



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

Title: Social, ethics, human resources and transformation committee charter

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1. DEFINITIONS AND INTERPRETATION

Term	Meaning
“AGM”	Annual General Meeting, being a yearly meeting of the shareholders of the company, for, <i>inter alia</i> , presenting elections of directors to the board and reporting on the year’s events.
“board”	The board of directors of Northam.
“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 and all its subsidiaries, joint arrangements and associates.
“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 or the securities exchange it operates, whichever the context requires.
“King IV”	King IV Code on Corporate Governance for South Africa, 2016.
“memorandum” or “MOI”	Northam’s memorandum of incorporation.
“Northam” or the “company”	Northam Platinum Holdings Limited.
“SEHR&T committee” or the “committee”	A sub-committee of the board which assists the board with the oversight of social, governance, human resources, ethical and transformation matters, to which this charter relates.
“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 and group 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, ethical, governance, human resources, and transformation 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, ethical, governance, human resources and transformation, stakeholder relationships, 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) board members ("members") or prescribed officers. The board, through the nomination committee shall appoint the members or prescribed officers, and one of the board members shall be appointed as chairperson. The CEO, CFO and the Executive - Human Resources shall attend meetings of the committee as appropriate.
- 5.2 A simple majority of members is deemed to be 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.

- 5.4 The failure by the committee to have the minimum number of members does not limit or negate the authority of the committee or invalidate anything done by the committee while their number is below the minimum number fixed in accordance with this charter.

6. MEETINGS

- 6.1. The committee shall meet formally at least 1 (once) 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 / written resolution approved by a 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 of the company 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; and
- 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 AGM, 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. RELATED POLICIES, LEGISLATION AND STANDARDS

- 8.1. The charter is subject to the provisions of:
 - 8.1.1. Broad-Based Black Economic Empowerment Act No. 53 of 2003;
 - 8.1.2. Companies Act;
 - 8.1.3. Companies Regulations, 2011;
 - 8.1.4. International Labour Organisation Protocols;
 - 8.1.5. JSE Limited Listings Requirements and the JSE Debt Listings Requirements;
 - 8.1.6. King IV;
 - 8.1.7. Memorandum;
 - 8.1.8. The Mineral and Petroleum Resources Development Amendment Act No.49 of 2008 (MPRDA) and the Mining Charter;
 - 8.1.9. The Organisation of Economic Co-operation and Development ("OECD") recommendations regarding corruption;
 - 8.1.10. United Nations Global Compact Principles (including all legislation listed);
 - 8.1.11. any other applicable laws or regulatory provisions.
- 8.2. Where this charter transgresses legislation and/or rules of the Companies Act, that legislation and/or regulation takes precedence over the charter.

9. EVALUATION

- 9.1. 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.

10. 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.