



**SOCIAL, ETHICS,
HUMAN RESOURCES
AND
TRANSFORMATION
COMMITTEE
CHARTER**

Title: SEHR&T committee charter

Document No.002

Effective date: 6 November 2018

Next Review Date: November 2020

Approved by the Chairperson of the Committee

**Approved by the Chairman of the board
of directors**

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1. DEFINITIONS AND INTERPRETATION

Term	Meaning
“agm”	Annual General Meeting being a yearly meeting of the shareholders of Northam especially for holding elections and reporting on the year's events.
approval framework	The approval framework developed and updated from time to time in terms of which the limits of authority for various senior officials of the company are determined.
“board”	The board of directors of Northam.
“board charter”	The board of directors charter governing the role and responsibilities of the board.
Chief Executive Officer” or “CEO”	A Chief Executive Officer is the highest-ranking executive in a company. This director's primary responsibilities include making major corporate decisions, managing the overall operations and resources of a company, and acting as the main point of communication between the board and corporate operations.
Chief Financial Officer” or “CFO”	A Chief Financial Officer is an executive director primarily responsible for managing the financial risks of a company. This director is also responsible for financial planning and record keeping, as well as financial reporting to the board.
“charter”	The social, ethics, human resources and transformation charter herein governing the role and responsibilities of the committee.
“Companies Act”	Companies Act No 71 of 2008, as amended.
“group”	Northam Platinum Limited and all its subsidiaries.
“International Labour Organisation Protocols”	Protocols developed by the International Labour Organisation, an organisation that aims to bring together governments, employers and workers representatives to set labour standards, develop policies and devise programmes promoting decent work for all women and men.
“JSE”	JSE Limited.
“King IV”	King IV Code on Corporate Governance of South Africa, 2016.
“memorandum” or “MOI”	Northam Platinum Limited memorandum of incorporation.
“Northam Platinum Limited” or “company”	Northam Platinum Limited.
“share incentive plan” or “SIP”	The Northam share incentive plan (SIP) which incorporates the long-term BEE transaction incentive plan (BIP) and the lock-in and incentive mechanism (LIM).

“SEHR&T committee” or the “committee”	The social, ethics, human resources and transformation committee assists the board with the oversight of social, ethical and human resources matters.
“United Nations Global Compact Principles”	Principles derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

2. INTRODUCTION

- 2.1. The SEHR&T committee is constituted as a statutory committee of the company in respect of those statutory duties assigned to it in terms of section 72(4) of the Companies Act (read in conjunction with Regulation 43 of the Companies Regulations, 2011), and as a committee of the board of the company and its subsidiaries in respect of all other duties assigned to it by the board.
- 2.2. The committee does not provide relief to board members for their joint and several responsibilities regarding their fiduciary duties and they must continue to exercise due care and judgement in accordance with their legal obligations.

3. PURPOSE AND OBJECTIVES

- 3.1. The purpose of this charter is to set out the role and responsibilities of the committee. The committee is established to assist the board with the oversight of social, ethics and human resources matters and in ensuring that the company is and remains a committed socially responsible corporate citizen. The commitment to sustainable development involves ensuring that the company conducts business in a manner that meets existing needs without knowingly compromising the ability of future generations to meet their needs. The committee's primary role is to supplement, support, advise and provide guidance on the effectiveness or otherwise of management's efforts in respect of social, human resource, stakeholder relationships, ethics and sustainable development related matters.

4. SCOPE AND APPLICABILITY

This charter applies to all members of the committee.

5. COMPOSITION OF COMMITTEE, CHAIRPERSON, QUORUM AND TENURE

- 5.1. The committee shall comprise not less than 3 (three) non-executive board members. A majority of members of the committee shall be independent. The board, through the nomination committee shall appoint the members, and one of the independent members shall be appointed as chairperson. The CEO, CFO and the Executive - Human Resources shall not be members of the committee, but shall attend meetings of the committee as appropriate.

- 5.2 A simple majority of members is a quorum. Invited participants are not part of the quorum and do not vote.
- 5.3 The tenure of committee members shall be reviewed in terms of the nomination committee charter.

6. MEETINGS

- 6.1. The committee shall meet formally at least 4 (four) times a year;
- 6.2. The notice of each meeting of the committee, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall be forwarded to each member of the committee at least 4 (four) working days prior to the date of each meeting;
- 6.3. The chairperson of the committee may consult members of the committee at any time and members may conclude any matter requiring the approval of the committee by means of a round robin resolution to be approved by majority of the members;
- 6.4. The committee may specifically delegate to any of its member's authority to conclude any matter requiring the authority of the committee. The outcome of any such delegation shall be reported to the committee at its next meeting;
- 6.5. The company secretary shall act as secretary to the committee, and shall be responsible for keeping minutes of all meetings. Minutes of all the meetings should be circulated in good time for members to review and must be formally approved at each following meeting. Once approved, these minutes should be distributed to all the members of the board for information purposes;
- 6.6. The chairperson of the committee shall report to the board at its next succeeding meeting and shall be present at the company's AGM to answer any questions concerning matters governed by the committee.

7. FUNCTIONS AND DUTIES – SOCIAL, ETHICS HR AND TRANSFORMATION

- 7.1. The committee shall monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, draw matters to the attention of the board and to report (through one of the committee's members) to shareholders at the company's annual general meeting, with regard to matters relating to:
 - 7.1.1. Social and economic development, including the company's standing in terms of the goals and purposes of the following 10 principles set out in the United Nations Global Compact Principles:

7.1.1.1. Human rights

- Support and respect the protection of internationally proclaimed human rights; and
- Make sure that Northam is not complicit in human rights abuses.

7.1.1.2. Labour standards

- Uphold the freedom of association and the effective recognition of the right to collective bargaining;
- The elimination of all forms of forced and compulsory labour;
- The effective abolition of child labour; and
- The elimination of discrimination in respect of employment and occupation.

7.1.1.3. Environment

- Support a precautionary approach to environmental challenges;
- Undertake initiatives to promote greater environmental responsibility; and
- Encourage the development and diffusion of environmentally friendly technologies.

7.1.1.4. Anti-corruption

- Working against corruption in all its forms, including extortion and bribery.

7.2. To ensure compliance with key legislation, policies and regulations, also taking into consideration ethics management and performance within the company.

7.3. To review management's compliance with the company's code of ethics and any possible breaches of the code of ethics, conflict of interest or other issues that could affect the company.

7.4. Good corporate citizenship, including the company's:

7.4.1. Promotion of equality, prevention of unfair discrimination, and reduction of corruption;

7.4.2. Contribution to development of the communities in which its activities are predominantly conducted; and

7.4.3. Record of sponsorship, donations and charitable giving.

7.5. The environment, health and public safety, including the impact of the company's activities and of its products or services;

- 7.6. Consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws; and
- 7.7. Labour and employment, including:
 - 7.7.1. the company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
 - 7.7.2. the company's employment relationships, and its contribution towards the educational development of its employees.
- 7.8. Transformation responsibilities:
 - 7.8.1. providing guidance on socio-economic transformation processes;
 - 7.8.2. providing guidance on the overall transformation process for the group in order to achieve transformation commitments;
 - 7.8.3. making recommendations to the board in regard to the group's gender and race commitments and targets and monitoring the group's performance against said commitments and targets;
 - 7.8.4. reviewing trends and issues of relevance with an impact on transformation practices;
 - 7.8.5. ensuring appropriate programmes are in place to drive transformation; for example, learnerships, bursaries, management and supervisory development, accommodation, living conditions and housing and women in mining;
 - 7.8.6. ongoing revision of the company's strategy, charter and targets in respect of the Mining Charter, Skills Development Act and Employment Equity Act and making recommendations to the board for debate and approval; and
 - 7.8.7. monitoring the performance against the approved Mining Charter, Employment Equity and Skills Development targets and providing guidance on ways to improve or enhance performance.

8. FUNCTIONS, DUTIES AND POWERS – REMUNERATION

The functions of the committee shall be:

- 8.1. To establish the company's remuneration philosophy in respect of all its employees, subject to the limitations as contained in the approval framework;
- 8.2. Provide oversight over the implementation of the remuneration policy;
- 8.3. Review the remuneration report for board approval, including the background statement, policy and implementation report;
- 8.4. To ensure that the company's executive director(s) and senior management are fairly rewarded for their individual contributions to the company's overall performance in line with the group's strategy and performance. To ensure that proper succession planning is in operation within the company, particularly at senior management level.

- 8.5. The duties of the committee shall be to recommend to the board:
 - 8.5.1. The remuneration philosophy of the company;
 - 8.5.2. The remuneration policy of the company;
 - 8.5.3. The appointment of executive directors (F Lower and above);
 - 8.5.4. The level of fees to be paid to members of the board and of board appointed committees for approval by shareholders.
- 8.6. The committee shall exercise the powers and duties of the board in regard to:
 - 8.6.1. The ratification of the appointment of the F band employees;
 - 8.6.2. The individual basic remuneration packages and service contract terms of all executive directors;
 - 8.6.3. The performance measures used and relative weighting including the targets and performance against the set targets;
 - 8.6.4. The payments made on termination of executive management employment;
 - 8.6.5. The basic remuneration package ranges for all employees graded in the D band and above;
 - 8.6.6. The parameters of any short term incentive and bonus schemes to be applied to qualifying employees;
 - 8.6.7. The SIP in terms of the rules and regulations of the scheme, including any amendments thereto;
 - 8.6.8. Any changes in the rules of medical and retirement schemes applicable to employees of the company where such rules require the approval of the employer, other than in terms of centralised bargaining arrangements;
 - 8.6.9. The plan of action prepared by the company's senior management to ensure implementation of and compliance with the Employment Equity Act.

9. RELATED POLICIES, LEGISLATION AND STANDARDS

- 9.1. The charter is subject to the provisions of:
 - 9.1.1. Broad-Based Black Economic Empowerment Act No. 53 of 2003;
 - 9.1.2. Companies Act;
 - 9.1.3. Companies Act Regulations, 2011;
 - 9.1.4. Employment Equity Act No 55 of 1998;
 - 9.1.5. International Labour Organisation Protocols;
 - 9.1.6. JSE Limited Listings Requirements;
 - 9.1.7. King IV;
 - 9.1.8. Memorandum;
 - 9.1.9. Northam Combined Assurance Policy and Framework;
 - 9.1.10. Northam Risk Management Policy and Framework;

- 9.1.11. Skills Development Act 97 of 1998;
- 9.1.12. The Mineral and Petroleum Resources Development Amendment Act No.49 of 2008 (MPRDA) and the Mining Charter;
- 9.1.13. The Organisation of Economic Co-operation and Development (“OECD”) recommendations regarding corruption;
- 9.1.14. The United Kingdom Bribery Act 2010;
- 9.1.15. United Nations Global Compact Principles (including all legislation listed);
and
- 9.1.16. any other applicable laws or regulatory provisions.

9.2. Where this charter transgresses legislation and/or rules of the Companies Act, that legislation and/or regulation takes precedence over the charter.

10. EVALUATION

- 10.1. An independent evaluation of the effectiveness of this committee may be performed every second year.
- 10.2 The committee should, at least once every 3 (three) years, review its own performance and that of its members, constitution and charter to ensure it is operating at maximum effectiveness.

11. GOVERNANCE

This charter must be approved by the board and the chairperson of this committee and should be reviewed at least once every 3 (three) years to ensure effective functioning of the committee, compliance with the latest corporate governance best practice and alignment with the company’s responsibilities with respect to being and being seen as a responsible corporate citizen.