	(2 048 844)	(644 747)	(10)
(Loss) / profit for the year	(598 912)	(124 844)	(1 968 580)	5 664 926	1 583 652	(1 784 913)
Other comprehensive income items that may be subsequently reclassified to profit or loss	7 632	3 561	(114)	–	–	–
Share of associate's exchange differences on translating foreign operations and foreign currency translation	7 632	3 561	(114)	–	–	–
Total comprehensive income for the year	**(591 280)**	**(121 283)**	**(1 968 694)**	**5 664 926**	**1 583 652**	**(1 784 913)**

STATEMENTS OF FINANCIAL POSITION

	GROUP			COMPANY		
	Audited 30 June 2020 R'000	**Audited 30 June 2019 R'000**	**Audited 30 June 2018 R'000**	**Audited 30 June 2020 R'000**	**Audited 30 June 2019 R'000**	**Audited 30 June 2018 R'000**
ASSETS						
Non-current assets	8 321 812	7 237 340	5 865 332	18 581 014	9 434 422	5 865 332
Investment in associate	8 321 812	7 237 340	5 865 332	18 581 014	9 434 422	5 865 332
Current assets	502	492	474	502	492	474
Trade and other receivables	1	6	6	1	6	6
Cash and cash equivalents	501	486	468	501	486	468
Total assets	**8 322 314**	**7 237 832**	**5 865 806**	**18 581 516**	**9 434 914**	**5 865 806**
EQUITY AND LIABILITIES						
Total equity	(4 665 418)	(4 074 138)	(3 952 855)	3 295 723	(2 369 203)	(3 952 855)
Stated capital	–	–	–	–	–	–
(Accumulated loss) / retained earnings	(4 676 497)	(4 077 585)	(3 952 741)	3 295 723	(2 369 203)	(3 952 855)
Share of other comprehensive income from associate	11 079	3 447	(114)	–	–	–
Non-current liabilities	12 987 732	11 311 960	9 818 650	15 285 793	11 804 107	9 818 650
Deferred tax liability	395 514	152 592	–	2 693 575	644 739	–
Preference share liability	12 592 218	11 159 368	9 818 650	12 592 218	11 159 368	9 818 650
Current liabilities	–	10	11	–	10	11
South African Revenue Service	–	10	11	–	10	11
Total equity and liabilities	**8 322 314**	**7 237 832**	**5 865 806**	**18 581 516**	**9 434 914**	**5 865 806**

STATEMENTS OF CHANGES IN EQUITY

	Group			
	Share capital R'000	Accumulated loss R'000	Share of other comprehensive income from associate R'000	Total R'000
Balance as at 1 July 2017	*	(1 984 161)	–	(1 984 161)
Total comprehensive income for the year	–	(1 968 580)	(114)	(1 968 694)
Loss for the year	–	(1 968 580)	–	(1 968 580)
Other comprehensive income for the year	–	–	(114)	(114)
Balance as at 30 June 2018	*	(3 952 741)	(114)	(3 952 855)
Total comprehensive income for the year	–	(124 844)	3 561	(121 283)
Loss for the year	–	(124 844)	–	(124 844)
Other comprehensive income for the year	–	–	3 561	3 561
Balance as at 30 June 2019	*	(4 077 585)	3 447	(4 074 138)
Total comprehensive income for the year	–	(598 912)	7 632	(591 280)
Loss for the year	–	(598 912)	–	(598 912)
Other comprehensive income for the year	–	–	7 632	7 632
Balance as at 30 June 2020	*****	**(4 676 497)**	**11 079**	**(4 665 418)**

The stated capital amounts to R100.01, therefore less than R1 000.

	Company		
	Share capital R'000	Retained earnings / (accumulated loss) R'000	Total R'000
Balance as at 1 July 2017	*	(2 167 942)	(2 167 942)
Loss and total comprehensive income for the year	–	(1 784 913)	(1 784 913)
Balance as at 30 June 2018	*	(3 952 855)	(3 952 855)
Profit and total comprehensive income for the year	–	1 583 652	1 583 652
Balance as at 30 June 2019	*	(2 369 203)	(2 369 203)
Profit and total comprehensive income for the year	–	5 664 926	5 664 926
Balance as at 30 June 2020	*****	**3 295 723**	**3 295 723**

The stated capital amounts to R100.01, therefore less than R1 000.

STATEMENTS OF CASH FLOWS

	Group			Company		
	Audited 30 June 2020 R'000	**Audited 30 June 2019 R'000**	**Audited 30 June 2018 R'000**	**Audited 30 June 2020 R'000**	**Audited 30 June 2019 R'000**	**Audited 30 June 2018 R'000**
Cash flows from operating activities	15	18	30	15	18	30
Cash utilised in operations	(1)	(5)	(1)	(1)	(5)	(1)
Change in working capital	5	–	1	5	–	1
Interest received	29	32	35	29	32	35
Tax paid	(18)	(9)	(5)	(18)	(9)	(5)
Movement in cash and cash equivalents*	15	18	30	15	18	30
Cash and cash equivalents at the beginning of the year	486	468	438	486	468	438
Cash and cash equivalents at the end of the year	**501**	**486**	**468**	**501**	**486**	**468**

**No cash flow movements relating to investing and financing activities were recorded for the current or previous years.*

ANNEXURE 8: EXTRACTS OF THE REVIEWED INTERIM CONDENSED RESULTS OF ZAMBEZI FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

The definitions and interpretations commencing on page 5 of the Circular to which this annexure is attached apply to this annexure, unless otherwise stated or the context so requires.

The information contained in this annexure has been extracted from the reviewed interim condensed results of Zambezi for the 6 months ended 31 December 2020. The full interim results of Zambezi, which have been reviewed by Ernst & Young Inc., are available on Zambezi's website at www.northam.co.za/zambezi/. The information contained in this annexure is the responsibility of the Zambezi Directors and has not been reviewed or reported on by Ernst & Young Inc.

The group financial results represent the results of Zambezi. The investment held in Northam is recognised as an associate which is equity accounted for in the group financial results, and valued at fair value in the separate financial results of Zambezi. The fair value is represented by the market value at the reporting date. These are not consolidated financial results as defined by IFRS 10 *Consolidated Financial Statements*, however they are referred to as group results to indicate that they are not the separate financial results of Zambezi.

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		
	Reviewed 6 months ended 31 December 2020 R'000	**Reviewed 6 months ended 31 December 2019 R'000**	**Audited 12 months ended 30 June 2020 R'000**
Share of earnings from associate	1 023 195	588 058	1 076 840
Preference share dividends	(630 253)	(712 259)	(1 432 850)
Interest received	8	16	29
Bank charges	(2)	(1)	(1)
Profit / (loss) before tax	392 948	(124 186)	(355 982)
Tax	(228 093)	(131 727)	(242 930)
Profit / (loss) for the period / year	164 855	(255 913)	(598 912)
Other comprehensive income items that may be subsequently reclassified to profit or loss	(4 932)	11	7 632
Share of associate's exchange differences on translating foreign operations and foreign currency translation	(4 932)	11	7 632
Profit / (loss) and total comprehensive income for the period / year	**159 923**	**(255 902)**	**(591 280)**

	Company		
	Reviewed 6 months ended 31 December 2020 R'000	**Reviewed 6 months ended 31 December 2019 R'000**	**Audited 12 months ended 30 June 2020 R'000**
Mark to market fair value adjustment	14 923 976	10 333 090	9 146 592
Preference share dividends	(630 253)	(712 259)	(1 432 850)
Interest received	8	16	29
Bank charges	(2)	(1)	(1)
Profit before tax	14 293 729	9 620 846	7 713 770
Tax	(3 342 973)	(2 314 616)	(2 048 844)
Profit and total comprehensive income for the period / year	**10 950 756**	**7 306 230**	**5 664 926**

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Group		
	Reviewed 6 months ended 31 December 2020 R'000	**Reviewed 6 months ended 31 December 2019 R'000**	**Audited 12 months ended 30 June 2020 R'000**
Assets			
Non-current assets	9 340 075	7 825 409	8 321 812
Investment in associate	9 340 075	7 825 409	8 321 812
Current assets	506	503	502
Trade and other receivables	1	6	1
Cash and cash equivalents	505	497	501
Total assets	**9 340 581**	**7 825 912**	**8 322 314**
Equity and Liabilities			
Total equity	(4 505 495)	(4 330 040)	(4 665 418)
Stated capital	–	–	–
Accumulated loss	(4 511 642)	(4 333 498)	(4 676 497)
Share of other comprehensive income from associate	6 147	3 458	11 079
Non-current liabilities	13 846 076	12 155 942	12 987 732
Deferred tax liability	623 605	284 315	395 514
Preference share liability	13 222 471	11 871 627	12 592 218
Current liabilities	–	10	–
South African Revenue Service	–	10	–
Total equity and liabilities	**9 340 581**	**7 825 912**	**8 322 314**

	Company		
	Reviewed 6 months ended 31 December 2020 R'000	**Reviewed 6 months ended 31 December 2019 R'000**	**Audited 12 months ended 30 June 2020 R'000**
Assets			
Non-current assets	33 504 990	19 767 512	18 581 014
Investment in associate	33 504 990	19 767 512	18 581 014
Current assets	506	503	502
Trade and other receivables	1	6	1
Cash and cash equivalents	505	497	501
Total assets	**33 505 496**	**19 768 015**	**18 581 516**
Equity and liabilities			
Total equity	14 246 479	4 937 027	3 295 723
Stated capital	–	–	–
Retained earnings	14 246 479	4 937 027	3 295 723
Non-current liabilities	19 259 017	14 830 978	15 285 793
Deferred tax liability	6 036 546	2 959 351	2 693 575
Preference share liability	13 222 471	11 871 627	12 592 218
Current liabilities	–	10	–
South African Revenue Service	–	10	–
Total equity and liabilities	**33 505 496**	**19 768 015**	**18 581 516**

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	Group			
	Stated Capital R'000	Accumulated loss R'000	Share of other comprehensive income from associate R'000	Total R'000
Balance as at 1 July 2019	*	(4 077 585)	3 447	(4 074 138)
Total comprehensive income for the period	–	(255 913)	11	(255 902)
Loss for the period	–	(255 913)	–	(255 913)
Other comprehensive income for the period	–	–	11	11
Balance as at 31 December 2019	*	(4 333 498)	3 458	(4 330 040)
Total comprehensive income for the period	–	(342 999)	7 621	(335 378)
Loss for the period	–	(342 999)	–	(342 999)
Other comprehensive income for the period	–	–	7 621	7 621
Balance as at 30 June 2020	*	(4 676 497)	11 079	(4 665 418)
Total comprehensive income for the period	–	164 855	(4 932)	159 923
Profit for the period	–	164 855	–	164 855
Other comprehensive income for the period	–	–	(4 932)	(4 932)
Balance as at 31 December 2020	*****	**(4 511 642)**	**6 147**	**(4 505 495)**

**The stated capital amounts to R100.01, therefore less than R1 000.*

	Company		
	Stated Capital R'000	(Accumulated loss) / retained earnings R'000	Total R'000
Balance as at 1 July 2019	*	(2 369 203)	(2 369 203)
Profit and total comprehensive income for the period	–	7 306 230	7 306 230
Balance as at 31 December 2019	*	4 937 027	4 937 027
Loss and total comprehensive income for the period	–	(1 641 304)	(1 641 304)
Balance as at 30 June 2020	*	3 295 723	3 295 723
Profit and total comprehensive income for the period	–	10 950 756	10 950 756
Balance as at 31 December 2020	*****	**14 246 479**	**14 246 479**

**The stated capital amounts to R100.01, therefore less than R1 000.*

INTERIM CONDENSED STATEMENT OF CASH FLOWS

	Group		
	Reviewed 6 months ended 31 December 2020 R'000	**Reviewed 6 months ended 31 December 2019 R'000**	**Audited 12 months ended 30 June 2020 R'000**
Cash flow from operating activities	4	11	15
Cash utilised in operations	(2)	(1)	(1)
Change in working capital	–	–	5
Interest received	8	16	29
Tax paid	(2)	(4)	(18)
Movement in cash and cash equivalents*	4	11	15
Cash and cash equivalents at beginning of period / year	501	486	486
Cash and cash equivalents at end of the period / year	**505**	**497**	**501**

**No cash flow movements relating to investing and financing activities were recorded for the current or previous period / years.*

	Company		
	Reviewed 6 months ended 31 December 2020 R'000	**Reviewed 6 months ended 31 December 2019 R'000**	**Audited 12 months ended 30 June 2020 R'000**
Cash flow from operating activities	4	11	15
Cash utilised in operations	(2)	(1)	(1)
Change in working capital	–	–	5
Interest received	8	16	29
Tax paid	(2)	(4)	(18)
Movement in cash and cash equivalents*	4	11	15
Cash and cash equivalents at beginning of period / year	501	486	486
Cash and cash equivalents at end of the period / year	**505**	**497**	**501**

**No cash flow movements relating to investing and financing activities were recorded for the current or previous period / years.*

ANNEXURE 9: EXTRACT OF SECTION 115 OF THE COMPANIES ACT

*The definitions and interpretations commencing on page 5 of the Circular to which this annexure is attached **do not** apply to this annexure.*

"(1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:

(a) the disposal, amalgamation or merger, or scheme of arrangement:

(i) has been approved in terms of this section; or

(ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and

(b) to the extent that Parts B and C of this Chapter and the Takeover Regulations apply to a company that proposes to:

(i) dispose of all or the greater part of its assets or undertaking;

(ii) amalgamate or merge with another company; or

(iii) implement a scheme of arrangement,

the Panel has issued a compliance certificate in respect of the transaction in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).

(2) A proposed transaction contemplated in subsection (1) must be approved:

(a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and

(b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:

(i) the holding company is a company or an external company;

(ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and

(iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and

(c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).

(3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:

(a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or

(b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

(4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:

(a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or

(b) required to be voted in support of a resolution, or actually voted in support of the resolution.

(4A) In subsection (4), "act in concert" has the meaning set out in section 117(1)(b).

(5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:

(a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or

(b) treat the resolution as a nullity.

(6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:

(a) is acting in good faith;

(b) appears prepared and able to sustain the proceedings; and

(c) has alleged facts which, if proved, would support an order in terms of subsection (7).

(7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:

(a) the resolution is manifestly unfair to any class of holders of the company's securities; or

(b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.

(8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:

(a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and

(b) was present at the meeting and voted against that special resolution.

(9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:

(a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;

(b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;

(c) the transfer of shares from one person to another;

(d) the dissolution, without winding-up, of a company, as contemplated in the transaction;

(e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or

(f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger."

ANNEXURE 10: EXTRACT OF SECTION 164 OF THE COMPANIES ACT

*The definitions and interpretations commencing on page 5 of the Circular to which this annexure is attached **do not** apply to this annexure.*

"(1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.

(2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:

(a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or

(b) enter into a transaction contemplated in sections 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.

(3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.

(4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:

(a) gave the company a written notice of objection in terms of subsection (3); and

(b) has neither:

(i) withdrawn that notice; or

(ii) voted in support of the resolution.

(5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:

(a) the shareholder:

(i) sent the company a notice of objection, subject to subsection (6); and

(ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;

(b) the company has adopted the resolution contemplated in subsection (2); and

(c) the shareholder:

(i) voted against that resolution; and

(ii) has complied with all of the procedural requirements of this section.

(6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders' rights under this section.

(7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:

(a) 20 business days after receiving a notice under subsection (4); or

(b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.

(8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder seeks payment; and

(c) a demand for payment of the fair value of those shares.

(9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:

(a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);

(b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or

(c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

(10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.

(11) Within five business days after the later of:

(a) the day on which the action approved by the resolution is effective;

(b) the last day for the receipt of demands in terms of subsection (7)(a); or

(c) the day the company received a demand as contemplated in subsection (7)(b), if applicable,

the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.

(12) Every offer made under subsection (11):

(a) in respect of shares of the same class or series must be on the same terms; and

(b) lapses if it has not been accepted within 30 business days after it was made.

(13) If a shareholder accepts an offer made under subsection (12):

(a) the shareholder must either in the case of:

(i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or

(ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and

(b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:

(i) tendered the share certificates; or

(ii) directed the transfer to the company of uncertificated shares.

(14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:

(a) failed to make an offer under subsection (11); or

(b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.

(15) On an application to the court under subsection (14):

(a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;

(b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and

(c) the court:

(i) may determine whether any other person is a dissenting shareholder who should be joined as a party;

(ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);

(iii) in its discretion may:

(aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or

(bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;

(iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and

(v) must make an order requiring:

(aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and

(bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

(15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:

(a) that shareholder must comply with the requirements of subsection 13(a); and

(b) the company must comply with the requirements of subsection 13(b).

(16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

(17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pays its debts as they fall due and payable for the ensuing 12 months:

(a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and

(b) the court may make an order that:

(i) is just and equitable, having regard to the financial circumstances of the company; and

(ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

(18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

(19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:

(a) the provisions of that section; or

(b) the application by the company of the solvency and liquidity test set out in section 4.

(20) Except to the extent:

(a) expressly provided in this section; or

(b) that the Panel rules otherwise in a particular case,

a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."

Zambezi
Platinum (RF) Limited

ZAMBEZI PLATINUM (RF) LIMITED

Incorporated in the Republic of South Africa
(Registration number 2014/106927/06)
Zambezi Preference Share code: ZPLP
ISIN: ZAE000202552
("**Zambezi**" or the "**Company**")

NOTICE OF ZAMBEZI GENERAL MEETING

The definitions and interpretations commencing on page 5 of the Circular to which this notice is attached, apply to this notice, unless otherwise stated or the context so requires.

Notice is hereby given that the Zambezi General Meeting will be held entirely by electronic communication **at 11:00 on Tuesday, 20 July 2021**, in terms of section 63(2)(a) of the Companies Act, subject to any cancellation, postponement or adjournment.

In light of the COVID-19 Restrictions and the uncertainty of the infection rate at the time of the Zambezi General Meeting, Zambezi has determined that the Zambezi General Meeting will take place entirely by electronic communication. Accordingly, the Zambezi General Meeting will only be accessible through electronic communication, in accordance with section 63(2)(a) of the Companies Act and the Zambezi MOI and any reference in this Notice of Zambezi General Meeting to "present in person or represented by proxy" shall include a reference to a person who is present in person (or able to participate in the meeting by electronic communication) or represented by proxy (who is present in person or able to participate in the meeting by electronic communication). Zambezi Ordinary Shareholders are referred to section A of "*Action required by Zambezi Ordinary Shareholders*", titled "*Voting, attendance and representation at the Zambezi General Meeting*" commencing on page 3 of the Circular for information regarding voting, attendance and representation at the Zambezi General Meeting.

Zambezi Ordinary Shareholders are reminded that:

- a Zambezi Ordinary Shareholder entitled to attend and vote at the Zambezi General Meeting is entitled to appoint one or more proxies to attend, participate in and vote at the Zambezi General Meeting in the place of that Zambezi Ordinary Shareholder, and Zambezi Ordinary Shareholders are referred to the attached Form of Proxy (*blue*) in this regard;
- a proxy need not also be a Zambezi Ordinary Shareholder; and
- in terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of Zambezi Ordinary Shareholders must present reasonably satisfactory identification to the chairperson of the Zambezi General Meeting, who must be reasonably satisfied that the right of any person to participate in and vote (whether as a Zambezi Ordinary Shareholder or as proxy for a Zambezi Ordinary Shareholder) has been reasonably verified.

PURPOSE OF THE ZAMBEZI GENERAL MEETING

The purpose of the Zambezi General Meeting is to consider, and if deemed appropriate, approve the following resolutions, with or without modification.

RESOLUTIONS

<u>SPECIAL RESOLUTION 1</u> – APPROVAL OF THE INCREASE IN THE AUTHORISED SHARE CAPITAL OF ZAMBEZI IN RESPECT OF THE N SHARES IN TERMS OF SECTION 36(2)(a) OF THE COMPANIES ACT

"**Resolved that**, subject to the adoption of Special Resolution 2, in terms of section 36(2)(a) of the Companies Act, the number of authorised N Shares comprising 1 N Share having no par value be and is hereby increased by the creation of a further 999 999 N Shares of no par value ranking *pari passu* in all respects with the existing N Shares, so that the number of authorised N Shares will comprise 1 000 000 N Shares of no par value, be and is hereby approved."

Voting in respect of Special Resolution 1

The percentage of voting rights required for Special Resolution 1 to be adopted is at least 75% of all the votes exercised on Special Resolution 1 by persons entitled to exercise voting rights and sufficient Ordinary Shareholders are present in person or represented by proxy to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on Special Resolution 1.

Reason and effect of Special Resolution 1

The reason for Special Resolution 1 is to approve the increase in the authorised share capital of Zambezi in respect of the N Shares in terms of section 36(2)(a) of the Companies Act. The effect of Special Resolution 1 is that the increase in the number of authorised N Shares will be approved and become effective.

<u>SPECIAL RESOLUTION 2</u> – APPROVAL OF THE ZAMBEZI MOI AMENDMENTS IN TERMS OF THE ZAMBEZI MOI AND SECTION 16(1)(c) OF THE COMPANIES ACT

"**Resolved that**, subject to the adoption of Special Resolutions 1 and 3, the shareholder resolutions required for implementation of the Zambezi Pref Share Term Amendments and the relevant shareholder resolutions required for implementation of the Zambezi N Share Term Amendments, in terms of clause 39.1 of the Zambezi MOI and section 16(1)(c) and section 16(5)(a) of the Companies Act, the Zambezi MOI Amendments, be and are hereby approved and the Zambezi MOI be and is hereby amended by substituting it in its entirety with a new Zambezi MOI in the form set out in annexure 4 to the Circular."

Voting in respect of Special Resolution 2

The percentage of voting rights required for Special Resolution 2 to be adopted at least 75% of all the votes exercised on Special Resolution 2 by persons entitled to exercise voting rights and sufficient Ordinary Shareholders are present in person or represented by proxy to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on Special Resolution 2.

Reason and effect of Special Resolution 2

The reason for Special Resolution 2 is to approve the Zambezi MOI Amendments in terms of clause 39.1 of the Zambezi MOI and section 16(1)(c) of the Companies Act. The effect of Special Resolution 2 is that the Zambezi MOI Amendments will be approved, and if the Zambezi Scheme and/or the Zambezi Delisting becomes operative, as the case may be, the Zambezi MOI Amendments will become effective.

Further details pertaining to the Zambezi MOI Amendments are contained in paragraph 5.2 of the Circular, commencing on page 26 of the Circular, and annexure 4 to the Circular.

<u>SPECIAL RESOLUTION 3</u> – REVOCATION OF SPECIAL RESOLUTION 2

"**Resolved that**, to the extent applicable, in terms of section 164(9)(c) of the Companies Act, subject to the adoption of Special Resolution 2, in the event that the Zambezi Scheme Condition set out in paragraph 1.4 of annexure 3 of the Circular ("**Appraisal Rights Condition**") is not fulfilled or waived, the Zambezi MOI Amendments Resolution be and is hereby revoked with effect from the date on which the Appraisal Rights Condition is not timeously fulfilled or waived."

Voting in respect of Special Resolution 3

The percentage of voting rights required for Special Resolution 3 to be adopted is at least 75% of all the votes exercised on Special Resolution 3 by persons entitled to exercise voting rights and sufficient Ordinary Shareholders are present in person or represented by proxy to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on Special Resolution 3.

Reason for Special Resolution 3

The reason and effect for Special Resolution 3 is to re-instate the rights of Dissenting Shareholders to their Zambezi Ordinary Shares in accordance with section 164(9)(c) as read with section 164(10) of the Companies Act (to the extent applicable), in the event that the Appraisal Rights Condition is not fulfilled or waived, thereby extinguishing the Appraisal Rights of Dissenting Shareholders. The effect of Special Resolution 3 is to, in the event that the Appraisal Rights Condition is not fulfilled or waived, re-instate the rights of Dissenting Shareholders to their Zambezi Ordinary Shares such that any Dissenting Shareholder that has sent a demand to Zambezi in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its Zambezi Ordinary Shares, shall have no right to receive payment of the amount so demanded and such Dissenting Shareholder's Appraisal Rights under section 164 of the Companies Act will accordingly terminate.

<u>SPECIAL RESOLUTION 4</u> – APPROVAL OF THE ZAMBEZI DISPOSALS IN TERMS OF SECTIONS 112 AND 115(2)(a) OF THE COMPANIES ACT

"**Resolved that**, in terms of sections 112 and 115(2)(a) of the Companies Act and subject to the adoption of Special Resolution 5, the Zambezi Disposals (the terms and conditions of which are set out in paragraph 6 of the Circular, commencing on page 27 of the Circular), be and are hereby approved."

Voting in respect of Special Resolution 4

The percentage of voting rights required for Special Resolution 4 to be adopted is at least 75% of all the votes exercised on Special Resolution 4 by persons entitled to exercise voting rights and sufficient Ordinary Shareholders are present in person or represented by proxy to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on Special Resolution 4, excluding the voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, as envisaged in section 115(4) of the Companies Act. There are no voting rights controlled by a person related to an "acquiring party", nor a person acting in concert with the "acquiring party" or the person related to the "acquiring party".

Reason and effect of Special Resolution 4

The reason for Special Resolution 4 is to approve the Zambezi Disposals in terms of sections 112 and 115(2)(a) of the Companies Act. The effect of Special Resolution 4 is that the Zambezi Disposals will be approved and Zambezi will dispose of a greater part of its assets to Northam and the Zambezi Ordinary Shareholders.

<u>SPECIAL RESOLUTION 5</u> – REVOCATION OF SPECIAL RESOLUTION 4

"**Resolved that**, in terms of section 164(9)(c) of the Companies Act, subject to the adoption of Special Resolution 4, in the event that the Transaction Condition set out in paragraph 6.2.1.5 of the Circular ("**Appraisal Rights Condition**") is not fulfilled or waived and the Repurchase accordingly terminates, the Zambezi Disposals Resolution be and is hereby revoked with effect from the date on which the Repurchase terminates."

Voting in respect of Special Resolution 5

The percentage of voting rights required for Special Resolution 5 to be adopted is at least 75% of all the votes exercised on Special Resolution 5 by persons entitled to exercise voting rights and sufficient Ordinary Shareholders are present in person or represented by proxy to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on Special Resolution 5.

Reason for Special Resolution 5

The reason and effect for Special Resolution 5 is to re-instate the rights of Dissenting Shareholders to their Zambezi Ordinary Shares in accordance with section 164(9)(c) as read with section 164(10) of the Companies Act, in the event that the Appraisal Rights Condition is not fulfilled or waived, thereby extinguishing the Appraisal Rights of Dissenting Shareholders. The effect of Special Resolution 5 is to, in the event that the Appraisal Rights Condition is not fulfilled or waived, re-instate the rights of Dissenting Shareholders to their Zambezi Ordinary Shares such that any Dissenting Shareholder that has sent a demand to Zambezi in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its Zambezi Ordinary Shares, shall have no right to receive payment of the amount so demanded and such Dissenting Shareholder's Appraisal Rights under section 164 of the Companies Act will accordingly terminate.

RECORD DATE

The record date, in terms of section 59 of the Companies Act, for Zambezi Ordinary Shareholders to be recorded in the Register in order to:

- receive the Notice of Zambezi General Meeting is Friday, 11 June 2021; and
- attend, participate in and vote at the Zambezi General Meeting is Friday, 9 July 2021.

PROXIES

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a Zambezi Ordinary Shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out in the Form of Proxy (*blue*) attached.

VOTING AND QUORUM REQUIREMENTS

Voting shall be by way of a poll and every Zambezi Ordinary Shareholder present by electronic communication by proxy shall have one vote for every Zambezi Ordinary Share held by such Zambezi Ordinary Shareholder.

Pursuant to the Zambezi MOI, a Zambezi Ordinary Shareholders' meeting may not begin or a matter may not be considered until there are at least 3 Zambezi Ordinary Shareholders entitled to attend and vote at the meeting and to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting.

PROOF OF IDENTIFICATION REQUIRED

In terms of section 63(1) of the Companies Act, any Zambezi Ordinary Shareholder or proxy who intends to attend, participate in and vote at the Zambezi General Meeting must be able to present reasonably satisfactory identification at the Zambezi General Meeting for such Zambezi Ordinary Shareholder or proxy to attend, participate in and vote at the Zambezi General Meeting. A green bar-coded or smart card identification document, issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted as sufficient identification.

ELECTRONIC PARTICIPATION BY ZAMBEZI ORDINARY SHAREHOLDERS

The Zambezi General Meeting will be held entirely by way of electronic communication. Accordingly, the Zambezi General Meeting will only be accessible through electronic communication.

TMS will assist Zambezi Ordinary Shareholders with the requirements for electronic attendance, participation in, and voting at the Zambezi General Meeting. Zambezi Ordinary Shareholders who wish to electronically attend, participate in and vote at the Zambezi General Meeting are required to contact TMS at proxy@tmsmeetings.co.za or on +27 11 520 7950/1/2 as soon as possible, so as to be received for administrative reasons, **by no later than 11:00 on Friday, 16 July 2021**.

Ordinary Shareholders participating in the Zambezi General Meeting by way of electronic communication may still appoint a proxy to vote on their behalf at the Zambezi General Meeting.

The costs of participation in the Zambezi General Meeting by electronic communication will be for the expense of Ordinary Shareholders or their proxies and they will be billed separately by their service providers. Zambezi, the Secretaries and TMS will not be held liable for any loss, injury, damage, penalty or claim arising from the use of the electronic communication services or any defect in respect thereof or from total or partial failure of the electronic communication services for any reason whatsoever, including loss of network connectivity or other network failure due to, *inter alia*, insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevent a Zambezi Ordinary Shareholder or its proxy from attending, participating in and/or voting at the Zambezi General Meeting.

Zambezi Ordinary Shareholders and their proxies will be able to vote electronically at the Zambezi General Meeting (refer to section A of "*Action required by Zambezi Ordinary Shareholders*" commencing on page 3 of the Circular).

APPRAISAL RIGHTS

In terms of section 164 of the Companies Act, at any time before the Zambezi Disposals Resolution and/or the Zambezi MOI Amendments Resolution (to the extent applicable) as set out in this Notice of Zambezi General Meeting is voted on, a Zambezi Ordinary Shareholder may give Zambezi a written notice objecting to the Zambezi Scheme Resolution and/or the Zambezi MOI Amendments Resolution (to the extent applicable), as the case may be.

Within 10 Business Days after adoption of the Zambezi Disposals Resolution and/or the Zambezi MOI Amendments Resolution (to the extent applicable), Zambezi must send a notice to the Dissenting Shareholders who have not withdrawn their objection notice and who have voted against the Zambezi Disposals Resolution and/or the Zambezi MOI Amendments Resolution (to the extent applicable), informing them that the Zambezi Disposals Resolution and/or the Zambezi MOI Amendments Resolution, as the case may be, have / has been adopted.

A Dissenting Shareholder may demand that Zambezi pay to the Dissenting Shareholder the fair value for all of their Zambezi Ordinary Shares by following the procedural requirements of section 164 of the Companies Act.

A copy of section 164 of the Companies Act is set out in annexure 10 to the Circular.

By order of the Zambezi Board,

Ms PB Beale

representative of the Secretaries, Northam Platinum Limited

14 June 2021

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REF. JOB022952

Zambezi Platinum (RF) Limited

ZAMBEZI PLATINUM (RF) LIMITED

Incorporated in the Republic of South Africa
(Registration number 2014/106927/06)
Zambezi Preference Share code: ZPLP
ISIN: ZAE000202552
("**Zambezi**" or the "**Company**")

FORM OF PROXY

The definitions and interpretations commencing on page 5 of the Circular to which this form of proxy is attached, apply to this form of proxy, unless otherwise stated or the context so requires.

In light of the COVID-19 Restrictions and the uncertainty of the infection rate at the time of the Zambezi General Meeting, Zambezi has determined that the Zambezi General Meeting will take place entirely by electronic communication. Accordingly, the Zambezi General Meeting will only be accessible through electronic communication, in accordance with section 63(2)(a) of the Companies Act and the Zambezi MOI.

Although voting will be permitted by way of electronic communication, Zambezi Ordinary Shareholders are encouraged to make use of proxies for purposes of voting at the Zambezi General Meeting.

This Form of Proxy is **only** for use by Zambezi Ordinary Shareholders in respect of the Zambezi General Meeting to be held entirely by way of electronic communication at **11:00 on Tuesday, 20 July 2021**, and at any postponement or adjournment thereof.

Zambezi Ordinary Shareholders are encouraged to make use of proxies for purposes of voting at the Zambezi General Meeting.

I / We (name in block letters)

of (address)

Telephone (work) (home)

(mobile) (Email)

being the holder(s) of Zambezi Ordinary Shares

hereby appoint (see notes 1 and 2):

1. or failing him / her

2. or failing him / her

the chairperson of the Zambezi General Meeting, as my / our proxy to attend, participate in and act on my / our behalf at the Zambezi General Meeting and, on a poll, to vote in my stead and to vote (electronically) for or against the Resolutions or abstain from voting thereon in respect of the Zambezi Ordinary Shares registered in my / our name(s), in accordance with the following instructions (see note 3):

	For	Against	Abstain
Special Resolution 1 – Approval of the increase in the authorised share capital of Zambezi in respect of the N Shares			
Special Resolution 2 – Approval of the Zambezi MOI Amendments			
Special Resolution 3 – Revocation of Special Resolution 2			
Special Resolution 4 – Approval of the Zambezi Disposals			
Special Resolution 5 – Revocation of Special Resolution 4			

Please indicate with an "**x**" or the relevant number of Zambezi Ordinary Shares, in the applicable space, how you wish your votes to be cast. Unless otherwise directed, the proxy will vote (whether in person or electronically to the extent permitted) as he / she deems fit.

Signed at on 2021

Signature(s) Capacity

Assisted by (where applicable) Signature

Please read the notes on the reverse side hereof.

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- a shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;
- a proxy may delegate his / her authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
- any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company;
- a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise;
- if the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:
  - the relevant shareholder; or
  - the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so; and
- if a company issues an invitation to its shareholders to appoint 1 or more persons named by the company as a proxy, or supplies a form of proxy instrument:
  - the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised;
  - the invitation or form of proxy instrument supplied by the company must:
    - bear a reasonably prominent summary of the rights established in section 58 of the Companies Act;
    - contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name and, if desired, an alternative name of a proxy chosen by the shareholder; and
    - provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting;
  - the company must not require that the proxy appointment be made irrevocable; and
  - the proxy appointment remains valid only until the end of the meeting, or any adjournment thereof, at which it was intended to be used.

NOTES:

1. A Zambezi Ordinary Shareholder is entitled to appoint 1 or more proxies (who need not be a Zambezi Ordinary Shareholder) to attend, participate in, and on a poll, vote in place of that Zambezi Ordinary Shareholder at the Zambezi General Meeting.
2. A Zambezi Ordinary Shareholder may insert the name of a proxy or the names of 2 alternate proxies of the Zambezi Ordinary Shareholder's choice in the space(s) provided, with or without deleting "*the chairperson of the Zambezi General Meeting*". The person whose name stands first on the Form of Proxy and who is present at the Zambezi General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Zambezi Ordinary Shareholder should insert an "**x**" in the relevant space according to how the Zambezi Ordinary Shareholder wishes his / her / its votes to be cast. However, if a Zambezi Ordinary Shareholder wishes to cast a vote in respect of a lesser number of Zambezi Ordinary Shares than that which he / she / it holds, such Zambezi Ordinary Shareholder should insert the number of Zambezi Ordinary Shares held in respect of which he / she / it wishes to vote or abstain from voting. If a Zambezi Ordinary Shareholder fails to comply with the above then such Zambezi Ordinary Shareholder will be deemed to have authorised the proxy to vote or to abstain from voting at the Zambezi General Meeting as such proxy deems fit in respect of all of the Zambezi Ordinary Shareholder's votes exercisable at the Zambezi General Meeting. A Zambezi Ordinary Shareholder is not obliged to exercise the votes in respect of all of the Zambezi Ordinary Shares held by him / her / it, but the total votes cast and abstentions recorded may not exceed the total number of the votes exercisable by the Zambezi Ordinary Shareholder.
4. The completion and lodging of this Form of Proxy will not preclude the relevant Zambezi Ordinary Shareholder from attending the Zambezi General Meeting and participating and voting to the exclusion of any proxy appointed in terms hereof, should such Zambezi Ordinary Shareholder wish to so do.
5. The chairperson of the Zambezi General Meeting may reject or accept any Form of Proxy which is not completed and/or received in accordance with the Circular and the instructions set out herein.
6. Any alteration to this Form of Proxy, other than the deletion of alternatives, must be signed, not merely initialled, by the signatory/ies.
7. If this Form of Proxy is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this Form of Proxy, unless it has previously been recorded by Zambezi or the Secretaries or TMS.
8. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g. on behalf of a company, trust/ees, pension fund, deceased estate, etc.) must be attached to this Form of Proxy, unless previously recorded by Zambezi or the Secretaries or waived by the chairperson of the Zambezi General Meeting.
9. A minor or any other person with legal incapacity must be assisted by his / her parent or guardian, unless the relevant documents establishing his / her capacity are produced or have been recorded by Zambezi or the Secretaries or TMS.
10. Where there are joint holders of Zambezi Ordinary Shares:
    a. any one holder may sign the Form of Proxy; and
    b. the vote of the senior joint holder, who tenders a vote, as determined by the order in which the names stand in the Register, will be accepted.
11. Forms of Proxy should be delivered to TMS, as follows:
    a. by hand: JSE Building, One Exchange Square 2 Gwen Lane, Sandown, 2196, South Africa;
    b. by post: PO Box 62043, Marshalltown, 2107, South Africa; or
    c. by email: proxy@tmsmeetings.co.za,

    so as to be received, for administrative reasons, **by not later than 11:00 on Friday, 16 July 2021**. Should the Form of Proxy not be delivered to TMS by this time, the Form of Proxy must be delivered to the chairperson of the Zambezi General Meeting before the appointed proxy exercises any of the Zambezi Ordinary Shareholder's rights at the Zambezi General Meeting, by delivering the Form of Proxy to the Secretaries (by email: trish.beale@norplats.co.za or by hand: Northam Platinum Limited, Building 4, 1st Floor, Maxwell Office Park, Magwa Crescent West, Waterfall City, Jukskei View, Midrand, South Africa).