NORTHAM

PLATINUM LIMITED

Notice of annual general meeting

2010

Notice of annual general meeting

Date:	11 November 2010
Time:	10:00
Venue:	Room U2 Hackle Brooke 110 Conrad Drive Cnr Conrad Drive & Jan Smuts Avenue Craighall Johannesburg

Notice is hereby given that the annual general meeting of shareholders of Northam Platinum Limited will be held in Room U2, Hackle Brooke, 110 Conrad Drive, Corner of Jan Smuts Avenue and Conrad Drive, Craighall, Johannesburg on Thursday, 11 November 2010 at 10:00 for the following purposes:

1. Ordinary resolution number 1: annual financial statements

To receive and consider the annual financial statements for the year ended 30 June 2010.

2. Ordinary resolutions number 2-6: election of directors

2.1 To elect directors in place of Ms ET Kgosi, Dr JN Dlamini and Mr R Havenstein who retire in accordance with the provisions of article 57 of the company's articles of association and, being eligible and available, have offered themselves for election and appointment. Their brief curricula vitae appear on pages 46 and 47 of the annual report of which this notice forms part.

2.2 To elect directors in place of Messrs GT Lewis and AZ Khumalo, executive directors who retire in accordance with the provisions of article 50 of the company's articles of association and, being eligible and available, have offered themselves for election and appointment. Their brief curricula vitae appear on page 46 of the annual report of which this notice forms part.

3. Ordinary resolution number 7: increase in directors' fees

To consider the proposed increase in the fees paid to non-executive directors for their services as such, as set out on page 55 of the annual report of which this notice forms part, and accordingly, if deemed fit, to pass the following resolution as an ordinary resolution:

"**Resolved** that in terms of article 51 of the company's articles of association, the following fees be payable to the non-executive directors of the company with effect from 1 July 2010:

Board fees

- Board chairman – R93 000 per annum.
- Board members – R46 500 per annum.
- Board meeting attendance fees – R30 000 per meeting.

Board appointed committees

- Committee chairmen – R34 800 per annum.
- Committee members – R17 400 per annum.
- Committee meeting attendance fees – R11 600 per meeting."

4. Ordinary resolution number 8: general authority to issue convertible bonds

To consider the proposed issuing of convertible bonds as part of the funding requirements of the company as detailed on page 52 of the annual report of which this notice forms part and, accordingly if deemed fit, to pass the following ordinary resolution:

"**Resolved** that subject to the Listing Requirements of the JSE Limited, the board of directors be given authority to issue, or to procure the issuing by a wholly-owned subsidiary of the company, upon such terms and conditions as the directors in their discretion may deem fit, such number of convertible bonds which may be converted in whole or in part into ordinary shares of R0.01 each in the share capital of the company to rank *pari passu* with existing ordinary shares, provided that:

- the aggregate number of shares into which the bonds may be converted shall not exceed 15% (fifteen percent) of the number of shares in the company's issued share capital at the date of this notice of the annual general meeting;
- the convertible bonds are subject to a conversion premium of not less than 20% (twenty percent)

- above the volume weighted traded price of the shares in the company for the three trading days prior to pricing;
- this authority shall not extend beyond the next annual general meeting or 15 (fifteen) months from the date of this general meeting, whichever date is earlier;
- after the company has issued convertible bonds in terms of the approved general issue representing, on a cumulative basis within a financial year, 5% (five percent) or more of the number of ordinary shares in issue prior to that issue, the company shall publish an announcement giving full details of the issue, or any other announcements that may be required in such regard in terms of the Listings Requirements as applicable from time to time.

The reason for this ordinary resolution is to allow for the company to issue convertible bonds as part of its funding requirements.

In terms of the JSE Listing Requirements a majority of 75% (seventy five per cent) of the votes cast by the shareholders present or represented by proxy at the annual general meeting is required for this ordinary resolution to be passed.

5. Ordinary resolution number 9: placement of authorised but unissued shares under the control of the directors

To place the authorised but unissued shares in the capital of the company, other than those unissued shares reserved for purposes of the Northam Share Option Scheme, under the control of the directors in terms of and subject to the provisions of section 222 of the Companies Act (as amended), and the Listings Requirements of the JSE and accordingly, if deemed fit, to pass the following resolution as an ordinary resolution:

"**Resolved**, as an ordinary resolution, that the authorised but unissued shares of R0.01 each in the capital of the company, other than the 25 000 000 shares reserved for the purposes of the Northam Share Option Scheme, be and are hereby placed under the control of the directors of the company and, further, that the directors be and are hereby authorised and empowered to allot and issue all or any of these shares upon such terms and conditions as they may determine or deem fit, subject to the provisions of the Companies Act (as amended) and the Listings Requirements of the JSE Limited (as amended) which currently limit the power of directors to allot and issue shares in terms of this resolution to not more than 10% (ten percent) of the authorised but unissued shares in the share capital of the company and provided that this authority shall not extend beyond the next annual general meeting or 15 (fifteen) months from the date of this annual general meeting, whichever date is earlier."

6. Ordinary resolution number 10: payments to shareholders

To consider a proposal that the general authority granted to the directors to make payments to shareholders be renewed and accordingly, if deemed fit, to pass the following resolution as an ordinary resolution:

"**Resolved**, as an ordinary resolution, that in terms of the Listings Requirements of the JSE and subject to the requirements of section 90 of the Companies Act (as amended,) the directors of the company be and are hereby given a renewable general authority to make payments to shareholders subject to the following conditions, namely:

1. that the directors be and are authorised and empowered to make payments to shareholders from time to time up to a maximum of 20% (twenty percent) of the company's issued share capital, including reserves but excluding minority interests, and revaluations of assets and intangible assets that are not supported by a valuation by an independent professional expert acceptable to the JSE prepared within the last six months, in any one financial year, measured as at the beginning of such financial year; and
2. that this general authority to make payments to shareholders be valid until the company's next annual general meeting or for 15 months from the date of this resolution, whichever period is the shorter." The reason and effect of this

general authority is to enable the company's directors to return certain excess cash resources to shareholders on a *pro rata* basis.

7. Special resolution number 1: amendment of articles to allow for electronic payment of dividends

To consider the proposed amendment of the company's articles of association to allow for the electronic payment of dividends as detailed on page 53 of the annual report of which this notice forms part and, accordingly if deemed fit, to pass the following resolution as a special resolution:

"**Resolved**, as a special resolution in accordance with the provisions of section 199 of the Companies Act (Act 61 of 1973) (as amended) ("the Companies Act"), that the company's articles of association be amended as follows:

(i) by the deletion of article 84 and the substitution thereof of the following article:

"84. Payment of dividends

Dividends, interest or other moneys payable to the member shall, unless a member notifies the company in writing that he or she desires to receive payment in another form as provided for in the Companies Act, only be paid by electronic funds transfer into a bank or building society account of the member entitled thereto supplied by him or her to the company or, in the case of joint holders, to the bank or building society account of the first named in the register (or subregister, as the case may be) in respect of such joint holdings, which account shall be supplied to the company by such person, and the electronic transfer of the dividends, interest or other moneys into such account shall be a good discharge by the company in respect thereof. For the purpose of this article, no notice of change of bank or building society account or instructions as to payment being made at any other bank or building society account which is received by the company after the date on which a member must be registered in order to qualify for a dividend or other payment and which would have the effect of changing the currency in which such payment would be made, shall be effective in respect of such payment. A member who is a South African resident shall only be entitled to supply a Rand denominated bank or building society account of a bank or building society registered to operate such account in South Africa. In the event that a member has failed to supply a valid bank account as envisaged herein, the dividends, interest or other moneys shall be deemed unclaimed dividends in terms of article 82."

(ii) by the deletion of article 85 and the substitution thereof of the following article:

"85. Fraudulent electronic transfer

"The company shall not be responsible for a member's loss arising from any fraudulent, diverted or incorrect electronic funds transfer of dividends, interest or other moneys payable to a member unless such loss was due to the company's gross negligence or willful default."

The reason for the special resolution number 1 is to amend the company's articles to allow for the electronic payment of dividends, interest or other moneys payable to a member and to deal with fraudulent electronic transfers.

The effect of special resolution number 1 is that the company's articles are amended such that in future the company would only pay dividends by means of electronic funds transfer into the bank accounts supplied by members to the transfer secretaries of the company, being Computershare Investor Services (Pty) Ltd, and that the company shall not be liable for fraudulent bank transfers.

8. Special resolution number 2: amendment of articles to increase borrowing powers of directors

"**Resolved** as a special resolution in accordance with the provisions of section 199 of the Companies Act (Act 61 of 1973) (as amended) ("the Companies Act") and the Listings Requirements of JSE Limited that, subject to the passing of ordinary resolution number 8 relating to the granting to the board of directors of the company the authority to issue convertible bonds, the company's articles of association be amended by deleting the existing paragraph 71 and replacing it with the following new paragraph 71:

"71 Borrowing powers of directors

The directors may borrow or raise for such purposes of the company such sums as they deem fit, including issuing, upon such terms and conditions as the directors in their discretion may deem fit, such number of convertible bonds which may be converted in whole or in part into ordinary shares in the share capital of the company to rank *pari passu* with existing ordinary shares or to procure the issuing by a wholly-owned subsidiary of the Company upon such terms and conditions as the directors in their discretion may deem fit, such number of convertible bonds which may be converted in whole or in part into ordinary shares of R0.01 each in the share capital of the company to rank *pari passu* with existing ordinary shares provided that the aggregate number of shares into which the bonds may be converted shall not exceed 15% of the issued shares in the capital of the company."

The purpose of this special resolution and its effect is to amend the company's articles of association so as to increase the directors' borrowing powers to include the issuing of convertible bonds.

9. Special resolution number 3: acquisition of company's own shares

"**Resolved**, as a special resolution, that a mandate be and is hereby given to the company (or one of its wholly-owned subsidiaries) providing authorisation, by way of a general approval, to acquire the company's own issued shares, upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the articles of association of the Company, the provisions of the Companies Act and the Listings Requirements of the JSE, and subject further to the following terms and conditions:

a. Any acquisition of shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter-party;

b. At any one time, the company may only appoint one agent to effect any acquisition;

c. This general authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 months from date of passing of this special resolution;

d. An announcement shall be published as soon as the company has cumulatively acquired 3% of the initial number (the number of that class of share in issue at the time that the general authority is granted) of the relevant class of securities and for each 3% in aggregate of the initial number of that class acquired thereafter, containing full details of such acquisitions;

e. Acquisitions of shares by the company in aggregate in any one financial year may not exceed 20% of the company's issued share capital as at the date of passing of this special resolution or 10% of the company's issued share capital in the case of an acquisition of shares in the company by a subsidiary of the company;

f. Acquisitions may not be made at a price greater than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date on which the transaction was effected.

g. The company or its subsidiaries may not repurchase securities during a prohibited period unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement over Sens prior to the commencement of the prohibited period."

The reason for the special resolution is, and the effect thereof will be to grant, in terms of the provisions of the Companies Act, and the Listings Requirements of the JSE, and subject to the terms and conditions

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embodied in the said special resolution, a general authority to the directors to approve the acquisition by the company of its own shares, or by a subsidiary of the company of the company's shares, which authority shall be used by the directors at their discretion during the course of the period so authorised.

In respect of the general authorities to be granted in terms of special resolutions numbers 2 and 3 and ordinary resolutions numbers 8 and 10 the directors will not undertake either of these activities until such time as they have obtained a confirmation in writing from the company's sponsor that it is satisfied that the company's working capital will be adequate for such purposes. The directors are currently of the opinion that, after considering the effect of the maximum general repayment permitted and the maximum repurchase permitted, and for a period of 12 months after the date of this annual general meeting:

- the company and the group will be able, in the ordinary course of business, to pay their debts;
- the assets of the company and the group will be in excess of the liabilities of the company and the group, the assets and liabilities being recognised and measured in accordance with the accounting policies used in the latest audited annual group financial statements;
- the working capital of the company and the group will be adequate for ordinary business purposes; and
- the share capital and reserves of the company and the group are adequate for ordinary business purposes. In terms of the Listings Requirements of the JSE, certain disclosures are required with reference to the proposed granting of the general authorities in respect of the payments to shareholders and the acquisition of the company's own shares, as set out in the relevant ordinary resolutions set out above.

The following disclosures are contained elsewhere in this annual report of which this notice forms part.

Directors and management – see pages 46 and 47;

Major shareholders of the company – see page 57;

Directors' interests in the company's securities – see page 56;

Share capital – see page 51;

Directors' intention regarding the use of the general authorities to acquire shares and make payments to shareholders – see page 52.

In addition, the following disclosures are required:

Litigation statement

The directors of the company, whose names appear on pages 46 and 47 of this annual report, are not aware of any legal or arbitration proceedings, pending or threatened against the company, which may have or have had, in the 12 months preceding the date of this notice, a material effect on the company's financial position.

Directors' responsibility statement

The directors, whose names appear on pages 46 and 47 of this annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to the resolutions set out above and certify that to the best of their knowledge and belief that there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the said resolutions contain all information required by law and the listing requirements of the JSE.

Material change

Other than the facts and developments reported on in this annual report, there have been no material changes in the affairs, financial or trading position of the company since the balance sheet date and the date of this notice. The company's products are priced in US dollars and therefore volatility in the Rand/US dollar exchange rate could affect the company's revenues negatively.

Proxy

All shareholders who are entitled to attend, speak and vote at the meeting may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a member of the company. Should shareholders, both certificated and dematerialised, be unable to attend the meeting and wish to be represented thereat, they should appoint one or more proxies to attend, speak and vote in their stead. However, those shareholders who hold their certificated shares in the name of a nominee or shareholders who have already dematerialised their shares and have not selected own name registration and wish to attend the meeting, should timeously arrange with their nominee or their Central Securities Depository Participant (CSDP) or their broker to furnish them with the necessary authorisation to attend and vote at the meeting. Should these shareholders not wish to attend they may, pursuant to the terms of the agreement entered into with their nominee, CSDP or broker, instruct such nominee, CSDP or broker how they wish their votes to be cast in respect of any matter to be considered at the meeting. Shareholders who are unsure of their status, or the action they should take, are advised to consult their CSDP, broker or financial adviser. A proxy form is attached for use by registered certificated shareholders and dematerialised shareholders with own name registration. To be effective, a proxy form must be executed in terms of the company's articles of association and in accordance with the relevant instructions set out on the form, and must be lodged with the transfer secretaries not less than 48 hours before the time set down for the meeting. If required, additional proxy forms may be obtained from the transfer secretaries.

By order of the board

B. Ngwenya
Company secretary
Johannesburg

16 September 2010

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