



CONFLICT OF INTEREST POLICY

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1. BACKGROUND

- 1.1 Northam Platinum Holdings Limited (Northam Holdings) is listed on the main board of the securities exchange operated by the JSE Limited (JSE) as Northam Holdings, under share code NPH.
- 1.2 The instruments of its subsidiary, Northam Platinum Limited are listed on the debt market of the JSE under debt code NHMI.
- 1.3 Northam Holdings, together with its subsidiaries, are collectively or individually (as the case may be) herein referred to as Northam Holdings, Northam, the company or the group.

2. INTRODUCTION

- 2.1 The company is a values-based organisation and at all times, ensures that all its professional relationships are founded on integrity, transparency and respect.
- 2.2 Northam is committed to doing what is right, fair, reasonable and at all times lawful.
- 2.3 As a public company listed on the JSE, it is incumbent on Northam to not only act in accordance with leading corporate governance principles but also to be seen to be taking pro-active steps in doing so, to ensure that there is no misapprehension as to its commitment to such fundamental principles.
- 2.4 In the circumstances, Northam subscribes to defined ethical values and principles of good corporate governance and in this regard has bound itself to comply with the relevant statutory obligations and best practice standards in its internal and external business conduct.
- 2.5 To this end, Northam's directors and prescribed officers (directors and officers) are required to maintain the highest ethical standards and at all times be cognisant of the rights and interests of Northam's employees, communities, shareholders, customers, suppliers, contractors and other stakeholders as well as the natural environment in which the group operates.
- 2.6 Accordingly, Northam's directors and officers must at all times avoid situations that may result in actual, perceived or potential conflicts of interest, involving themselves or close personal relations.
- 2.7 The board of directors of Northam Holdings (board) has adopted a board charter (the charter) which documents the board's role, responsibilities, membership requirements and procedural conduct as recommended in the King IV Report on Corporate Governance for South Africa, 2016 (King IV™ Report).
- 2.8 The purpose of this conflict of interest policy (policy) is to supplement the provisions of the charter as they relate to directors' conflicts of interest, and this policy does not supersede the charter or applicable laws.
- 2.9 This policy has been developed having regard to the requirements of Northam's Memorandum of Incorporation (MOI), the Companies Act No. 71 of 2008 (Companies Act), the JSE Listings Requirements, the King IV™ Report, prevailing best practice and the business requirements of the company to manage its risks and protect its reputation and that of its directors and officers as well as uphold the integrity of the company's decision-making processes.
- 2.10 There is no substitute for good judgment and personal integrity in ensuring corporate governance principles are adhered to, however to assist in ensuring that this is the case in respect of various potential conflicts of interest that may arise, the group's directors and officers are required to abide by the principles contained herein.

3. OBJECTIVE OF THIS POLICY

- 3.1 This policy sets out the standards and principles that govern circumstances of conflict of interest and seeks to ensure the prevention of such instances as far as reasonably possible and where such conflicts are unavoidable, provide guidance on how they should be dealt with in an ethical and responsible manner, mitigating potential risks.
- 3.2 The board has developed and approved this policy in order to, *inter alia*, ensure that:
 - 3.2.1 directors and officers make fair and objective decisions in Northam's best interest.
 - 3.2.2 Northam's business is conducted with fidelity, honesty and integrity.
 - 3.2.3 directors and officers regulate and deal with Northam's information in a manner that honours and respects confidentiality undertakings with and to third parties.
 - 3.2.4 directors and officers adhere to their continuing fiduciary duties to Northam and discharge their duties objectively.
 - 3.2.5 no decisions are made as a result of, or with a view to, any kind of personal benefit to any director or officer or any organisations or individuals with close relations to such directors or officers.
 - 3.2.6 to give effect to the legal requirements set out in section 75 of the Companies Act, as well as to implement appropriate best practice standards determined by Northam from time to time.

4. SCOPE AND APPLICABILITY OF THIS POLICY

- 4.1 This policy applies to all of the company's directors and officers acting in their capacities as such, including as members of the board, board committees, and other governance structures within the group.
- 4.2 This policy does not substitute any related conflict of interest policies, or policies on disclosure of dealings in group securities, or the charter.
- 4.3 Where an action that may constitute a conflict of interest is ambiguous or is addressed within any of the abovementioned policies, the charter or by the law, the directors and officers must comply with the most onerous requirements in respect of such conflict of interest.
- 4.4 It is the responsibility of each director and officer to familiarise themselves with the content of this policy and understand how this policy applies to their role within the company.
- 4.5 Each director and officer must adhere to this policy in all business dealings and must conduct themselves in a way that positively reflects their commitment to this policy.

5. DEFINING CONFLICTS OF INTEREST

- 5.1 A conflict of interest refers to a financial or non-financial interest that perceptually, actually or potentially impairs a person's objectivity or ability to act independently in relation to the company or which creates an unfair advantage for the individual, or in favour of a related or inter-related person, associate (as envisaged in the JSE Listings Requirements) or person with perceived or actual close personal relations to the individual (associated persons), vis-à-vis the company and/or its stakeholders.
- 5.2 Conflicts of interest can take any of the following three (3) forms:
- 5.2.1 Actual conflict: arises in situations where financial or other personal or professional considerations compromise an individual's objectivity, judgment, integrity, and/or ability to fulfil his/her legitimate responsibilities to the group.
 - 5.2.2 Perceived conflict: are situations or events that could reasonably appear to other parties to involve a conflict of interest.
 - 5.2.3 Potential conflict: refers to situations or events that do not necessarily constitute or appear to constitute a conflict of interest, but where there is a reasonable possibility of an actual or perceived conflict of interest arising in future.
- 5.3 Any reference to a conflict of interest in this policy includes a perceived or potential conflict of interest.
- 5.4 In the circumstances, while it is not possible to enumerate all scenarios which could constitute an actual, perceived or potential conflict of interest, a conflict of interest will be found to exist where:
- 5.4.1 a circumstance or event arises which constitutes a personal financial interest as contemplated by section 75 of the Companies Act in respect of a matter under consideration by the board.
 - 5.4.2 the exercise of business judgement and/or a business decision is made in respect of the company or its activities that is influenced by and/or related to the private interests or personal gain of directors, officers or their associated persons.
 - 5.4.3 a director, officer or associated person derives or may derive a personal benefit which influences, or may appear to influence, how a director or officer executes their tasks and/or makes decisions in respect of or relating to the company.
 - 5.4.4 a director, officer or associated person is also a director or officer of a company with which Northam is pursuing or is about to pursue a corporate or investment opportunity, other than if such person is appointed by Northam as its representative on the board of directors of such other company.
 - 5.4.5 a company which a director, officer or associated person holds a direct or indirect interest in is appointed to provide goods or services to Northam.

6. DEALING WITH CONFLICTS OF INTEREST

6.1 Regular disclosure of interests and acting within the ambit of authority

- 6.1.1 In order to protect the reputation of the company and its directors and officers, as a general principle, conflicts of interest, whether actual, perceived or potential, must be avoided at all times.
- 6.1.2 For purposes of being able to anticipate any conflicts of interest that may arise so that they may be addressed at an early stage, directors and officers are required to declare in writing to the company secretary their personal financial, economic and other interests held by them, related and inter-related persons and associates (notwithstanding that no apparent conflict may exist) upon first appointment and at least annually thereafter, or whenever there are significant changes in respect thereof.
- 6.1.3 Furthermore, in order to mitigate against the risk of conflicts of interest or perceptions thereof arising, it is critical for directors and officers to only fulfil the roles which they are mandated to fulfil within the company and not to usurp such authority.
- 6.1.4 By ensuring that the decisions in respect of which directors or officers have any influence or involvement are only those which they are mandated to consider, the company can avoid any unnecessary conflicts of interest arising where the input of such directors or officers is not required or appropriate.
- 6.1.5 In the circumstances, as envisaged in the JSE Listings Requirements, in accordance with fiduciary duties owed to the company to (i) act in good faith and in the best interest of the company and (ii) not exceed the powers or limits of a director's authority:
 - 6.1.5.1 Only executive directors and officers shall be involved in the management of the company and day-to-day decision making thereof in accordance with the authority bestowed on them by the board.
 - 6.1.5.2 Non-executive directors shall not be involved in the day-to-day management of the business but perform their duties as non-executive directors; and
 - 6.1.5.3 Independent directors should be determined wholistically and on a substance over form basis in accordance with the indicators provided in the Companies Act and the King IV™ Report, and should not do anything to jeopardise such position.
- 6.1.6 Such separation of powers is further critical to maintaining the statuses of the relevant directors as being non-executive, which ensures that the board maintains the right mix of non-executive and executive directors.
- 6.1.7 To this end, non-executive directors must:
 - 6.1.7.1 use reasonable endeavours to identify possible direct or indirect conflicts of interest that may arise from time to time.

6.1.7.2 not make any introductions, recommendations or referrals to Northam management in respect of potential service providers, suppliers, contractors, consultants, individuals or otherwise and all such procurement activities must follow the sourcing and procurement requirements of the group.

6.1.7.3 avoid using any Northam contacts to directly or indirectly advance their private business or personal interests.

6.2 Disclosure of conflicts of interests

6.2.1 Conflicts of interests and the perception of conflicts of interest should be proactively managed as per the JSE Listings Requirements, JSE Debt Listings Requirements, Companies Act, King IV™ Report and in terms of any other relevant laws and regulations.

6.2.2 Where it is not possible to avoid a conflict of interest the conflict must be fully disclosed to the appropriate persons/forum and managed in accordance with this policy.

6.2.3 In addition to the regular disclosure requirements pertaining to interests held, as set out above, all directors and officers are obliged to disclose in sufficient detail to the company secretary immediately, in writing, any situation or event where they identify or have reason to believe that an actual, potential or perceived conflict of interest involving themselves or associated persons exists.

6.2.4 At the commencement of each board or board committee meeting, all directors should declare any direct or indirect conflict of interest regarding matters on the agenda, whether such conflict of interest is actual, perceived or potential or in respect of such director or an associated person.

6.2.5 The declaration includes any personal financial interests they may have in respect of:

6.2.5.1 a matter to be considered at such meeting.

6.2.5.2 which they know an associated person has a personal financial interest and any personal financial interest acquired by them in an agreement or other matter in which the company has an interest.

6.2.5.3 which they know an associated person has an interest.

6.2.6 The declaration should be done even if directors have submitted a standing notice of their interests.

6.2.7 Where a director or officer is in doubt as to whether a conflict of interest has arisen or may arise or there is any uncertainty in this regard, such director or officer should immediately disclose same to the company secretary for guidance.

6.2.8 If a director or officer becomes aware of a conflict of interest pertaining to another director or officer, such conflict of interest should also be disclosed to the company secretary immediately.

6.2.9 Where a conflict of interest arises, in addition to making the necessary disclosures envisaged in this policy, the relevant director or officer should immediately restrict or remove their involvement or influence in such matter by not participating in:

6.2.9.1 any discussions in respect thereof other than has specifically permitted by the board.

6.2.9.2 any vote in respect thereof; and/or

6.2.9.3 any decisions in respect thereof.

6.3 Compliance with Section 75

6.3.1 In addition to the above disclosure requirements, in accordance with Section 75 of the Companies Act, if a director or officer has a personal financial interest in respect of a matter to be considered at a board or board committee meeting, or in respect of which the director or officer knows a related person (as defined in section 75 of the Companies Act) has a personal financial interest, the director or officer:

6.3.1.1 must disclose the interest and its general nature prior to the matter being considered in the meeting.

6.3.1.2 must disclose to the meeting any material information known by the director or officer relating to the matter.

6.3.1.3 may disclose any observations or pertinent insights relating to the matter, if requested to do so by the other directors.

6.3.1.4 if present at the meeting, must leave the meeting immediately after making the relevant disclosures and not take part in the consideration of the matter.

6.3.1.5 must not execute any document on behalf of the company in relation to the matter unless specifically requested or directed to do so by the board.

6.3.2 In accordance with section 75 of the Companies Act, if a director or officer acquires a personal financial interest in an agreement or other matter in which the company has a material interest, or knows that a related person has acquired a personal financial interest in the matter after the agreement or other matter has been approved by the company, the director or officer must promptly disclose to the board the nature and extent of that interest and the material circumstances relating to the director or officer or related person's acquisition of that interest.

7. PROCEDURE FOR RECORD KEEPING

7.1 The company secretary must assist in relation to the following:

- 7.1.1 Ensure compliance by the company and directors and officers with the relevant legislative and governance principles and ensure that this policy is kept in line with recognised corporate governance practice and regulations.
- 7.1.2 If required, advise the chairperson and directors and officers of the procedures in relation to conflicts of interest.
- 7.1.3 Record the disclosure/s of conflicts of interest made in terms of this policy, and in respect if the disclosures made during a meeting record such disclosures are to be recorded in the minutes of the meeting.
- 7.1.4 Ensure submissions of declaration of conflict of interest are safeguarded and retained as per the requirements of the Companies Act and/or other legislative practices such as, the Protection of Personal Information Act, 2013 (POPIA).

8. WHAT DOES NOT CONSTITUTE CONFLICT OF INTEREST

8.1 The conflict of interest principles are not applicable when the matter concerned or the decision will generally affect:

- 8.1.1 all the directors or officers of the company in their capacity as directors or officers; or
- 8.1.2 a class of persons, despite the fact that the director or officer is one member of that class of persons, unless the only members of the class are the director or officer or persons related or inter-related to the director or officer.

9. NON-COMPLIANCE

- 9.1 Any director or officer or company secretary who fails to act in accordance with this policy or who actively omits to avoid a conflict of interest will be in breach of this policy and of certain fiduciary duties.
- 9.2 In certain instances, the breach can result in the institution of civil and/or criminal proceedings and disciplinary or remedial processes may be instituted against such director or officer or company secretary.

10. POLICY REVIEW

- 10.1 This policy is to be reviewed at least once every three (3) years and approved by the board.