

THIS CIRCULAR AND THE NORTHAM HOLDINGS PROSPECTUS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 15 apply throughout this Circular, including this cover page, unless otherwise stated or the context so requires.

Action required:

- This Circular and the Northam Holdings Prospectus are important and should be read with particular attention to the sections titled "Action required by Shareholders in respect of the Transaction" and "Action required by Shareholders in respect of the Northam Scheme and the Extended BEE Transaction", respectively, commencing on pages 8 and 11 and "Important Information", commencing on page 2.
- If you are in any doubt as to the action you should take, please consult your Broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
- If you have disposed of all or some of your Northam Shares, please forward this Circular and the Northam Holdings Prospectus to the purchaser of such Northam Shares or to the Broker, CSDP, banker or other agent through whom the disposal was effected.

The Independent Board, Northam Board, Northam Holdings Board, Northam and Northam Holdings do not accept responsibility and will not be held liable for any act of, or omission by, any Broker or CSDP, including any failure on the part of the Broker or CSDP or any registered holder of Northam Shares to notify the holder of a beneficial interest in Northam Shares of the Composite Transaction set out in this Circular or the failure to complete and return the Application and Surrender Form (pink) incorporated into the Northam Holdings Prospectus, where required.

NORTHAM

PLATINUM LIMITED

NORTHAM PLATINUM LIMITED

Incorporated in the Republic of South Africa
(Registration number 1977/003282/06)
Share code: NHM ISIN: ZAE000030912
("Northam" or the "Company")

NORTHAM

PLATINUM HOLDINGS LIMITED

NORTHAM PLATINUM HOLDINGS LIMITED

Incorporated in the Republic of South Africa
(Registration number 2020/905346/06)
Share code: NPH ISIN: ZAE000298253
("Northam Holdings")

CIRCULAR TO NORTHAM SHAREHOLDERS

regarding an inter-conditional Composite Transaction comprising:

- the acceleration of the maturity of the Zambezi BEE Transaction, which entails, *inter alia*:
 - the offer by Northam to Zambezi Preference Shareholders to acquire all the Zambezi Preference Shares in issue, not already held by Northam; and
 - the acquisition by Northam of Northam Shares held by Zambezi and the ESOP in terms of section 48(8)(b) read with sections 114 and 115 of the Companies Act and paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements, 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; and
- the Extended BEE Transaction for purposes of restoring ownership by HDPs in Northam, which entails, *inter alia*:
 - a scheme of arrangement in terms of section 114(1) read with section 115 of the Companies Act between Northam and Northam Shareholders, in terms of which Northam Holdings will acquire all Northam Shares (excluding Treasury Shares) held by Northam Scheme Participants in exchange for Northam Holdings Shares;
 - the continuation of the Northam Group's listing on the Main Board of the JSE, through the simultaneous termination of the listing of all Northam Shares and the listing of all Northam Holdings Shares on the Main Board of the JSE, pursuant to the Northam Scheme becoming operative;
 - the subscriptions by the SPVs (indirectly through the Security SPVs) for Northam Holdings Shares or Northam Shares, as the case may be, funded through the issue by the SPVs of A Preference Shares and B Preference Shares to Northam Holdings or Northam, as the case may be; and
 - the issue by HDP SPV of ordinary shares to HDP Entities and the issue by the Community SPV and Employee SPV of ordinary shares to the Community Entities and Employee Entities, respectively,

and including:

- the potential future acquisition by Members of the Group of Northam Holdings Shares held by the BEE Trusts and/or the Relevant Zambezi Shareholders; and
- the proposed amendments to the rules of the Northam SIP,

incorporating:

- the Independent Expert Reports;
- the Notice of General Meeting; and
- a Form of Proxy (blue) in respect of the General Meeting (for use by Certificated Shareholders and Dematerialised Shareholders with "own name" registration only),

and accompanied by:

- the Northam Holdings Prospectus, prepared in terms of section 100 of the Companies Act and Regulations 51 to 80 and sections 6 and 7 of the JSE Listings Requirements, which incorporates the Application and Surrender Form (pink) in respect of the Northam Scheme (for use by all Northam Scheme Participants who are Certificated Shareholders or who are Dematerialised Shareholders with "own name" registration and relevant Foreign Shareholders).

This Circular and the Northam Holdings Prospectus are available in English only. Copies of this Circular and the Northam Holdings Prospectus are available from the registered office of each of Northam, Northam Holdings and One Capital Advisory Proprietary Limited, whose addresses are set out in the "Corporate Information and Advisors" section of this Circular, during business hours from Monday, 31 May 2021 until 10 Business Days after the Northam Scheme Record Date. This Circular and the Northam Holdings Prospectus are also available on Northam's website (<http://www.northam.co.za>).

Corporate Advisor and Transaction Sponsor
and Sponsor to Northam and Northam Holdings
and Debt Sponsor to Northam

ONE CAPITAL
Capitalising Expertise®

Independent Expert to Northam

BDO

Attorneys to Northam
and Northam Holdings

WEBBER WENTZEL
in alliance with > Linklaters

Independent Sponsor to Northam
and Northam Holdings

Deloitte.

Counsel to Northam and Northam Holdings as to English and U.S. law

ALLEN & OVERY

Independent Auditor and Independent Reporting
Accountant to Northam
and Northam Holdings

EY
Building a better
working world

Tax Advisors to Northam

CDH
CLIFFE DENKER HOESBERG
INCORPORATING
KIETI LAW LLP, KENYA

CORPORATE INFORMATION AND ADVISORS

NORTHAM CORPORATE INFORMATION AND ADVISORS

Northam Platinum Limited

Place of incorporation: South Africa

Date of incorporation: 7 October 1977

Company Secretary and Registered Office of Northam

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(Private Bag X14, Northlands, 2146, South Africa)

Transfer Secretaries

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Tax Advisors

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

NORTHAM HOLDINGS CORPORATE INFORMATION AND ADVISORS

Northam Platinum Holdings Limited

Place of incorporation: South Africa

Date of incorporation: 2 December 2020

Company Secretary and Registered Office of Northam Holdings

Ms PB Beale
Building 4, 1st Floor
Maxwell Office Park
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(PO Box 412694, Craighall, 2024, South Africa)

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(Private Bag X9000, Saxonwold, 2132, South Africa)

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Midrand, 2090
South Africa
(Private Bag X6, Gallo Manor, 2052, South Africa)

IMPORTANT INFORMATION

The definitions and interpretations commencing on page 15 apply to this section, unless otherwise stated or the context so requires.

FOREIGN SHAREHOLDERS

Non-U.S. Shareholders

This Circular and the Northam Holdings Prospectus have been prepared for purposes of complying with the Companies Act, the Regulations and the JSE Listings Requirements in South Africa. The information disclosed may not be the same as that which would have been disclosed had this Circular or the Northam Holdings Prospectus been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

This Circular and the Northam Holdings Prospectus have not been and will not be lodged, registered or filed in any jurisdiction outside of South Africa and shall not constitute an offer to sell or the solicitation of an offer to subscribe for or buy securities, nor shall there be any sale of the securities described herein, in any jurisdiction, in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction or without an exemption from the registration or qualification requirements under the securities laws of such jurisdiction.

In relation to each Member State of the European Economic Area (each a “**Relevant State**”), this Circular and the Northam Holdings Prospectus and any other material in relation to the securities described herein or therein is only directed at, and any investment or investment activity to which this Circular and the Northam Holdings Prospectus relate is available only as follows: (A) to any legal entity which is a qualified investor as defined under Article 2 of the Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) (an “**EEA Qualified Investor**”); (B) to fewer than 150 natural or legal persons (other than EEA Qualified Investors) in that Relevant State; or (C) in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

In relation to the United Kingdom, this Circular and the Northam Holdings Prospectus and any other material in relation to the securities described herein or therein is only directed at, and any investment or investment activity to which this Circular and the Northam Holdings Prospectus relate is available only as follows: (A) to any legal entity which is a qualified investor as defined under Article 2 of the Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”), (a “**UK Qualified Investor**”); (B) to fewer than 150 natural or legal persons (other than UK Qualified Investors); or (C) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000.

In relation to the UAE, by receiving this Circular and the Northam Holdings Prospectus, the Application and Surrender Form and any other material in relation to the securities described herein, the person or entity to whom it has been issued understands, acknowledges and agrees that this Circular, the Northam Holdings Prospectus, the Application and Surrender Form and any such other material have not been approved by or filed with the UAE Central Bank, the UAE Securities and Commodities Authority (the “**SCA**”) or any other authorities in the UAE, nor has Northam or Northam Holdings received authorisation or licencing from the UAE Central Bank, SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to any securities or other investments may or will be consummated within the UAE. It should not be assumed that Northam or Northam Holdings is a licensed broker, dealer or investment advisor under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Northam Holdings Shares are not intended for circulation or distribution in or into the UAE, other than to persons who are “*Qualified Investors*” within the meaning of the SCA’s Board of Directors Decision No. 37/R.M of 2019 Concerning the Definition of Qualified Investor to whom the materials may lawfully be communicated. This does not constitute a public offer of securities in the UAE in accordance with the SCA Chairman of the Board Resolution No. 11/R.M of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock Companies, or otherwise.

In relation to Japan, the Northam Holdings Shares have not been and will not be registered in accordance with Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (“**FIEA**”) since the offering of the Northam Holdings Shares in Japan constitutes Solicitation of a Small Number of Investors under Article 23-13, Paragraph 4 of the FIEA. The Northam Holdings Shares will not be offered or sold, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act of Japan (Law No. 228 of 1949, as amended)) (including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan, except pursuant to Solicitation of a Small Number of Investors.

In relation to Switzerland, the offering of the Northam Holdings Shares in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act of 15 June 2018, as amended (the “**FinSA**”) because (i) less than 500 persons hold Northam Shares in Switzerland and, consequently, the Northam Scheme is addressed to less than 500 retail clients (and thus exempt from the requirement to prepare a prospectus pursuant to article 36(1)(b) of the FinSA) and (ii) the Northam Holdings Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Circular, nor the Northam Holdings Prospectus nor any other offering or marketing material relating to the Northam Holdings Shares constitutes a prospectus pursuant to the FinSA or has been approved by a Swiss review body within the meaning of article 52 of the FinSA and no such prospectus will be prepared in connection with the Northam Scheme.

The distribution of this Circular and the Northam Holdings Prospectus in certain jurisdictions may be restricted by applicable law and therefore persons in such jurisdictions into which this Circular and the Northam Holdings Prospectus are released, published or distributed should inform themselves about and observe such restrictions.

The contents of this Circular should not be construed as legal, financial, investment, tax, accounting or other professional advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action. Each Shareholder should consult his, her or its own legal, financial, tax or other professional advisor for legal, financial, tax or other professional advice.

If you are a Foreign Shareholder, you are urged to read the important information relating to the Composite Transaction contained in paragraph 52 and the Northam Holdings Prospectus. If you are in doubt about your position, you should consult your professional advisor in the relevant jurisdiction.

U.S. Shareholders

The Northam Holdings Shares being offered pursuant to the Northam Scheme have not been and will not be registered in the United States under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States or other jurisdiction, and, subject to certain limited exceptions, may not be offered or sold within the United States absent of registration under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. In addition, Northam Holdings has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and investors will not be entitled to the benefits of the Investment Company Act. Accordingly, within the United States (as defined in Regulation S under the U.S. Securities Act) only Shareholders reasonably believed to be qualified institutional buyers (“**QIBs**”) (as defined in Rule 144A under the U.S. Securities Act) will receive Northam Holdings Shares.

Shareholders who are located in the United States and who are QIBs (“**Eligible U.S. Shareholders**”) will be required to deliver an investor letter for prior approval to receive Northam Holdings Shares as described in paragraph 52. Any Northam Holdings Shares received by an Eligible U.S. Shareholder will be “*restricted securities*” (as defined in Rule 144 under the U.S. Securities Act) and will be subject to restrictions on transferability set forth in the investor letter.

Shareholders in the United States should note that the Northam Holdings Shares are securities in a South African company, and the Northam Scheme is subject to South African procedural and disclosure requirements (which are different from those of the United States) and is a scheme of arrangement provided for under South African company law. The financial information with respect to Northam included in this Circular and the Northam Holdings Prospectus has been prepared in accordance with IFRS and thus may not be comparable to financial information of companies in the United States or companies whose financial statements are prepared in accordance with Generally Accepted Accounting Principles in the United States.

In addition, until 40 days after the commencement of the Northam Scheme, an offer, sale or transfer of the securities to which the Northam Scheme relates within the United States by a dealer (whether or not participating in the offer) may violate the registration requirements of the U.S. Securities Act if such offer, sale or transfer is made otherwise than in accordance with Rule 144A or another exemption from, or a transaction not subject to, the registration requirements under the U.S. Securities Act.

Neither the Securities and Exchange Commission nor any securities commission of any state of the United States has approved the Northam Scheme, passed upon the fairness of the Northam Scheme or passed upon the adequacy or accuracy of this Circular. Any representation to the contrary is a criminal offence in the United States.

FORWARD-LOOKING STATEMENTS

The statements contained in this Circular that are not historical facts are “*forward-looking*” statements. Without limitation, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “*targets*”, “*aims*”, “*anticipates*”, “*believes*”, “*estimates*”, “*expects*”, “*intends*”, “*may*”, “*plans*”, “*projects*”, “*should*” or “*will*”, or, in each case, their negative, other variations or comparable terminology of similar substance, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements include all statements in relation to matters that are not historical facts. These forward-looking statements are subject to a number of substantial risks and uncertainties, many of which are beyond the Company’s and the Group’s control and actual results and developments may differ materially from those expressed or implied by these statements for a variety of factors. These forward-looking statements are statements based on the Company’s and the Group’s current intentions, beliefs and expectations about, among other things, the Company’s and the Group’s results of operations, financial condition, prospects, growth, strategies and the industry in which the Company and the Group operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and the actual results of the Company and the Group’s operations, financial condition or liquidity, and the development of the markets and the industry in which they operate or are likely to operate and their respective operations may differ materially from those described in, suggested by, or implied in any forward-looking statements contained in this Circular. Many of these risks and uncertainties relate to factors that are beyond the Company’s and the Group’s ability to control or estimate precisely, such as changes in taxation, future market conditions, commodity prices, currency fluctuations, the COVID-19 pandemic, the actions of governmental regulators and other risk factors. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. The forward-looking statements contained in this Circular speak only as of the date of this Circular. The Company and Northam Holdings undertake no duty to update any of the forward-looking statements publicly in light of new information or future events, except to the extent required by applicable law and the JSE Listings Requirements.

No statement in this Circular is intended as a profit forecast or a profit estimate, and no statement in this Circular should be interpreted to mean that earnings per Northam Share or Northam Holdings Share for the current or future financial years would necessarily match or exceed the historical published earnings per Northam Share. Prices and values of, and income from, Northam Shares or Northam Holdings Shares may decrease or increase, and an investor may not receive the amount initially invested. It should be noted that past performance is no guide to future performance. Persons requiring advice should consult an independent financial advisor. Any forward-looking statements contained in this Circular have not been reviewed nor reported on by the Independent Auditor or Independent Reporting Accountant.

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ACTION REQUIRED BY SHAREHOLDERS IN RESPECT OF THE TRANSACTION

The definitions and interpretations commencing on page 15 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 Northam Shareholders in respect of the Transaction.

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

If you have disposed of all or some of your Northam Shares, please forward this Circular and the Northam Holdings Prospectus to the purchaser of such Northam Shares or to the Broker, CSDP, banker or other agent through whom the disposal was effected.

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

The Northam Board has recommended that Northam Shareholders vote in favour of the resolutions set out in the Notice of General Meeting, and the Independent Board has recommended that Northam Shareholders vote in favour of the Northam Shareholder Resolutions pertaining to the Share Acquisitions Scheme and the Northam Scheme.

A. VOTING, ATTENDANCE AND REPRESENTATION AT THE GENERAL MEETING

The General Meeting will be held **at 10:00 on Wednesday, 30 June 2021** in order to consider and, if deemed appropriate, approve, with or without modification, the resolutions set out in the Notice of General Meeting.

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

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

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

1. If you are a Dematerialised Shareholder without “own name” registration

1.1 Voting at the General Meeting

Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and will thereafter cast your vote in accordance with your instructions.

If you do not wish to, or are unable to, attend or appoint a proxy to represent you at the General Meeting, and you have not been contacted by your Broker or CSDP, it is advisable that you contact your Broker or CSDP and furnish them with your voting instructions.

If your Broker or CSDP does not obtain voting instructions from you, they will be obliged to vote in accordance with the provisions of the custody agreement concluded between you and your Broker or CSDP.

You must **NOT** complete the Form of Proxy (*blue*), but rather advise your Broker or CSDP as indicated in paragraph 1.2 below.

1.2 **Attendance and representation at the General Meeting**

In accordance with the mandate between you and your Broker or CSDP, you must advise your Broker or CSDP if you wish to:

- attend, participate in and vote at the General Meeting by electronic communication; and/or
- appoint a proxy (including the chairperson of the General Meeting) to represent you at the General Meeting by electronic communication.

Your Broker or CSDP will procure that the necessary letter of representation is issued for you to attend, participate and vote by electronic communication or for a proxy to represent you at the General Meeting by electronic communication.

You will not be permitted to attend, participate in or vote at the General Meeting nor appoint a proxy to represent you at the General Meeting without the necessary letter of representation being issued to you.

2. **If you are a Certificated Shareholder or if you are a Dematerialised Shareholder with “own name” registration**

2.1 **Voting, attendance and representation at the General Meeting**

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

Alternatively, you may appoint a proxy (including the chairperson of the General Meeting) to represent you at the 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 email: proxy@tmsmeetings.co.za,

so as to be received, for administrative reasons, **by not later than 10:00 on Monday, 28 June 2021.**

Should the Form of Proxy (*blue*) not be delivered to TMS by this date and time, you will be entitled to deliver your Form of Proxy (*blue*) to the chairperson of the General Meeting before the appointed proxy exercises any of your shareholder rights at the General Meeting by delivering the relevant Form of Proxy (*blue*) to Northam’s company secretary (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).

If you hold Certificated Shares and wish to Dematerialise such Northam Shares, please contact the Transfer Secretaries or your Broker or CSDP.

3. **Electronic participation in the General Meeting by Northam Shareholders**

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

TMS will assist Northam Shareholders with the requirements for electronic attendance, participation in and voting at the General Meeting. If you are a Northam Shareholder and wish to electronically attend, participate in and vote at the 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, so as to be received, for administrative reasons, **by no later than 10:00 on Monday, 28 June 2021.**

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

The costs of participation in the General Meeting by electronic communication will be for the expense of Northam Shareholders or their proxies and they will be billed separately by their service providers. Northam 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 Northam Shareholder or its proxy from attending, participating in and/or voting at the General Meeting.

B. APPRAISAL RIGHTS

At any time before the Share Acquisitions Scheme Resolution is voted on at the General Meeting, a Northam Shareholder may give Northam written notice in terms of section 164 of the Companies Act objecting to the Share Acquisitions Scheme Resolution.

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

A Dissenting Shareholder who has given Northam written notice in terms of section 164 of the Companies Act objecting to the Share Acquisitions Scheme 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 Northam demanding that Northam pays to that Dissenting Shareholder the fair value for all the Northam Shares held by that Dissenting Shareholder. Such demand must be delivered:

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

Northam Shareholders are referred to paragraphs 10.5 and 17, and annexure 22, for further details regarding the exercise of Appraisal Rights and the provisions of section 164 of the Companies Act.

C. GENERAL

1. Dematerialisation or rematerialisation of and trading in Northam Shares

If you wish to Dematerialise your Northam Shares, please contact the Transfer Secretaries or your Broker or CSDP.

No Dematerialisation or rematerialisation of Northam Shares by Northam Shareholders may take place from the Business Day following the General Meeting LDT up to and including the General Meeting Record Date.

2. 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 Transaction for each Northam Shareholder. Northam Shareholders are accordingly advised to consult their professional advisors about their personal, legal, regulatory and tax positions regarding the Composite Transaction.

The Independent Board, Northam Board, Northam Holdings Board, Northam and Northam Holdings do not accept responsibility and will not be held liable for any act of, or omission by, any Broker or CSDP, including any failure on the part of the Broker or CSDP or any registered holder of Northam Shares to notify the holder of any beneficial interest in those Northam Shares of the Composite Transaction set out in this Circular or the failure to complete and return the Application and Surrender Form (*pink*) incorporated into the Northam Holdings Prospectus, where required.

Northam Shareholders are advised that, in terms of section 115(3) of the Companies Act, Northam may in certain circumstances not proceed to implement the Composite Transaction, notwithstanding that the Composite Transaction may have been approved at the General Meeting, without the approval of a court. A copy of section 115 of the Companies Act pertaining to the required approval of the Composite Transaction is set out in annexure 21.

3. TRP approval

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.

ACTION REQUIRED BY SHAREHOLDERS IN RESPECT OF THE NORTHAM SCHEME AND THE EXTENDED BEE TRANSACTION

The definitions and interpretations commencing on page 15 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 Northam Shareholders in respect of the Northam Scheme and the Extended BEE Transaction.

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

If you have disposed of all or some of your Northam Shares, please forward this Circular and the Northam Holdings Prospectus to the purchaser of such Northam Shares or to the Broker, CSDP, banker or other agent through whom the disposal was effected.

In order for the Northam Scheme and the Extended BEE Transaction to become operative, among other things, the Northam Shareholder Resolutions must be adopted at the General Meeting by Northam Shareholders. The Northam Board has recommended that Northam Shareholders vote in favour of the resolutions set out in the Notice of General Meeting, and the Independent Board has recommended that Northam Shareholders vote in favour of the Northam Shareholder Resolutions pertaining to the Northam Scheme and the Share Acquisitions Scheme.

A. VOTING, ATTENDANCE AND REPRESENTATION AT THE GENERAL MEETING

Shareholders are referred to section A of “*Action required by Shareholders in respect of the Transaction*”, titled “*Voting, Attendance and Representation at the General Meeting*” commencing on page 8 to ascertain the action required in respect of the General Meeting.

B. APPLICATION FOR NORTHAM HOLDINGS SHARES AND SURRENDER OF DOCUMENTS OF TITLE

1. Dematerialised Shareholders without “own name” registration

You do **NOT** have to surrender any Documents of Title and you must **NOT** complete the Application and Surrender Form (*pink*).

2. Dematerialised Shareholders with “own name” registration

In the event that the Northam Scheme becomes operative, in order to receive the Northam Scheme Consideration you do **NOT** have to surrender any Documents of Title, however you **will** be required to complete the Application and Surrender Form (*pink*) in accordance with the instructions contained therein, and return it to the Transfer Secretaries, as follows:

- by hand: Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, South Africa;
- by post: PO Box 61763, Marshalltown, 2107, South Africa; or
- by email: corporate.events@computershare.co.za.

so as to be received **by not later than 12:00 on the Northam Scheme Record Date**.

Please refer to paragraph 15 for further information regarding the application for Northam Holdings Shares.

3. Certificated Shareholders

In the event that the Northam Scheme becomes operative, you will be required to surrender your Documents of Title in respect of all your Northam Shares in order to receive the Northam Scheme Consideration. In order to surrender your Documents of Title and receive the Northam Scheme Consideration you will be required to complete the Application and Surrender Form (*pink*) in accordance with the instructions contained therein, and return it, together with the relevant Documents of Title, to the Transfer Secretaries, as follows:

- by hand: Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, South Africa; or
- by post: PO Box 61763, Marshalltown, 2107, South Africa,

so as to be received **by not later than 12:00 on the Northam Scheme Record Date.**

Please refer to paragraph 15 for further information regarding the surrender of Documents of Title and the application for Northam Holdings Shares.

If you surrender your Documents of Title prior to the General Meeting, your right to attend, participate in and vote at the General Meeting will remain unaffected. However, you will not be able to Dematerialise and/or trade in those Northam Shares from the date of surrender of such Documents of Title.

If you are a Certificated Shareholder and your share certificates relating to the Northam Scheme Shares to be surrendered have been lost or destroyed, you should nevertheless return the Application and Surrender Form (*pink*), duly signed and completed, to the Transfer Secretaries together with a duly completed indemnity form, which is obtainable from the Transfer Secretaries, as well as satisfactory evidence that the Documents of Title have been lost or destroyed.

Under Strate directives, Dematerialised Shareholders are required to provide a physical and email address for purposes of receiving direct communication from Northam Holdings, which includes the receipt of shareholder communication documentation. Such election will facilitate the direct communication by Northam Holdings to the Northam Holdings Shareholders following implementation of the Northam Scheme. Northam Scheme Participants who are currently Certificated Shareholders and will become Dematerialised Shareholders following implementation of the Northam Scheme are encouraged to provide such information. **Should a Certificated Shareholder fail to provide such information, the contact details in respect of such Certificated Shareholder previously provided to Northam will be deemed to have been elected by the Certificated Shareholder in relation to their shareholding in Northam Holdings.**

C. SETTLEMENT OF THE NORTHAM SCHEME CONSIDERATION PURSUANT TO THE NORTHAM SCHEME BECOMING OPERATIVE AND BEING IMPLEMENTED

In the event that the Northam Scheme becomes operative and is implemented, Northam Scheme Participants will be entitled to receive the Northam Scheme Consideration in respect of the Northam Shares held by them (subject to, in respect of Northam Scheme Participants who (i) hold Certificated Shares or Dematerialised Shares with “*own name*” registration, section B of this “*Action required by Shareholders in respect of the Northam Scheme and the Extended BEE Transaction*”, titled “*Application for Northam Holdings Shares and surrender of Documents of Title*” commencing on page 11; and (ii) are Foreign Shareholders, paragraph 52 commencing on page 107).

Settlement of the Northam Scheme Consideration will be administered and effected by the Transfer Secretaries on behalf of Northam.

Please refer to paragraph 16 for further information regarding settlement of the Northam Scheme Consideration.

The Northam Scheme Consideration will be settled in Dematerialised form only. In order to receive the Northam Scheme Consideration, Certificated Shareholders are required to provide details of their nominated Broker or CSDP account in the Application and Surrender Form (*pink*).

D. APPRAISAL RIGHTS

At any time before the Northam Scheme Resolution is voted on at the General Meeting, a Northam Shareholder may give Northam written notice in terms of section 164 of the Companies Act objecting to the Northam Scheme Resolution.

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

A Dissenting Shareholder who has given Northam written notice in terms of section 164 of the Companies Act objecting to the Northam Scheme 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 Northam

demanding that Northam pays that Dissenting Shareholder the fair value for all the Northam Shares held by that Dissenting Shareholder. Such demand must be delivered:

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

Shareholders are referred to paragraphs 10.5 and 17 and annexure 22 for further details regarding the exercise of Appraisal Rights and the provisions of section 164 of the Companies Act.

E. GENERAL

1. Dematerialisation or rematerialisation of and trading in Northam Shares

If you wish to Dematerialise your Northam Shares, please contact the Transfer Secretaries or your Broker or CSDP. You are not required to Dematerialise your Northam Shares in order to participate in the Northam Scheme or to receive the Northam Scheme Consideration.

You should note that once you have surrendered your Documents of Title in respect of your Northam Shares, in anticipation of the Northam Scheme becoming operative, you may not Dematerialise or trade any of the Northam Shares to which those Documents of Title relate.

No Dematerialisation or rematerialisation of Northam Shares by Northam Shareholders may take place:

- from the Business Day following the General Meeting LDT up to and including the General Meeting Record Date; and
- if the Northam Scheme becomes operative, on or after the Business Day following the Northam Scheme LDT.

2. Posting of Application and Surrender Forms and Documents of Title

The Application and Surrender Forms (*pink*) and Documents of Title that are sent through the post are sent at the risk of the Northam Scheme Participant concerned. Accordingly, Northam Scheme Participants should note postal delivery times so as to ensure that the forms and/or relevant Documents of Title are received timeously. It is therefore recommended that such forms and/or Documents of Title rather be sent by registered post or delivered by hand to the Transfer Secretaries.

3. Foreign Shareholders

If you are a Foreign Shareholder, you are urged to read the important information relating to the Northam Scheme and the Northam Holdings Shares contained in paragraph 52 and Section 2, paragraph 3.2 of the Northam Holdings Prospectus. Participation in and implications of the Northam Scheme may be affected by the laws of the relevant jurisdiction applicable to a Foreign Shareholder. **It is the responsibility of a Foreign Shareholder (including nominees, agents and trustees for such Foreign Shareholder) to ensure that the Northam Scheme Consideration is not issued to such Foreign Shareholder without the observance of the laws and regulatory requirements of the relevant jurisdiction**, including the process of obtaining any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction and, if required, satisfy Northam Holdings that all relevant formalities have been complied with or that there is an applicable exemption under the securities laws of the relevant jurisdiction. If you are a Restricted Foreign Shareholder you must inform your Broker or CSDP or the Transfer Secretaries of such fact as soon as reasonably possible and in any event by no later than the Northam Scheme LDT. If you are in doubt about your position, you should consult your professional advisor in the relevant jurisdiction.

4. 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 Northam Scheme and the Extended BEE Transaction for each Northam Shareholder. Northam Shareholders are accordingly advised to consult their professional advisors about their personal, legal, regulatory and tax positions regarding the Composite Transaction.

The Independent Board, Northam Board, Northam Holdings Board, Northam and Northam Holdings do not accept responsibility and will not be held liable for any act of, or omission by, any Broker or CSDP, including any failure on the part of the Broker or CSDP or any registered holder of Northam Shares to notify the holder of any beneficial interest in those Northam Shares of the Composite Transaction set out in this Circular.

Northam Shareholders are advised that, in terms of section 115(3) of the Companies Act, Northam may in certain circumstances not proceed to implement the Composite Transaction, notwithstanding that the Composite Transaction may have been approved at the General Meeting, without the approval of a court. A copy of section 115 of the Companies Act pertaining to the required approval of the Composite Transaction is set out in annexure 21.

5. **TRP approval**

Northam 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;
“A Preference Share”	a variable rate cumulative redeemable preference share in the share capital of HDP SPV, Community SPV or Employee SPV, as the context may require, having the rights, obligations and privileges set out in the A Preference Share Terms;
“A Preference Share Terms”	the preferences, rights, obligations, privileges, limitations and other terms associated with the A Preference Shares to be set out in the MOI of each SPV, a summary of the proposed salient terms of which is included in annexure 11;
“Accumulated Dividends”	“ <i>Accumulated Dividends</i> ” 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;
“Announcement”	the combined announcement published by Northam and Northam Holdings setting out, <i>inter alia</i> , the terms of the Composite Transaction, including the firm intention by Northam Holdings to make an offer to Eligible Northam Shareholders, as published on SENS on 23 March 2021;
“Application and Surrender Form”	the form of application, surrender and transfer (<i>pink</i>) incorporated into the Northam Holdings Prospectus for use by Northam Shareholders who are Certificated Shareholders, Dematerialised Shareholders with “ <i>own name</i> ” registration and relevant Foreign Shareholders, for purposes of (i) Certificated Shareholders and Dematerialised Shareholders with “ <i>own name</i> ” registration receiving the Northam Scheme Consideration in terms of the Northam Scheme; and (ii) Certificated Shareholders surrendering Documents of Title in respect of Northam Shares under the Northam Scheme;

“Appraisal Rights”	<p>(i) 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 Share Acquisitions Scheme Resolution or the Northam Scheme Resolution, which rights are more fully set out in paragraphs 10.5 and 17 and annexure 22; and</p> <p>(ii) in respect of Zambezi, the appraisal rights afforded to:</p> <ul style="list-style-type: none"> • Zambezi Preference Shareholders in terms of section 164 of the Companies Act as a consequence of the adoption of the relevant Zambezi Scheme Resolution 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;
“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. The shareholders of Atisa are set out in annexure 24;
“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;
“B Preference Share”	a redeemable preference share in the share capital of HDP SPV, Community SPV or Employee SPV, as the context may require, having the rights, obligations and privileges set out in the B Preference Share Terms;
“B Preference Share Terms”	the preferences, rights, obligations, privileges, limitations and other terms associated with the B Preference Shares to be set out in the MOI of each SPV, a summary of the proposed salient terms of which is included in annexure 12;
“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 Compliant Persons”	a “ <i>BEE compliant person</i> ” as defined in the JSE Listings Requirements;

“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 Security SPV Subscriptions”	collectively, the subscriptions by the BEE SPVs for ordinary shares in the relevant BEE Security SPV pursuant to the Extended BEE Transaction, as defined in paragraph 25.2.1.3.2;
“BEE Security SPVs”	collectively, Community Security SPV and Employee Security SPV, to be established for purposes of the Extended BEE Transaction, or any one or each of them, as the context may require, further details of which are included in paragraph 27;
“BEE SPV Administration Services Agreements”	collectively, the written agreements which are expected to be entered into between Northam and each of the BEE SPVs and BEE Security SPVs, in terms of which the parties will, <i>inter alia</i> , agree to the appointment of Northam to attend to the day-to-day administration of the BEE SPVs and BEE Security SPVs, as defined in paragraph 25.6.1.2;
“BEE SPV Pref Subscription Agreements”	the written agreements which are expected to be entered into between Northam and each BEE SPV in terms of which the parties will, <i>inter alia</i> , agree to the BEE SPV Pref Subscriptions;
“BEE SPV Pref Subscriptions”	collectively, the subscriptions by Northam for the A Preference Shares and B Preference Shares issued by each of the BEE SPVs pursuant to the Extended BEE Transaction, as defined in paragraph 25.2.1.3.1;
“BEE SPV Share Issue”	collectively, the issue by Community SPV and Employee SPV of BEE SPV Shares to Community Entities and Employee Entities, respectively, as contemplated in paragraph 25.2.2;
“BEE SPV Shares”	an ordinary share of no par value in the authorised share capital of the BEE SPVs;
“BEE SPV Subscription Shares”	collectively, the Northam Shares to be subscribed for by the BEE Security SPVs pursuant to the BEE SPV Subscriptions, which will in aggregate not amount to more than 23% of the Northam Shares in issue (net of Treasury Shares);
“BEE SPV Subscriptions”	the subscriptions by the BEE Security SPVs for Northam Shares pursuant to the Extended BEE Transaction, as defined in paragraph 25.2.1.1;
“BEE SPVs”	collectively, Community SPV and Employee SPV, to be established for purposes of the Extended BEE Transaction, or any one or each of them, as the context may require, further details of which are included in paragraph 27;
“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, <i>inter alia</i> , agree to amend the applicable transaction documents relating to the Zambezi 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;
“Booyesendal Community Trust”	the Northam Booyesendal 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;

“Broker”	any person registered as a “ <i>broking member (equities)</i> ” in terms of the Equities Rules of the JSE and in accordance with the provisions of the Financial Markets Act;
“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;
“Certificated Shareholders”	holders of Certificated Shares;
“Certificated Shares”	Northam Shares that have not been Dematerialised and are represented by share certificates or other Documents of Title;
“CIPC”	the Companies and Intellectual Property Commission, established by section 185 of the Companies Act;
“Circular”	this combined circular to Northam Shareholders, dated Monday, 31 May 2021, issued by the Independent Board, Northam and Northam Holdings, and all annexures hereto and incorporating the Notice of General Meeting, the Form of Proxy (<i>blue</i>) and accompanied by the Northam Holdings Prospectus which incorporates the Application and Surrender Form (<i>pink</i>);
“Communities”	the host and/or affected communities residing in the vicinity of one or more of the Northam Group’s mining operations;
“Community Entities”	one or more companies or trusts established for the benefit of Communities to warehouse Communities’ interests in the Community SPV, which entities may include the Community Trusts;
“Community Security SPV”	a special purpose ring-fenced company to be incorporated by Northam in accordance with the laws of South Africa for purposes of the Extended BEE Transaction, further details of which are set out in paragraph 27;
“Community SPV”	a special purpose ring-fenced company to be incorporated by Northam in accordance with the laws of South Africa for purposes of the Extended BEE Transaction, further details of which are set out in paragraph 27;
“Community SPV Share”	an ordinary share of no par value in the authorised share capital of Community SPV;
“Community Trusts”	collectively, the Zondereinde Community Trust and the Booyensdal 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;
“Computershare Nominees”	Computershare Nominees Proprietary Limited (registration number 1999/008543/07), a private company incorporated in accordance with the laws of South Africa, being the nominee of Computershare’s CSDP;

“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 “ <i>participant</i> ”, 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;
“Dematerialise” or “Dematerialisation” or “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 Shareholders”	holders of Dematerialised Shares;
“Dematerialised Shares”	Northam 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 Northam Shareholders or Zambezi 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 “ <i>distribution</i> ” 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 Northam Shares or the Northam Holdings Shares as may be acceptable to Northam and Northam Holdings, respectively;
“Eligible Northam Shareholders”	the holders of Northam Scheme Shares;
“Employee Entities”	one or more companies or trusts established for the benefit of Employees to warehouse Employees’ interests in Employee SPV, which entities may include the ESOP;
“Employee Security SPV”	a special purpose ring-fenced company to be incorporated by Northam in accordance with the laws of South Africa for purposes of the Extended BEE Transaction, further details of which are set out in paragraph 27;

“Employee SPV”	a special purpose ring-fenced company to be incorporated by Northam in accordance with the laws of South Africa for purposes of the Extended BEE Transaction, further details of which are set out in paragraph 27;
“Employee SPV Share”	an ordinary share of no par value in the authorised share capital of Employee SPV;
“Employees”	permanent employees of the Northam Group who do not participate in any of the Group’s incentive schemes and who are employed on a Paterson grading of A to C;
“Empowerment Term”	subject to the right of Northam Holdings and Northam to accelerate the maturity of the term as contemplated in paragraph 25.7, a period of 15 years from implementation of a BEE SPV Subscription or the HDP SPV Subscription, as the context may require;
“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 10.1.5;
“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;

“Exchange Control Regulations”	the Exchange Control Regulations, 1961, promulgated in terms of section 9 of the South African Currency and Exchanges Act, No. 9 of 1933;
“Extended BEE Transaction”	the proposed transaction in terms of which (i) the Northam Scheme will be implemented; and (ii) the ownership by HDPs (through the SPVs) 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 and Communities;
“Extended BEE Transaction Agreements”	collectively, the Subscription and Relationship Agreements, the BEE SPV Pref Subscription Agreements, the HDP SPV Pref Subscription Agreement, the SPV Pledge and Cession Agreements, the Security SPV Guarantees, the Security SPV Pledge and Cession Agreements, the SPV Shareholder Pledge and Cession Agreements, the HDP SPV Administration Services Agreements, the BEE SPV Administration Services Agreements, the MOIs in respect of each SPV and Security SPV and the constitutional documents of each of the Community Entities, the Employee Entities and the HDP Entities, and such other agreements and documents as may be necessary or desirable (in Northam Holdings’ or Northam’s opinion) in order to enter into, give effect to and implement the Extended BEE Transaction;

“Extended BEE Transaction Conditions”	the conditions precedent to the implementation of the Extended BEE Transaction, as defined in paragraph 26.1;
“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 10.1.6;
“Foreign Shareholder”	a Northam Shareholder who has a registered address outside of South Africa, or who is resident, domiciled or located in, or who is a citizen of, a country other than South Africa;
“Form of Proxy”	the form of proxy (<i>blue</i>) incorporated into this Circular for use by Certificated Shareholders and Dematerialised Shareholders with “ <i>own name</i> ” registration only, for purposes of appointing a proxy to represent such Northam Shareholder at the General Meeting;
“General Meeting”	the general meeting of Northam Shareholders to be held entirely by electronic communication as more fully set out in section A of “ <i>Action Required by Shareholders in respect of the Transaction</i> ” titled “ <i>Voting, attendance and representation at the General Meeting</i> ” commencing on page 8, at 10:00 on Wednesday, 30 June 2021 (or any postponement or adjournment thereof), to consider and, if deemed appropriate, pass, with or without modification, the resolutions set out in the Notice of General Meeting;
“General Meeting LDT”	the last day to trade in Northam Shares in order to be recorded in the Northam Register on the General Meeting Record Date;
“General Meeting Record Date”	the date on which a Northam Shareholder must be recorded in the Northam Register in order to be eligible to participate in the General Meeting;
“HDP Entities”	<p>broad-based BEE groups to be identified by Northam Holdings and/or Northam, each of which will:</p> <ul style="list-style-type: none"> (i) qualify as an HDP; (ii) have at least 500 beneficiaries, with no single beneficiary having a see-through interest of more than 0.5%; (iii) benefit its beneficiaries through meaningful initiatives including, <i>inter alia</i>, education, entrepreneurial development, small business development and farming; (iv) have an operational track record of at least 3 consecutive years; (v) have audited annual financial statements for its preceding 3 financial years and no modified audit opinions over such period; (vi) be in good standing with all relevant Authorities, including SARS and the CIPC; (vii) not have any actual, pending or threatened legal proceedings instituted against it; and (viii) have a good reputation, <p>to the satisfaction of Northam Holdings and/or Northam;</p>
“HDP Security SPV”	a special purpose ring-fenced company to be incorporated by Northam Holdings for purposes of the Extended BEE Transaction, further details of which are set out in paragraph 27;
“HDP Security SPV Subscription”	the subscription by HDP SPV for ordinary shares in HDP Security SPV pursuant to the Extended BEE Transaction, as defined in paragraph 25.1.1.3.2;

“HDP SPV”	a special purpose ring-fenced company to be incorporated by Northam Holdings for purposes of the Extended BEE Transaction, further details of which are set out in paragraph 27;
“HDP SPV Administration Services Agreements”	collectively, the written agreements which are expected to be entered into between Northam Holdings and/or Northam, HDP Security SPV and HDP SPV, in terms of which the parties will, <i>inter alia</i> , agree to the appointment of Northam Holdings or Northam to attend to the day-to-day administration of HDP Security SPV and HDP SPV, as defined in paragraph 25.6.1.1;
“HDP SPV Listing”	the proposed listing of the HDP SPV Shares on the BEE Segment of the Main Board of the JSE, as contemplated in paragraph 25.1.3;
“HDP SPV Pref Subscription”	collectively, the subscriptions by Northam Holdings for the A Preference Shares and B Preference Shares in HDP SPV pursuant to the Extended BEE Transaction, as defined in paragraph 25.1.1.3.1;
“HDP SPV Pref Subscription Agreement”	the written agreement which is expected to be entered into between Northam Holdings and HDP SPV, in terms of which the parties will, <i>inter alia</i> , agree to the HDP SPV Pref Subscription;
“HDP SPV Share”	an ordinary share of no par value in the authorised share capital of HDP SPV;
“HDP SPV Share Issue”	the issue by HDP SPV of HDP SPV Shares to HDP Entities, as contemplated in paragraph 25.1.2;
“HDP SPV Subscription”	the subscription by HDP Security SPV for Northam Holdings Shares pursuant to the Extended BEE Transaction, as defined in paragraph 25.1.1.1;
“HDP SPV Subscription Shares”	the Northam Holdings Shares to be subscribed for by HDP Security SPV pursuant to the HDP SPV Subscription, the number of which will be calculated in accordance with the following formula (rounded up to the nearest whole number):

$$\frac{B - C}{1 - C} \times A$$

$$1 - \frac{B - C}{1 - C}$$

Where:

- A = the Northam Scheme Shares;
- B = the collective effective see-through shareholding of all the SPVs in Northam (i.e. up to 26.5%) (net of Treasury Shares); and
- C = the collective shareholdings of the BEE SPVs in Northam (net of Treasury Shares);

“HDPs”	historically disadvantaged persons, as defined in the MPRDA;
“IFRS”	the International Financial Reporting Standards issued by the International Accounting Standards Board;
“Implementation Agreement”	the written agreement headed “ <i>Implementation and Framework Agreement</i> ” entered into between Northam and Zambezi on 22 March 2021, which agreement, <i>inter alia</i> , 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 Board”	the Northam Directors that the Company has indicated are independent directors for purposes of considering the Share Acquisitions Scheme and the Northam Scheme and expressing an opinion as envisaged in the Regulations, being, as at the Last Practicable Date, Mr David Hugh Brown, Ms Hester Helena Hickey, Dr Noluyolo Yoza Jekwa, Mr Mcebisi Hubert Jonas, Mr Temba Irvine Mvusi, Mr Jean Johannes Nel, Mr John Gabriel Smithies and Mr Glyn Tudor Lewis;
“Independent Expert” or “BDO”	BDO Corporate Finance Proprietary Limited (registration number 1983/002903/07), a private company incorporated in accordance with the laws of South Africa, appointed as independent expert to provide the Independent Expert Reports;
“Independent Expert Reports”	<p>the reports prepared by the Independent Expert providing Northam Shareholders with the opinions of the Independent Expert in respect of:</p> <ul style="list-style-type: none"> (i) the Zambezi Scheme in terms of paragraph 10.7(b) and prepared in accordance with Schedule 5 of the JSE Listings Requirements; (ii) the Share Acquisitions Scheme in terms of Regulation 90 and 110 read with sections 114(2) and 114(3) of the Companies Act and the Northam Zambezi Ordinary Share Subscription in terms of paragraph 10.4(f) and prepared in accordance with Schedule 5 of the JSE Listings Requirements; and (iii) the Northam Scheme in terms of Regulations 90 and 110 read with sections 114(2) and 114(3) of the Companies Act and the Extended BEE Transaction as required by the JSE and prepared in accordance with Schedule 5 of the JSE Listings Requirements;
“Issuer Nominee Shareholders”	if the Northam Scheme becomes operative and is implemented, each Northam Scheme Participant who, as at the Northam Scheme Record Date, is a Dematerialised Shareholder with “ <i>own name</i> ” registration or a Certificated Shareholder and fails to, directly or <i>via</i> its Broker or CSDP (where applicable), correctly and timeously complete and return an Application and Surrender Form (<i>pink</i>) and surrender the Documents of Title (if applicable) in accordance with the instructions set out in paragraph 15.2.1 or paragraph 15.3.2, as the case may be, and in respect of whom the Northam Scheme Consideration will be issued in accordance with paragraph 15.4;
“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, 30 April 2021, being the last practicable date prior to the finalisation of this Circular and the Northam Holdings Prospectus;
“Lock-in Arrangement”	the lock-in arrangements in respect of the Extended BEE Transaction, as defined in paragraph 25.4;
“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 Zambezi 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. The shareholders of Malundi are set out in annexure 24;
“Material Adverse Change”	any circumstance, fact or event (including any change in law) (“ Event ”), actual or which is reasonably likely to arise which, alone or together with any other Event, actual or which is reasonably likely to arise, which has, or is reasonably likely to have, the effect of being materially adverse with regard to the financial condition (including assets, revenues, liabilities, prospects, results of operations), operations, affairs, continued existence, business and/or condition of the Northam Group at any time on a day after 30 April 2021, including: <ul style="list-style-type: none"> (i) the 30 Day VWAP reducing below R130.00; and/or (ii) the “<i>Total Debt</i>” (as defined in the Implementation Agreement) after deducting the aggregate amount of “<i>Cash</i>” and “<i>Cash Equivalent</i>” (as defined in the Implementation Agreement) investments held by Northam and all other members of the Northam Group whose financial results are required to be consolidated with those of Northam in accordance with the financial reporting standards (but excluding Zambezi) (the “Relevant Northam Group”), exceeding R8 billion; and/or (iii) the “<i>Net Debt to EBITDA Ratio</i>” (as defined in the Implementation Agreement) of the Relevant Northam Group exceeding 2.5 times;
“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. The shareholders of Mpilo are set out in annexure 24;
“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 10.1.4.1.1;
“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 10.1.4.1;
“Net Value Distribution Date”	the Business Day after the Repurchase Implementation Date;
“Net Value Share Distribution”	the dividend <i>in specie</i> declared by the Zambezi Board pursuant to the Net Value Distribution, as defined in paragraph 10.1.4.1.2;
“Northam” or the “Company”	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 Board” or “Board” or “Northam Directors”	the directors of Northam, the names of whom, as at the Last Practicable Date, are set out on page 40, or a sub-committee of the Board, as the context may require;
“Northam Delisting”	the termination of the listing of the Northam Shares on the Main Board of the JSE, which is expected to take place on the Business Day after the Northam Scheme Implementation Date;
“Northam Group” or the “Group”	Northam and, with effect from the Northam Scheme Implementation Date, Northam Holdings, and their respective Subsidiaries from time to time and “Member of the Group” shall mean either one or each of them, as the context may require;
“Northam Guarantee”	the written agreement headed <i>“Guarantee”</i> entered into between, <i>inter alios</i> , Northam and Zambezi on or about 31 March 2015 in terms of which Northam guarantees the payment of all amounts payable by Zambezi to the Zambezi Preference Shareholders in respect of the Zambezi Preference Shares;
“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 Board” or “Northam Holdings Directors”	the directors of Northam Holdings from time to time, the names of whom, as at the Last Practicable Date, are set out on page 40, or a sub-committee of the Northam Holdings Board, or any one or more of them, as the context may require;
“Northam Holdings Listing”	the listing of the Northam Holdings Shares on the Main Board of the JSE, which is expected to take place 1 Business Day following the Northam Scheme LDT;
“Northam Holdings Prospectus”	the prospectus in respect of Northam Holdings, incorporating the Application and Surrender Form (<i>pink</i>), registered with the CIPC on Tuesday, 25 May 2021, prepared in accordance with section 100 of the Companies Act, Regulations 51 to 80 and sections 6 and 7 of the JSE Listings Requirements, and all annexures thereto, which prospectus accompanies this Circular;
“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 Holdings Shareholder”	a registered holder or the beneficial holder of a Northam Holdings Share, as the context may require;
“Northam Register”	the register of Northam Shareholders holding Certificated Shares maintained by the Transfer Secretaries and the sub-register of Northam 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;
“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 Northam Board 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 Scheme Shares held by the Northam Scheme Participants, as more fully set out in paragraph 12, and the Northam Delisting will become effective;
“Northam Scheme Agreement”	the written agreement entered into between Northam and Northam Holdings on 22 March 2021, which agreement, <i>inter alia</i> , sets out the terms and conditions of the Northam Scheme;

“Northam Scheme Consideration”	the share consideration per Northam Scheme Share, being 1 Northam Holdings Share per Northam Scheme Share;
“Northam Scheme Implementation Date”	the date on which the Northam Scheme becomes operative and is implemented, which is expected to be the Business Day after the Northam Scheme Record Date, or such other day as may be approved by the TRP and JSE, to the extent applicable;
“Northam Scheme LDT”	the last day to trade in Northam Shares in order to be recorded in the Northam Register on the Northam Scheme Record Date;
“Northam Scheme Participants”	Eligible Northam Shareholders registered as such on the Northam Scheme Record Date (other than Dissenting Shareholders who have not had their rights in respect of their Northam Shares reinstated as envisaged in section 164(9), 164(10) or 164(15)(c)(v)(aa) of the Companies Act, whether voluntarily or pursuant to a final court order), who dispose of the Northam Scheme Shares held by them, pursuant to the Northam Scheme;
“Northam Scheme Record Date”	provided that the Extended BEE Transaction Conditions are fulfilled or waived, the date on which Eligible Northam Shareholders must be recorded in the Northam Register in order to be entitled to participate in the Northam Scheme, which date shall be no less than 8 Business Days after the date on which the Northam Scheme is declared wholly unconditional, provided that such date is a Friday, or such other day as may be approved by the TRP and JSE, to the extent applicable;
“Northam Scheme Resolution”	the Special Resolution to be proposed to Northam Shareholders at the General Meeting for the approval of the Northam Scheme, as defined in paragraph 26.1.1.1;
“Northam Scheme Shares”	all Northam Shares in issue, excluding Treasury Shares;
“Northam Share” or “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” or “Shareholder”	a registered holder or the beneficial holder of a Northam Share, as the context may require;
“Northam Shareholder Resolutions”	the Ordinary Resolutions and Special Resolutions required to be adopted by Northam Shareholders in order to approve and implement the Composite Transaction, as defined in paragraph 10.2.1.1;
“Northam SIP”	the Northam Platinum Limited Share Incentive Plan 2011;
“Northam SIP Amendments”	the amendments to the rules of the Northam SIP, as contemplated in paragraph 34;
“Northam Zambezi Ordinary Share Subscription”	the subscriptions by Northam for sufficient Zambezi Ordinary Shares to fund settlement of Portion A of the Differential Zambezi Taxes and Portion B of the Differential Zambezi Taxes, if required;
“Notice of General Meeting”	the notice convening the 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;
“PGMs”	platinum group metals;
“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 9.1.4.1.1;
“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, <i>prima facie</i> , 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: <div style="text-align: center; margin: 10px 0;"> $a \times \frac{b}{c}$ </div> <p>where:</p> <p><i>a</i> = the Lock-in Fee;</p> <p><i>b</i> = the number of days from (and including) the Net Value Distribution Date to (and excluding) 17 May 2025; and</p> <p><i>c</i> = the number of days from (and including) 18 May 2015 to (and excluding) 17 May 2025;</p>
“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: <div style="text-align: center; margin: 10px 0;"> $a \times b$ </div> <p>where:</p> <p><i>a</i> = 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</p> <p><i>b</i> = the Proportionate Lock-in Fee Amount;</p>
“R” or “Rand”	South African Rand and cents, the official lawful currency of South Africa;
“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: <ul style="list-style-type: none"> (i) in the case of the Zambezi Scheme: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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;
“Related”	“ <i>Related</i> ” as defined in section 1 of the Companies Act;
“Relevant Zambezi Shareholder Transaction Agreements”	collectively, the written agreements headed “ <i>Transaction Agreement</i> ” entered into between Northam, Zambezi and each of the Relevant Zambezi Shareholders on 22 March 2021, details of which are set out in paragraph 46.3;
“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 10.1.8.2;
“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 10.1.2;
“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 9 th 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 Zambezi 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);
“Restricted Foreign Shareholder”	a Foreign Shareholder who is resident, domiciled or located in a Restricted Jurisdiction or who Northam Holdings has reason to believe is resident, domiciled or located in a Restricted Jurisdiction;
“Restricted Jurisdiction”	subject to certain exemptions or exceptions, the United States, each member state of the European Economic Area, the United Kingdom, Canada, Australia, Japan, Hong Kong, the UAE, Singapore and any other jurisdiction outside of South Africa where the Northam Scheme may not be proposed or the Northam Holdings Shares may not be offered, sold, taken up, subscribed for, resold, renounced, allotted, issued, transferred or delivered, directly or indirectly, within such jurisdictions and to do so may constitute a violation of local securities laws or regulations without Northam and/or Northam Holdings complying with the requirements of applicable laws or regulations in such jurisdiction, including any regulatory filings or obtaining any approvals or consents from any Authorities in the foreign jurisdiction;
“Revised Accumulated Dividends”	the Accumulated Dividends as at the Zambezi Scheme Implementation Date together with the Premium Amount, as defined in paragraph 9.1.4.1.2;
“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, as defined in paragraph 9.1.4.1.2;
“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 10.1.8.1;
“Security SPV Guarantees”	collectively, the written agreements to be entered into between, <i>inter alios</i> , (i) HDP Security SPV and Northam Holdings and (ii) each of the BEE Security SPVs and Northam, in terms of which HDP Security SPV and each BEE Security SPV will, <i>inter alia</i> , guarantee to and in favour of Northam Holdings and Northam, respectively, the payment of all amounts which HDP SPV or each relevant BEE SPV, as the case may be, is required to make in respect of the A Preference Shares and B Preference Shares issued by HDP SPV or the relevant BEE SPV, as the case may be, in accordance with the A Preference Share Terms and B Preference Share Terms;
“Security SPV Pledge and Cession Agreements”	collectively, the written agreements which are expected to be entered into between, <i>inter alios</i> , HDP Security SPV and Northam Holdings and each of the BEE Security SPVs and Northam, in terms of which HDP Security SPV and each BEE Security SPV will pledge and cede, <i>in securitatem debiti</i> , to and in favour of Northam Holdings and Northam, respectively (i) its HDP SPV Subscription Shares or the BEE SPV Subscription Shares, as the case may be and (ii) its respective bank accounts, as security for the due and punctual performance of its obligations under the applicable Security SPV Guarantee and the applicable Subscription and Relationship Agreement;
“Security SPVs”	collectively, HDP Security SPV, Community Security SPV and Employee Security SPV, or any one or each of them as the context may require;
“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;
“Share Acquisitions Scheme Resolution”	the Special Resolution to be proposed to Northam Shareholders at the General Meeting for the approval of the Share Acquisitions Scheme, as defined in paragraph 10.2.1.1.1.1;
“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;
“Specific Repurchase Resolution”	the Special Resolution to be proposed to Northam Shareholders at the General Meeting for the approval of the specific repurchase by Northam of Northam Shares in terms of the Revised Accumulated Dividends Settlement, the Repurchase, the Zambezi Preference Share Redemption and the acquisition of Zambezi Retention Shares (if applicable), in terms of paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements, as defined in paragraph 10.2.1.1.1.2;
“SPV Pledge and Cession Agreements”	collectively, the written agreements which are expected to be entered into between, <i>inter alios</i> , HDP SPV and Northam Holdings; and each BEE SPV with Northam, in terms of which, <i>inter alia</i> , HDP SPV and each of the BEE SPVs will pledge and cede <i>in securitatem debiti</i> to and in favour of Northam Holdings and Northam, respectively (i) all of the ordinary shares held by it in HDP Security SPV or BEE Security SPV, as the case may be, and (ii) its respective bank accounts, as security for the due and punctual performance of its obligations under the applicable A Preference Share Terms and B Preference Share Terms and the applicable Subscription and Relationship Agreements;
“SPV Share Issues”	collectively, the HDP SPV Share Issue and the BEE SPV Share Issues;
“SPV Shareholder Pledge and Cession Agreements”	collectively, the written agreements which are expected to be entered into between, <i>inter alios</i> , each of the Community Entities and Employee Entities and Northam in terms of which, <i>inter alia</i> , each Community Entity and Employee Entity will pledge and cede <i>in securitatem debiti</i> to and in favour of Northam, (i) all of the ordinary shares held by it in Community SPV or Employee SPV, as the case may be, and (ii) its bank accounts, as security for the due and punctual performance of its obligations under the applicable Subscription and Relationship Agreement;
“SPVs”	collectively, HDP SPV, Community SPV and Employee SPV, or any one or more of them as the context may require;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated in accordance with the laws of South Africa and registered as a central securities depository under the Financial Markets Act and responsible for the electronic clearing and settlement of trades on the JSE;
“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;

“Subscription and Relationship Agreements”	<p>collectively, the agreements which are expected to be entered into between, <i>inter alios</i>:</p> <p>(i) Northam Holdings and:</p> <ul style="list-style-type: none"> • HDP SPV and HDP Security SPV in terms of which HDP SPV will subscribe for ordinary shares in HDP Security SPV in terms of the HDP Security SPV Subscription utilising the proceeds of the HDP SPV Pref Subscription; and HDP Security SPV will subscribe for the HDP SPV Subscription Shares in terms of the HDP SPV Subscription, and the relationship between the said parties will be governed; and • each HDP Entity in terms of which each HDP Entity will subscribe for ordinary shares in HDP SPV in terms of the HDP SPV Share Issue, and the relationship between the said parties will be governed; and <p>(ii) Northam and:</p> <ul style="list-style-type: none"> • each BEE SPV and BEE Security SPV in terms of which each of Community SPV and Employee SPV will subscribe for ordinary shares in Community Security SPV and Employee Security SPV in terms of the BEE Security SPV Subscriptions, respectively, utilising the proceeds of the relevant BEE SPV Pref Subscription and each of Community Security SPV and Employee Security SPV will subscribe for the BEE SPV Subscription Shares in terms of the BEE SPV Subscriptions, and the relationship between the said parties will be governed; and • each Community Entity and Employee Entity in terms of which each Community Entity and Employee Entity will subscribe for ordinary shares in Community SPV and Employee SPV, respectively, in terms of the BEE SPV Share Issue, and the relationship between the said parties will be governed;
“Subscription Price”	<p>the subscription price payable per Northam Share or Northam Holdings Share, as the case may be, in terms of the Subscriptions, being the higher of (i) the 30 Day VWAP of such share (or a combined 30 Day VWAP thereof to the extent applicable) on the Business Day prior to the relevant Subscription; and (ii) R225.00;</p>
“Subscriptions”	<p>collectively, the HDP SPV Subscription and the BEE SPV Subscriptions;</p>
“Subsidiary”	<p>a “<i>subsidiary</i>”, as defined in section 3 of the Companies Act provided that the term “<i>subsidiary</i>” shall, for purposes of this Circular, not be limited to “<i>companies</i>”, but shall include any “<i>juristic person</i>” (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 “<i>subsidiary</i>” as defined in the Companies Act;</p>
“Tax Ruling”	<p>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;</p>
“TMS” or “The Meeting Specialist”	<p>The Meeting Specialist Proprietary Limited (registration number 2017/287419/07), a private company incorporated in accordance with the laws of South Africa;</p>
“Transaction”	<p>the transaction entailing, <i>inter alia</i>, 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, further details of which are set out in section B of this Circular;</p>
“Transaction Conditions”	<p>the conditions precedent to the implementation of the Repurchase, as defined in paragraph 10.2.1;</p>

“Transaction Documents”	collectively, the following: <ul style="list-style-type: none"> (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 “<i>Irrevocable Undertaking</i>” 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” or “Computershare”	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, it being recorded that, as at the Last Practicable Date, there are no Treasury Shares;
“TRP”	the Takeover Regulation Panel established by section 196 of the Companies Act;
“UAE”	United Arab Emirates;
“U.S.” or “US” or “United States”	United States of America;
“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. The shareholders of the Women’s Consortium SPV are set out in annexure 24;
“Zambezi”	Zambezi Platinum (RF) Limited (registration number 2014/106927/06), a ring-fenced public company incorporated in accordance with the laws of South Africa, being a Northam Shareholder holding 31.37% of the Northam Shares in issue as at the Last Practicable Date, further details of which are set out in paragraph 6;
“Zambezi BEE Transaction”	the BEE transaction concluded between, <i>inter alios</i> , 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;
“Zambezi BEE Transaction Conditional Shares”	the Northam Shares conditionally awarded to senior members of Northam’s management in terms of the Northam SIP;

“Zambezi Board” or “Zambezi Directors”	the directors of Zambezi, from time to time, being as at the Last Practicable Date, Mr KB Mosehla, Mr PA Dunne, Ms AH Coetzee, Ms N Mazwai, Advocate ME Motseki-Zim, Mr GS Mseleku, Mr BB Nene, Mr LC van Schalkwyk, Mr ZP Ntshalintshali, Mr CM Ntuta and Ms KH Sekhokho, 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 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 “ <i>Preference Dividends</i> ” (as defined in the Zambezi Pref Share Terms) pursuant to the Zambezi Preference Share Redemption;
“Zambezi Disposals Circular”	the circular to be sent by Zambezi to the Zambezi Ordinary Shareholders setting out the terms and conditions of the Zambezi Disposals and incorporating a notice convening the general meeting of the Zambezi Ordinary Shareholders to be convened to consider and, if deemed appropriate, approve the various resolutions required to implement the Transaction;
“Zambezi MOI Amendments”	the amendments to the Zambezi MOI, as defined in paragraph 9.1.4.3;
“Zambezi N Share”	the 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, as defined in paragraph 9.1.4.2;
“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: <ul style="list-style-type: none"> (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”	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 “ <i>Deemed Advances</i> ” (as envisaged in the Implementation Agreement), multiplied by that Zambezi Ordinary Shareholder’s Zambezi Shareholding, as contemplated in paragraph 33;
“Zambezi Ordinary Shareholder Loan Agreements”	collectively, the written agreements headed “ <i>Loan and Transaction Agreement</i> ” entered into or expected to be entered into between Zambezi, Northam and each of the Zambezi Ordinary Shareholders, in terms of which, <i>inter alia</i> , 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”	collectively, the registered holders of Zambezi Ordinary Shares, which as at the Last Practicable Date comprise those entities detailed in paragraph 6.6;
“Zambezi Ordinary Shareholders Retention Amount”	a portion of the Net Value Cash Distribution, equal to the aggregate of: <ul style="list-style-type: none"> (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 9.1.4;
“Zambezi Pref Share Term Amendments Resolutions”	the resolutions to be proposed by Zambezi to the relevant Zambezi Shareholders, for the approval of the Zambezi Pref Share Term Amendments, as defined in paragraph 9.2.1.1.1;
“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”	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 10.1.7.1.1;
“Zambezi 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: <ul style="list-style-type: none"> (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 10.1.8.2;

“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, to be 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 paragraph 9;

“Zambezi Scheme Circular” the offer circular to be sent by Zambezi and Northam jointly to the Zambezi Shareholders, setting out the terms and conditions of the Zambezi Scheme, the Zambezi Delisting and the Zambezi Pref Share Term Amendments and incorporating the notice convening the relevant general meetings of Zambezi Shareholders to be convened to consider and, if deemed appropriate, approve the various resolutions required to implement the Zambezi Scheme;

“Zambezi Scheme Conditions” the conditions precedent to the operation of the Zambezi Scheme, as defined in paragraph 9.2;

“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 Participants” all Zambezi Preference Shareholders (excluding Northam) registered as such on the Zambezi securities 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 Zambezi securities 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 Resolutions” the Special Resolutions to be proposed by Zambezi to the Zambezi Shareholders for the approval of the Zambezi Scheme, as defined in paragraph 9.2.1.2;

“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 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 of directors; (iii) the fees of the independent expert appointed by the Zambezi independent board of directors; and (iv) the fees of the independent transaction sponsor to Zambezi in relation to the Transaction (to the extent required), 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 JSE Listings Requirements and the Debt Listings Requirements; and
11. no rule of construction shall be applied to the disadvantage of Northam or Northam Holdings because either or both of them were responsible for, or participated in, the preparation of this Circular.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 15 apply to this section, unless otherwise stated or the context so requires.

Event^{1, 2, 3}	2021
Record date to determine which Northam Shareholders are entitled to receive this Circular and the Northam Holdings Prospectus, on	Friday, 21 May
Publication of this Circular and the Northam Holdings Prospectus to Northam Shareholders, on	Monday, 31 May
Notice of publication of this Circular and the Northam Holdings Prospectus published on SENS, on	Monday, 31 May
Notice of publication of this Circular and the Northam Holdings Prospectus published in the South African press, on	Tuesday, 1 June
General Meeting LDT, being the last day to trade in Northam Shares in order to be recorded in the Northam Register and thereby be eligible to attend, participate in and vote at the General Meeting, on ^{4, 5}	Monday, 14 June
General Meeting Record Date, being the date on which a Northam Shareholder must be recorded in the Northam Register to be eligible to attend, participate in and vote at the General Meeting, on	Friday, 18 June
Forms of Proxy (<i>blue</i>) to be received by TMS by 10:00, on ^{6, 7, 8}	Monday, 28 June
Last date and time for Northam Shareholders to give notice to Northam objecting to the Northam Scheme Resolution and/or Share Acquisitions Scheme Resolution in terms of section 164 of the Companies Act by 10:00, on	Wednesday, 30 June
General Meeting to be held at 10:00, on	Wednesday, 30 June
Results of the General Meeting published on SENS, on	Wednesday, 30 June
Results of the General Meeting published in the South African press, on	Thursday, 1 July
If the Northam Scheme and Share Acquisitions Scheme are approved:	
Last date on which Northam Shareholders who voted against the Northam Scheme Resolution and/or Share Acquisitions Scheme Resolution can require Northam to seek court approval for the Northam Scheme and/or Share Acquisitions Scheme Resolution in terms of section 115(3)(a) of the Companies Act (if applicable), on	Wednesday, 7 July
Last date on which Northam Shareholders who voted against the Northam Scheme Resolution and/or Share Acquisitions Scheme Resolution can make application to court in terms of section 115(3)(b) of the Companies Act (if applicable), on	Wednesday, 14 July
Last date for Northam to send notice of adoption of the Northam Scheme Resolution and/or Share Acquisitions Scheme Resolution in terms of section 164(4) of the Companies Act to Northam Shareholders who provided written notice of objection of and subsequently did not vote in favour of the Northam Scheme Resolution and/or Share Acquisitions Scheme Resolution, on	Wednesday, 14 July
Expected last date for Dissenting Shareholders to exercise their Appraisal Rights, on or about ⁹	Wednesday, 28 July

If the Zambezi Scheme becomes unconditional:¹⁰

Zambezi Scheme Conditions expected to be fulfilled or waived, on or about	Wednesday, 28 July
Finalisation announcement in respect of the Zambezi Scheme expected to be published on SENS, on or about	Thursday, 29 July
Expected Zambezi Scheme Record Date, on or about	Friday, 13 August
Expected Zambezi Scheme Implementation Date, on or about	Monday, 16 August
Expected Zambezi Delisting, on or about	Tuesday, 17 August

If the Share Acquisitions Scheme and the Northam Scheme become unconditional:¹⁰

Transaction Conditions expected to be fulfilled or waived, on or about	Monday, 16 August
Finalisation announcement in respect of the Transaction expected to be published on SENS, on or about	Monday, 16 August
Expected date of lodging an application for the termination of listing on the JSE of the Northam Shares pursuant to the implementation of the Share Acquisitions Scheme, on or about	Tuesday, 17 August
Finalisation announcement in respect of the Transaction expected to be published in the South African press, on or about	Tuesday, 17 August
Zambezi settles the Revised Accumulated Dividends to the Zambezi Preference Shareholder, on or about	Friday, 27 August
Repurchase Implementation Date and cancellation of the Repurchase Shares expected, on or about	Friday, 27 August
Extended BEE Transaction Conditions expected to be fulfilled or waived, on or about	Friday, 27 August
Finalisation announcement in respect of the Extended BEE Transaction expected to be published on SENS, on or about	Friday, 27 August
Northam is expected to assume control of Zambezi and the expected implementation of the Net Value Distribution, on or about	Monday, 30 August
Expected date of lodging an application for the termination of listing on the JSE of the Northam Shares pursuant to the Northam Delisting, on or about	Monday, 30 August
Finalisation announcement in respect of the Extended BEE Transaction expected to be published in the South African press, on or about	Monday, 30 August
Expected implementation of the ESOP Repurchase and cancellation of the ESOP Repurchase Shares, on or about	Tuesday, 31 August
Expected Northam Scheme LDT, being the last day to trade in Northam Shares in order to be eligible to participate in the Northam Scheme, on or about ^{3, 4}	Tuesday, 7 September
Expected suspension of listing of Northam Shares at the commencement of trade on the JSE, on or about	Wednesday, 8 September
Expected date of admission of listing on the JSE of the maximum number of Northam Holdings Shares expected to be issued pursuant to the implementation of the Northam Scheme, on or about	Wednesday, 8 September
Expected Northam Scheme Record Date, on or about	Friday, 10 September
Expected Northam Scheme Implementation Date, on or about	Monday, 13 September

Northam Scheme Participants who are Dematerialised Shareholders without “ <i>own name</i> ” registration expected to have their accounts held at their Broker or CSDP credited with the Northam Scheme Consideration on or before 12:00 on the Northam Scheme Record Date, on or about	Monday, 13 September
Northam Scheme Participants who are Certificated Shareholders or Dematerialised Shareholders with “ <i>own name</i> ” registration and who deliver an Application and Surrender Form (<i>pink</i>) and Documents of Title (where relevant) so as to be received by the Transfer Secretaries on or before 12:00 on the Northam Scheme Record Date, expected to have their accounts held at their Broker or CSDP credited with the Northam Scheme Consideration, on or about	Monday, 13 September
Northam Scheme Participants who are Issuer Nominee Shareholders expected to have their Northam Scheme Consideration credited to the account of Computershare Nominees, on or about	Monday, 13 September
Expected date of adjustment (if applicable) of the actual number of Northam Holdings Shares to be listed on the JSE pursuant to the implementation of the Northam Scheme and commencement of trading in Northam Holdings Shares on the JSE, on or about	Tuesday, 14 September
Expected date of the termination of listing of Northam Shares on the JSE at the commencement of trade on the JSE, on or about	Tuesday, 14 September

Notes:

- The dates and times set out in this Circular and the Northam Holdings Prospectus are subject to change, with the approval of the JSE and the TRP, if required. Any such change will be published on SENS and in the South African press.
- 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.
- All times given in this Circular are in South African Standard Time, unless otherwise stated.
- Northam Shareholders should note that, since trades in Northam Shares are settled by way of the electronic settlement system used by Strate, settlement will take place 3 Business Days after the date of a trade. Therefore, persons who acquire Northam Shares after the General Meeting LDT, namely, Monday, 14 June 2021, will not be entitled to attend, participate in or vote at the General Meeting, but may, nevertheless, if the Northam Scheme becomes operative, participate in the Northam Scheme, provided that they acquire Northam Shares on or prior to the Northam Scheme LDT and hold such Northam Shares on the Northam Scheme Record Date.
- No Dematerialisation or rematerialisation of Northam Shares by Northam Shareholders may take place on or after:
 - the Business Day following the General Meeting LDT until the General Meeting Record Date; and
 - the Business Day following the Northam Scheme LDT (if applicable).
- Dematerialised Shareholders, other than those with “*own name*” registration, must provide their CSDP with their instructions for voting at the General Meeting by the cut-off date and time stipulated by their CSDP in terms of their respective custody agreements.
- Any Form of Proxy (*blue*) not delivered to TMS, so as to be received by 10:00 on Monday, 28 June 2021, may be delivered to the chairperson of the General Meeting before such Northam Shareholder’s voting rights are exercised at the General Meeting.
- If the General Meeting is adjourned or postponed, the Forms of Proxy (*blue*) submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.
- This date has been determined on the assumption that Northam sends the notice of adoption of the Northam Scheme Resolution and/or Share Acquisitions Scheme Resolution in terms of section 164(4) of the Companies Act to Northam Shareholders who provided written notice of objection of and subsequently did not vote in favour of the Northam Scheme Resolution and/or Share Acquisitions Scheme Resolution on Wednesday, 30 June 2021. Northam Shareholders who wish to exercise their Appraisal Rights are referred to paragraphs 10.5 and 17, and annexure 22.
- The dates pertaining to the Zambezi Scheme, the Share Acquisitions Scheme and the Northam Scheme 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 Share Acquisitions Scheme, the Zambezi Disposals and the Northam Scheme. The actual dates will be confirmed in the finalisation announcement if the Northam Scheme becomes unconditional.

NORTHAM

P L A T I N U M L I M I T E D

NORTHAM PLATINUM LIMITED

Incorporated in the Republic of South Africa
(Registration number 1977/003282/06)
Share code: NHM ISIN: ZAE000030912
("Northam" or the "Company")

NORTHAM

P L A T I N U M H O L D I N G S L I M I T E D

NORTHAM PLATINUM HOLDINGS LIMITED

Incorporated in the Republic of South Africa
(Registration number 2020/905346/06)
Share code: NPH ISIN: ZAE000298253
("Northam Holdings")

CIRCULAR TO NORTHAM SHAREHOLDERS

Northam Directors

Khomotso Brian Mosehla (Chairman)[†]
David Hugh Brown (Lead independent director)^{^*†}
Hester Helena Hickey^{*†}
Dr Noluyolo Yoza Jekwa^{*†}
Glyn Tudor Lewis^{*†}
Mcebisi Hubert Jonas^{*†}
Tebogo Emily Kgosi[†]
Temba Irvine Mvusi^{*†}
Jean Johannes Nel^{*†}
John Gabriel Smithies^{*†}
Paul Anthony Dunne (Chief Executive Officer)
Aletta Helena Coetzee (Chief Financial Officer)

* Independent Directors and members of the Independent Board

^ Chairman of the Independent Board

† Non-executive

Northam Holdings Directors

David Hugh Brown (Chairman)
Paul Anthony Dunne (Chief Executive Officer)
Aletta Helena Coetzee (Chief Financial Officer)

SECTION A: INTRODUCTION

1. INTRODUCTION

- 1.1 In the Announcement, Northam Shareholders were advised of, *inter alia*:
 - 1.1.1 the proposed acceleration of the maturity of the Zambezi BEE Transaction, including the acquisition by Northam of all Zambezi Preference Shares in issue not already held by Northam and the acquisition by Northam of Northam Shares held by Zambezi and the ESOP pursuant to the Share Acquisitions Scheme; and
 - 1.1.2 the proposed Extended BEE Transaction, including Northam Holdings' firm intention to make an offer to acquire all of the Northam Shares, excluding Treasury Shares, in exchange for Northam Holdings Shares by way of a scheme of arrangement in terms of section 114(1) as read with section 115 of the Companies Act, between Northam and Northam Shareholders, and the simultaneous termination of the listing of all Northam Shares and new listing of all Northam Holding's Shares, on the Main Board of the JSE.
- 1.2 Each of the Transaction and the Extended BEE Transaction are conditional upon the fulfilment or waiver of certain conditions precedent, as more fully set out in paragraphs 9.2, 10.2 and 26.
- 1.3 Implementation of the Extended BEE Transaction is inter-conditional on the Transaction becoming unconditional and the Repurchase being implemented.

- 1.4 Furthermore, in light of the Composite Transaction, Northam is proposing (i) certain amendments to the Northam SIP, as more fully set out in paragraph 34 and (ii) certain future acquisitions by Members of the Group of Northam Holdings Shares, as more fully set out in paragraphs 30 and 31.
- 1.5 The Independent Board is in unanimous support of the Share Acquisitions Scheme and the Northam Scheme and recommends that Northam Shareholders vote in favour of the relevant Northam Shareholder Resolutions.
- 1.6 The Northam Board is in unanimous support of the Composite Transaction and recommends that Northam Shareholders vote in favour of the resolutions set out in the Notice of General Meeting.
- 1.7 To obtain a full understanding of the terms and conditions of the Composite Transaction, the amendments to the Northam SIP and the other ancillary matters, this Circular should be read in its entirety.

2. OVERVIEW OF THE COMPOSITE TRANSACTION

- 2.1 The Composite Transaction broadly comprises two inter-conditional components, being (i) the Transaction and (ii) the Extended BEE Transaction, as summarised below.

2.2 The Transaction

The salient terms of the Transaction are as follows:

2.2.1 Step 1: Zambezi Scheme, Zambezi Delisting and Zambezi MOI Amendments

- 2.2.1.1 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.
- 2.2.1.2 Simultaneously with the Zambezi Scheme, the Zambezi Board will propose:
 - 2.2.1.2.1 a delisting of all of the Zambezi Preference Shares from the Main Board of the JSE by way of the Zambezi Delisting; and
 - 2.2.1.2.2 the approval of the Zambezi MOI Amendments, including the Zambezi Pref Share Term Amendments.
- 2.2.1.3 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 in paragraph 2.2.8).
- 2.2.1.4 Further details of the Zambezi Scheme, the Zambezi Delisting and the Zambezi MOI Amendments are set out in paragraph 9.

2.2.2 Step 2: Revised Accumulated Dividends Settlement

- 2.2.2.1 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.
- 2.2.2.2 Further details of the Revised Accumulated Dividends Settlement are set out in paragraph 10.1.1.

2.2.3 Step 3: Repurchase of Northam Shares from Zambezi

- 2.2.3.1 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 for the Repurchase Consideration.
- 2.2.3.2 The Repurchase Consideration will be utilised as follows:
 - 2.2.3.2.1 an amount equal to the Zambezi Retention Amount will be retained by Northam in order for Northam to, *inter alia*, settle the Zambezi Taxes on behalf of Zambezi, as contemplated in steps 7 and 9 below; and

2.2.3.2.2 the balance (being the Net Repurchase Amount) will be utilised to settle the Net Value Cash Distribution, as contemplated in step 5 below.

2.2.3.3 Further details of the Repurchase are set out in paragraphs 10.1.2 and 10.2.

The Northam Scheme (refer to paragraph 2.4.1) will be implemented as soon as practicably possible following implementation of the Repurchase contemplated in step 3 above.

2.2.4 Step 4: Northam assumes control of Zambezi

On the Net Value Distribution Date, the Zambezi N Share Term Amendments will become effective and Northam, in its capacity as the Zambezi N Shareholder, will assume voting and economic control of Zambezi and 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.

2.2.5 Step 5: Net Value Distribution to Zambezi Ordinary Shareholders

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

2.2.5.2 Further details of the Net Value Distribution are set out in paragraphs 10.1.4 and 10.2.

2.2.6 Step 6: ESOP Repurchase

2.2.6.1 On the Business Day after the Net Value Distribution Date, Northam will acquire a number of the Northam Shares received by the ESOP pursuant to the Net Value Distribution contemplated in step 5 above.

2.2.6.2 Further details of the ESOP Repurchase are set out in paragraphs 10.1.5 and 10.2.

2.2.7 Step 7: Facilitation of the First 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 Net Value Distribution, the First Zambezi Taxes Payment will be settled as further contemplated in paragraph 10.1.6.

2.2.8 Step 8: Zambezi Preference Share Redemption

2.2.8.1 Zambezi will redeem all the 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.

2.2.8.2 Further details of the Zambezi Preference Share Redemption are set out in paragraphs 10.1.7 and 10.2.

2.2.9 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 10.1.8.

2.2.10 Step 10: Voluntary winding-up of Zambezi

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

2.3 The Transaction is conditional upon the fulfilment or waiver of certain conditions precedent, as more fully set out in paragraph 9.2 as read with paragraphs 10.2 and 26.

The detailed terms and conditions of the Transaction are set out in section B of this Circular commencing on page 48.

2.4 The Extended BEE Transaction

The salient terms of the Extended BEE Transaction are as follows:

2.4.1 Northam Scheme

2.4.1.1 After implementation of the Repurchase contemplated in step 3 above, the Northam Scheme will become operative and Northam Holdings will acquire all of the Northam Scheme Shares held by Northam Scheme Participants in exchange for Northam Holdings Shares, on a one-for-one basis.

2.4.1.2 Simultaneously with the implementation of the Northam Scheme, Northam will become a Subsidiary of Northam Holdings and all Northam Shares will be delisted from the Main Board of the JSE and all Northam Holdings Shares will be listed on the Main Board of the JSE, thereby ensuring the continuation of listing of the Northam Group on the Main Board of the JSE.

2.4.1.3 Further details of the Northam Scheme are set out in paragraphs 12 and 26.

2.4.2 HDP SPV Subscription and the BEE SPV Subscriptions

2.4.2.1 Following implementation of the Northam Scheme, HDP SPV and the BEE SPVs will in due course, indirectly through their respective Security SPVs, acquire an interest in Northam Holdings Shares and Northam Shares, respectively, such that the collective effective see-through shareholding in Northam by the SPVs (indirectly through the Security SPVs) will amount to up to 26.5% in aggregate (net of Treasury Shares).

2.4.2.2 The subscription consideration payable in terms of the HDP SPV Subscription and the BEE SPV Subscriptions will be funded through the simultaneous issue by HDP SPV and each of the BEE SPVs of A Preference Shares and B Preference Shares to be subscribed for by Northam Holdings and Northam, respectively.

2.4.2.3 Further details of the HDP SPV Subscription and the BEE SPV Subscriptions are set out in paragraphs 25.1.1 and 25.2.1, respectively.

2.4.3 HDP SPV Share Issue and BEE SPV Share Issues

2.4.3.1 Following implementation of the HDP SPV Subscription and the BEE SPV Subscriptions, (i) Employee SPV will issue ordinary shares to Employee Entities; (ii) Community SPV will issue ordinary shares to Community Entities; and (iii) HDP SPV will issue ordinary shares to HDP Entities.

2.4.3.2 Further details of the HDP SPV Share Issue and the BEE SPV Share Issues are set out in paragraphs 25.1.2 and 25.2.2, respectively.

2.4.4 HDP SPV Listing

2.4.4.1 Following implementation of the HDP SPV Subscription and the HDP SPV Share Issue, it is anticipated that the HDP SPV Shares will in due course be listed on the BEE Segment of the Main Board of the JSE in order to facilitate the trading of HDP SPV Shares among BEE Compliant Persons.

2.4.4.2 Further details of the HDP SPV Listing are set out in paragraph 25.1.3.

2.5 The Extended BEE Transaction is conditional upon the fulfilment or waiver of certain conditions precedent, as more fully set out in paragraph 26 as read with paragraphs 9.2 and 10.2.

2.6 Northam Shareholders are referred to annexure 1 for an illustration of the Northam Group structure following implementation of the Extended BEE Transaction.

The detailed terms and conditions of the Northam Scheme and the Extended BEE Transaction are set out in sections C and D of this Circular, commencing on pages 64 and 73, respectively.

3. RATIONALE FOR THE COMPOSITE TRANSACTION

Northam and Northam Holdings believe that, *inter alia*, the following benefits can be achieved through implementation of the Composite Transaction:

3.1 Benefits for Northam Shareholders

- 3.1.1 The Repurchase and settlement of the Zambezi Preference Shares through the transfer by Zambezi of Northam Shares to Northam will result, as at the Last Practicable Date, in a reduction in Northam's issued share capital of approximately 25.59% ¹.
- 3.1.2 The Northam Shares transferred by Zambezi to Northam pursuant to the Repurchase are priced at R152.00 each.
- 3.1.3 The Northam Shares transferred by Zambezi to Northam pursuant to the Revised Accumulated Dividends Settlement (including the Premium Amount) and the Zambezi Preference Share Redemption are priced at R160.00 each.
- 3.1.4 The Extended BEE Transaction secures up to 26.5% HDP shareholding in Northam (net of Treasury Shares) by HDPs (through the SPVs) for up to a 15 year term, with an emphasis on participation by Employees and Communities.
- 3.1.5 The introduction of Northam Holdings optimises the Northam Group structure for compliance with the HDP ownership requirements set out in the Mining Charter.
- 3.1.6 The Transaction removes the overhang of the Northam Guarantee in terms of the Zambezi BEE Transaction by eliminating the perceived risk of potential future value dilution for Northam Shareholders pursuant to the potential future issue of Northam Shares by Northam to Zambezi Preference Shareholders to settle the Northam Guarantee.
- 3.1.7 The vesting period applicable to the Zambezi BEE Transaction Conditional Shares will continue until 17 May 2025 in order to ensure continued alignment between the interests of Northam's senior management and Northam Holdings Shareholders.
- 3.1.8 The Transaction and the Extended BEE Transaction collectively result in, on a fully diluted see-through basis from a Northam Holdings Shareholder perspective, an effective net increase in Northam's issued share capital of, as at the Last Practicable Date, only 0.9% ¹, whilst securing the benefits set out above.

3.2 Benefits for Zambezi Ordinary Shareholders

- 3.2.1 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 Zambezi BEE Transaction.
- 3.2.2 The Transaction provides early value realisation and certainty for the participants in the Zambezi BEE Transaction by securing the value created to date and eliminates the risk associated with the maturity of the Zambezi BEE Transaction on 17 May 2025 as a result of a potential negative fluctuation of the Northam Share price on such date.
- 3.2.3 Zambezi Ordinary Shareholders will be able to participate in the Northam Group's future growth through their holding of unencumbered Northam Holdings Shares.

3.3 Benefits for Zambezi Preference Shareholders

- 3.3.1 The Zambezi Offer Consideration under the Zambezi Scheme represents a 15.99% premium to the prevailing Face Value of Zambezi Preference Shares.
- 3.3.2 The Zambezi Offer Consideration will be settled in cash, as opposed to a Distribution of Northam Shares held by Zambezi to the Zambezi Preference Shareholders on maturity of the Zambezi BEE Transaction.

¹ The figures or percentages in paragraph 3 are provided for illustration purposes only and are determined by reference to, *inter alia*, the 30 Day VWAP as at the Last Practicable Date and based on the assumptions used for the "base case scenario" in the pro forma financial information set out in paragraph 36 and annexures 5 and 6. The actual figures will depend on, *inter alia*, the dates on which the various components of the Composite Transaction are implemented.

3.4 **Benefits for participants in the Extended BEE Transaction**

- 3.4.1 HDPs will participate across the full value chain in the Northam Group in a transaction that is funded by the Northam Group.
- 3.4.2 The relatively low coupon on the A Preference Shares reduces the threshold for value creation in HDP SPV and the BEE SPVs, which in turn enhances the potential for value creation in the hands of HDPs.
- 3.4.3 As and when dividends are declared by Northam and/or Northam Holdings, as the case may be, a “*trickle*” dividend will be declared by the SPVs to the HDP Entities, the Community Entities and the Employee Entities (as envisaged in paragraph 25), thereby enabling value transfer through participation in dividends prior to settlement of the A Preference Shares.
- 3.4.4 It is anticipated that HDP SPV will provide a platform for trading between HDPs, further broadening HDP ownership in the Northam Group.
- 3.4.5 The BEE SPVs may receive annual cash payments from Northam in terms of an appropriate funding structure, thereby ensuring value transfer to Employees and Communities over the Empowerment Term.

4. **PURPOSE OF THIS CIRCULAR**

The purpose of this Circular is to:

- 4.1 provide Northam Shareholders with:
 - 4.1.1 information regarding the terms and conditions of the Composite Transaction, the proposed Northam SIP Amendments and other ancillary matters;
 - 4.1.2 information regarding, *inter alia*, Northam, Zambezi, Northam Holdings, the SPVs and the Security SPVs;
 - 4.1.3 the Independent Expert Reports, in accordance with, *inter alia*, Regulation 90 as read with sections 114(2) and 114(3) of the Companies Act and Schedule 5 read with paragraphs 10.7(b) and 10.4(f) of the JSE Listings Requirements;
 - 4.1.4 the Independent Board’s opinion regarding the relevant components of the Composite Transaction, having considered the Independent Expert Reports and the Independent Board’s recommendation in respect of the Northam Shareholder Resolutions pertaining to the relevant components of the Composite Transaction; and
 - 4.1.5 the Northam Board’s opinion regarding the Composite Transaction, having considered the Independent Expert Reports and the Northam Board’s recommendation in respect of the resolutions set out in the Notice of General Meeting; and
- 4.2 convene the General Meeting to consider and, if deemed appropriate, approve (with or without modification) the resolutions set out in the Notice of General Meeting.

5. **INFORMATION REGARDING NORTHAM AND CONTINUATION OF THE BUSINESS**

- 5.1 Northam is an independent, fully empowered, integrated PGM producer. Northam’s existing core producing business assets are the Zondereinde mine and the Booyseindal mine, and its primary products are the three main PGMs – platinum, palladium, rhodium – and gold (“**4E**”). Northam’s medium-term target is to produce 1 million 4E ounces (“**oz**”) per annum.
- 5.2 Northam Shareholders are referred to annexure 1 for an illustration of the Group structure as at the Last Practicable Date.
- 5.3 More information pertaining to the 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.
- 5.4 Should the Composite Transaction be implemented, it is anticipated that the business of the Group will be managed in a similar manner as it was managed prior to the implementation of the Composite Transaction.

6. INFORMATION REGARDING THE ZAMBEZI BEE TRANSACTION AND ZAMBEZI

Zambezi BEE Transaction

- 6.1 On 18 May 2015, Northam implemented the Zambezi BEE Transaction with a view to establishing a sustainable shareholding by HDPs in Northam.
- 6.2 The Zambezi BEE Transaction comprised two primary inter-conditional elements, being:
- 6.2.1 Zambezi's acquisition of and subscription for Northam Shares, resulting in Zambezi holding 31.37% of the total Northam Shares in issue; and
- 6.2.2 the issue by Zambezi of the Zambezi Preference Shares for purposes of funding its acquisition of and subscription for Northam Shares.

Zambezi

- 6.3 Zambezi was incorporated as a special purpose ring-fenced company to hold the Northam Shares acquired pursuant to the Zambezi 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 Zambezi BEE Transaction.
- 6.4 Apart from functioning as an empowerment vehicle, Zambezi does not and will not conduct any business operations and Zambezi's assets solely comprise the Northam Shares.
- 6.5 Should the Transaction be implemented, Zambezi will be voluntarily wound-up and subsequently dissolved and de-registered in due course.

Zambezi Ordinary Shareholders

- 6.6 Zambezi Ordinary Shareholders comprise a range of HDP stakeholders, including the Relevant Zambezi Shareholders, the ESOP and the Community Trusts. These stakeholders hold a combined effective 31.37% indirect interest in Northam Shares, as follows:

Zambezi Ordinary Shareholder	Percentage holding of Zambezi Ordinary Shares	Effective indirect interest in Northam Shares
Atisa	12.80%	4.02%
Booyseindal Community Trust	7.95%	2.49%
ESOP	9.60%	3.01%
Malundi	12.80%	4.02%
Mpilo	29.80%	9.35%
Women's Consortium SPV	19.10%	5.99%
Zondereinde Community Trust	7.95%	2.49%
Total	100.00%	31.37%

- 6.7 Northam Shareholders are referred to annexure 1 for an illustration of the Group structure as at the Last Practicable Date, as well as annexure 24 for illustrations of the Relevant Zambezi Shareholder structures.

Zambezi Preference Shares

- 6.8 The Zambezi Preference Shares are cumulative, non-participating redeemable preference shares which accrue dividends at a nominal rate equal to the Prime Rate plus 3.5%, calculated on a daily basis, based on a 365-day year, compounded annually. The Zambezi Preference Shares were listed on the Main Board of the JSE, in accordance with the Debt Listings Requirements, on 11 May 2015.
- 6.9 Subject to certain exceptions (as well as the proposed Zambezi Pref Share Term Amendments), the Zambezi Preference Shares are redeemable on 17 May 2025 and will be redeemed, at Zambezi's election, in cash and/or through the Distribution of Northam Shares held by Zambezi.
- 6.10 The redemption of the Zambezi Preference Shares is secured by the Northam Guarantee and if it is called upon, Northam will, at its election, settle the guaranteed liability in cash and/or through the issue of Northam Shares.

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

7. INFORMATION REGARDING NORTHAM HOLDINGS

- 7.1 Northam Holdings is a newly incorporated public company and is, as at the Last Practicable Date, wholly-owned by Northam. As at the Last Practicable Date, Northam Holdings has not conducted any business since its incorporation on 2 December 2020.
- 7.2 Northam Holdings was established for purposes of the Extended BEE Transaction and ancillary matters, including, *inter alia*, (i) making the offer to Eligible Northam Shareholders to be implemented by way of the Northam Scheme; (ii) acquiring the Northam Scheme Shares from Northam Scheme Participants in exchange for the Northam Scheme Consideration, pursuant to the Northam Scheme; (iii) holding the Northam Scheme Shares and thereby becoming the holding company of Northam; and (iv) listing all issued Northam Holdings Shares on the Main Board of the JSE.

8. INFORMATION REGARDING THE SPVs AND THE SECURITY SPVs

Refer to paragraph 27 for information regarding the SPVs and Security SPVs.

SECTION B: TRANSACTION

The definitions and interpretations commencing on page 15 apply to this section, unless otherwise stated or the context so requires.

The Transaction comprises the following inter-conditional components.

9. ZAMBEZI SCHEME (STEP 1)

9.1 Salient terms

- 9.1.1 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 paragraph 9.2.
- 9.1.2 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.
- 9.1.3 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.
- 9.1.4 Simultaneously with the Zambezi Scheme and subject to the Zambezi Scheme being implemented, the Zambezi Board will propose (i) the Zambezi Delisting; and (ii) various amendments to the Zambezi MOI to enable the implementation of certain components of the Transaction, including:
- 9.1.4.1 amendments to the Zambezi Pref Share Terms in order to:
- 9.1.4.1.1 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**”);
- 9.1.4.1.2 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 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
- 9.1.4.1.3 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;
- 9.1.4.2 amending 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 (the “**Zambezi N Share Term Amendments**”); and

9.1.4.3 amending the Zambezi MOI in order 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**”).

9.1.5 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.

9.2 Zambezi Scheme Conditions

9.2.1 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**”):

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

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

9.2.1.1.1.1 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;

9.2.1.1.1.2 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

9.2.1.1.1.3 an extraordinary resolution (as defined in the Debt Listings Requirements) (requiring at least 66.66% 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**”);

9.2.1.1.2 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

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

9.2.1.1.3.1 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

9.2.1.1.3.2 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;

- 9.2.1.2 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:
- 9.2.1.2.1 Zambezi Ordinary Shareholders and Zambezi Preference Shareholders jointly; and
- 9.2.1.2.2 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:
- 9.2.1.2.3 by no later than the 40th Business Day after the relevant Zambezi Scheme Resolution is adopted:
- 9.2.1.2.3.1 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
- 9.2.1.2.3.2 the provisions of section 115(2)(c) of the Companies Act cease to be applicable; and
- 9.2.1.2.4 if applicable, Zambezi not treating the Zambezi Scheme Resolutions as a nullity as contemplated in section 115(5)(b) of the Companies Act;
- 9.2.1.3 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:
- 9.2.1.3.1 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 general 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
- 9.2.1.3.2 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;

- 9.2.1.4 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:
- 9.2.1.4.1 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
- 9.2.1.4.2 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;
- 9.2.1.5 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 66.66% approval) adopted by the Zambezi Preference Shareholders, in accordance with paragraph 1.17(b) of the Debt Listings Requirements; and
- 9.2.1.6 by no later than 27 August 2021:
- 9.2.1.6.1 the Transaction Conditions contemplated in paragraph 10.2 are timeously fulfilled or waived save for the condition relating to the Zambezi Scheme being implemented;
- 9.2.1.6.2 the Extended BEE Transaction Conditions contemplated in paragraph 26 are timeously fulfilled or waived save for the condition relating to the Repurchase and the Zambezi Scheme being implemented; and
- 9.2.1.6.3 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.
- 9.2.2 In the event that the Zambezi Scheme Conditions are not timeously fulfilled or waived, then the Zambezi Scheme will lapse and will not become operative.
- 9.2.3 The Zambezi Scheme Conditions envisaged in:
- 9.2.3.1 paragraphs 9.2.1.3 and 9.2.1.4 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

- 9.2.3.2 paragraphs 9.2.1.1 and 9.2.1.2 and paragraphs 9.2.1.5 and 9.2.1.6 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.

9.3 Termination of the Zambezi Scheme

The Zambezi Scheme will terminate with immediate effect:

- 9.3.1 if any Zambezi Scheme Condition, which may be waived, becomes incapable of fulfilment, and Northam notifies Zambezi in writing that it will not waive that Zambezi Scheme Condition;
- 9.3.2 if any or all of the Zambezi Scheme Conditions have not been fulfilled or waived, on or before the relevant date/s for fulfilment or waiver;
- 9.3.3 on the Business Day after Northam gives written notice to Zambezi to such effect, if a Material Adverse Change occurs, regardless of whether such Material Adverse Change is continuing or not; or
- 9.3.4 upon termination or cancellation of the Implementation Agreement in accordance with its terms,

provided that the Zambezi Scheme may not be terminated after it has become wholly unconditional.

9.4 Amendments, variations and modifications to the Zambezi Scheme

Subject to compliance with the JSE Listings Requirements, Northam will be entitled to, by written agreement with Zambezi, amend, vary or modify the Zambezi Scheme, including the Zambezi Scheme Conditions. All dates and times referred to in this Circular and the Northam Holdings Prospectus are subject to change. Shareholders will be notified of any material changes on SENS.

9.5 Small related party transaction

The Zambezi Scheme amounts to a small related party transaction, as contemplated in paragraph 10.7 of the JSE Listings Requirements, between Northam and Zambezi, a material shareholder of Northam and therefore a related party to Northam in terms of paragraph 10.1(b)(i) of the JSE Listings Requirements. In accordance with paragraph 10.7(b) of the JSE Listings Requirements, the Independent Expert has confirmed that the terms and conditions of the Zambezi Scheme are fair and in the circumstances, the Zambezi Scheme does not require Northam Shareholder approval.

10. EARLY MATURITY OF THE ZAMBEZI BEE TRANSACTION AND SHARE ACQUISITIONS SCHEME (STEPS 2 TO 10)

10.1 Salient terms

10.1.1 Revised Accumulated Dividends Settlement (step 2)

- 10.1.1.1 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).
- 10.1.1.2 In accordance with the Zambezi Pref Share Terms, Zambezi will be liable for the STT payable in respect of the Revised Accumulated Dividends Settlement, and Northam will utilise a corresponding portion of the Zambezi Retention Amount to settle such STT on behalf of Zambezi.

- 10.1.1.3 An application will be made to the JSE for the termination of listing of the Northam Shares transferred by Zambezi to Northam pursuant to the Revised Accumulated Dividends Settlement and such Northam Shares will be cancelled and will revert to authorised but unissued share capital in Northam.

10.1.2 Repurchase (step 3)

- 10.1.2.1 On the Repurchase Implementation Date, Northam will acquire the Repurchase Shares from Zambezi for the Repurchase Consideration.
- 10.1.2.2 The Repurchase Consideration will be utilised as follows:
 - 10.1.2.2.1 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
 - 10.1.2.2.2 the balance of the Repurchase Consideration (being the Zambezi Retention Amount) will be utilised to settle the Zambezi Taxes as envisaged in paragraphs 10.1.1.2, 10.1.6, 10.1.7.3 and 10.1.8.
- 10.1.2.3 Implementation of the Repurchase is conditional upon the fulfilment or waiver of the Transaction Conditions.
- 10.1.2.4 An application will be made to the JSE for the termination of listing of the Northam Shares acquired pursuant to the Repurchase and such Northam Shares will be cancelled and will revert to authorised but unissued share capital in Northam.

10.1.3 Northam assumes control of Zambezi (step 4)

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:

- 10.1.3.1 exercise 99% of all the votes exercisable by all the Zambezi Ordinary Shareholders; and
- 10.1.3.2 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.

10.1.4 Net Value Distribution (step 5)

- 10.1.4.1 On the Net Value Distribution Date, after Northam has assumed control of Zambezi as envisaged in paragraph 10.1.3, Zambezi will make a Distribution to the Zambezi Ordinary Shareholders of:
 - 10.1.4.1.1 the Net Repurchase Amount, by way of a cash dividend ("**Net Value Cash Distribution**"); and
 - 10.1.4.1.2 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**").
- 10.1.4.2 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 10.1.4.3.

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

10.1.4.3.1 The Net Value Cash Distribution will be settled as follows:

10.1.4.3.1.1 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;

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

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

10.1.4.3.1.2.2 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 described in paragraph 46.3.

10.1.4.3.2 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:

10.1.4.3.2.1 is less than the Zambezi Ordinary Shareholders Retention Amount, then Northam will be entitled to retain the difference; or

10.1.4.3.2.2 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.

10.1.4.4 **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.

10.1.5 **ESOP Repurchase (step 6)**

10.1.5.1 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.

10.1.5.2 The purchase consideration payable by Northam to the ESOP in respect of each ESOP Repurchase Share shall be an amount not exceeding the 30 Day VWAP per Northam Share on the acquisition date.

10.1.5.3 Following implementation of the ESOP Repurchase, application will be made to the JSE for the termination of listing of the Northam Shares acquired pursuant to the ESOP Repurchase and such Northam Shares will be cancelled and will revert to authorised but unissued share capital in Northam.

10.1.6 **Facilitation of the settlement of the First Zambezi Taxes Payment (step 7)**

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 ("**First Zambezi Taxes Payment**") will be settled as follows:

- 10.1.6.1 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
- 10.1.6.2 Zambezi will settle a portion of the First Zambezi Taxes Payment in an amount equal to the relevant portion of:
 - 10.1.6.2.1 Portion A of the Differential Zambezi Taxes in respect of the First Zambezi Taxes Payment by utilising a corresponding amount of the proceeds from the relevant Northam Zambezi Ordinary Share Subscription and making payment directly to SARS;
 - 10.1.6.2.2 Portion B of the Differential Zambezi Taxes in respect of the First Zambezi Taxes Payment by utilising a corresponding amount of the proceeds from the relevant Northam Zambezi Ordinary Share Subscription and making payment directly to SARS; and
 - 10.1.6.2.3 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.

10.1.7 **Zambezi Preference Share Redemption (step 8)**

- 10.1.7.1 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:
 - 10.1.7.1.1 Zambezi transferring to Northam so many Northam Shares (valued at R160.00 per 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**"); and
 - 10.1.7.1.2 simultaneously settling the unpaid "*Preference Dividends*" (as defined in the Zambezi Pref Share Terms) in respect of such shares, in cash.
- 10.1.7.2 Following the redemption of all of the Zambezi Preference Shares, Zambezi's shareholding in Northam will reduce to nil.
- 10.1.7.3 In accordance with the Zambezi Pref Share Terms, Zambezi will be liable for the STT payable in respect of the Zambezi Preference Share Redemption, and Northam will utilise a corresponding portion of the Zambezi Retention Amount to settle such STT on behalf of Zambezi.

10.1.8 **Facilitation of the settlement of the Second Zambezi Taxes Payment (step 9)**

- 10.1.8.1 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:
 - 10.1.8.1.1 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

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

10.1.8.1.2.1 Portion A of the Differential Zambezi Taxes in respect of the Second Zambezi Taxes Payment by utilising a corresponding amount of the proceeds from the Northam Zambezi Ordinary Share Subscription and making payment directly to SARS;

10.1.8.1.2.2 Portion B of the Differential Zambezi Taxes in respect of the Second Zambezi Taxes Payment by utilising a corresponding amount of the proceeds from the Northam Zambezi Ordinary Share Subscription and making payment directly to SARS; and

10.1.8.1.2.3 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 tax and costs) and making payment directly to SARS.

10.1.8.2 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.

10.1.9 **Voluntary winding-up of Zambezi (step 10)**

As soon as practicably possible after the Zambezi Preference Share Redemption and settlement of the Zambezi Taxes as envisaged in paragraph 10.1.8, Northam and Zambezi shall use their respective reasonable endeavours to procure that Zambezi is voluntarily wound-up.

10.1.10 **Share Acquisitions Scheme**

10.1.10.1 **Termination of the Share Acquisitions Scheme**

The Share Acquisitions Scheme 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 10.2.3).

10.1.10.2 **General**

The Share Acquisitions Scheme shall be governed by the laws of South Africa. As part of the Share Acquisitions Scheme, each Northam 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 Share Acquisitions Scheme.

10.1.10.3 **Amendments, variations and modifications**

Subject to compliance with the Companies Act, the Regulations and the JSE Listings Requirements, Northam will be entitled to, by written agreement with Zambezi, amend, vary or modify the Transaction, including the Share Acquisitions Scheme and the Transaction Conditions. All dates and times referred to in this Circular and the Northam Holdings Prospectus are subject to change. Shareholders will be notified of any material changes on SENS.

10.2 Transaction Conditions

- 10.2.1 Implementation of the Repurchase is conditional upon the fulfilment or waiver (to the extent permitted) of the following conditions precedent (“**Transaction Conditions**”):
- 10.2.1.1 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 General Meeting (“**Northam Shareholder Resolutions**”), including the following resolutions:
- 10.2.1.1.1 approving the acquisition by Northam of Northam Shares as a specific repurchase in terms of the:
- 10.2.1.1.1.1 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**”);
- 10.2.1.1.1.2 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 (“**Specific Repurchase Resolution**”); and
- 10.2.1.1.1.3 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 (“**ESOP Repurchase Resolution**”);
- 10.2.1.2 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:
- 10.2.1.2.1 by no later than the 40th Business Day after the Share Acquisitions Scheme Resolution is adopted:
- 10.2.1.2.1.1 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
- 10.2.1.2.1.2 the provisions of section 115(2)(c) of the Companies Act cease to be applicable; and
- 10.2.1.2.2 if applicable, Northam not treating the Share Acquisitions Scheme Resolution as a nullity as contemplated in section 115(5)(b) of the Companies Act;
- 10.2.1.3 in relation to the Share Acquisitions Scheme Resolution, either:
- 10.2.1.3.1 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 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

- 10.2.1.3.2 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;
- 10.2.1.4 by no later than the 30th Business Day after the date on which the Zambezi Disposals 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, including the following resolutions:
 - 10.2.1.4.1 approving the Zambezi Disposals by way of a Special Resolution in accordance with section 112 as read with 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:
 - 10.2.1.4.1.1 by no later than the 40th Business Day after the Zambezi Disposals Resolution is adopted:
 - 10.2.1.4.1.1.1 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
 - 10.2.1.4.1.1.2 the provisions of section 115(2)(c) of the Companies Act cease to be applicable; and
 - 10.2.1.4.1.2 if applicable, Zambezi not treating the Zambezi Disposals Resolution as a nullity as contemplated in section 115(5)(b) of the Companies Act; and
 - 10.2.1.4.2 electing such persons as may be nominated by Northam, as directors of Zambezi with effect from the Repurchase Implementation Date (if any);
- 10.2.1.5 in relation to the Zambezi Disposals Resolution, either:
 - 10.2.1.5.1 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
 - 10.2.1.5.2 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;

- 10.2.1.6 by no later than 31 May 2021, all of the Zambezi Directors, save for Zambezi Directors appointed or nominated by Northam, deliver resignation letters to Zambezi in terms of which they resign as directors of Zambezi with effect from the Net Value Distribution Date, which resignation letters shall be in such form and substance as may be approved by Northam;
- 10.2.1.7 by no later than 30 June 2021, the Tax Ruling is obtained by Northam and Zambezi;
- 10.2.1.8 by no later than 30 July 2021:
 - 10.2.1.8.1 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
 - 10.2.1.8.2 the written consent or waiver of the relevant counterparties to any material contracts to which a Member of the Group is a party, is obtained in relation to the implementation of the Transaction, to the extent required;
- 10.2.1.9 by no later than 16 August 2021, the Zambezi Scheme Conditions are timeously fulfilled or waived and the Zambezi Scheme is implemented; and
- 10.2.1.10 by no later than 27 August 2021:
 - 10.2.1.10.1 the Extended BEE Transaction Conditions are timeously fulfilled or waived save for the condition relating to the Repurchase being implemented; and
 - 10.2.1.10.2 a Compliance Certificate is issued in respect of the Share Acquisitions Scheme and the Zambezi Disposals.
- 10.2.2 In the event that all of the Transaction Conditions are not timeously fulfilled or waived by no later than the relevant date/s for fulfilment or waiver thereof (or such later date/s as may be determined by Northam from time to time in accordance with paragraph 10.2.3), then the Repurchase will lapse and will not be implemented.
- 10.2.3 The Transaction Conditions envisaged in:
 - 10.2.3.1 paragraphs 10.2.1.3, 10.2.1.5, 10.2.1.6, 10.2.1.7 and 10.2.1.8.2 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
 - 10.2.3.2 paragraphs 10.2.1.1, 10.2.1.2, 10.2.1.4, 10.2.1.8.1, 10.2.1.9 and 10.2.1.10 are not capable of being waived. However, Northam shall be entitled to, prior to any such Transaction Condition having failed, extend the date for fulfilment of any such Transaction Condition from time to time, provided that such extension shall not be beyond the Long Stop Date unless Zambezi consents thereto in writing.

10.3 Northam Shareholder approvals and exercise of voting rights

10.3.1 Specific repurchase

- 10.3.1.1 The Revised Accumulated Dividends Settlement, the Repurchase, the Zambezi Preference Share Redemption, the acquisition of Zambezi Retention Shares (if applicable) and the ESOP Repurchase amount to specific repurchases in terms of paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements and are therefore subject to, *inter alia*, the adoption of a Special Resolution by Northam Shareholders.
- 10.3.1.2 Any Northam Shareholder and its associates participating in the specific repurchase will be precluded from voting on such resolution. Accordingly, the following voting exclusions will be applicable:
- 10.3.1.2.1 Zambezi will be precluded from voting on the Specific Repurchase Resolution; and
- 10.3.1.2.2 Mr PA Dunne, being a trustee of the ESOP, will be precluded from voting on the ESOP Repurchase Resolution.

10.3.2 Share Acquisitions Scheme

- 10.3.2.1 The Revised Accumulated Dividends Settlement, the Repurchase, the Zambezi Preference Share Redemption, the acquisition of Zambezi Retention Shares (if applicable) and the ESOP Repurchase amount to a repurchase by Northam of Northam Shares in terms of section 48(8)(b) of the Companies Act, to be implemented by way of the Share Acquisitions Scheme in terms of section 114(1) read with section 115 of the Companies Act. The Share Acquisitions Scheme constitutes an "*affected transaction*" as defined in section 117(1)(c)(iii) of the Companies Act and, as such, is subject to the provisions of Chapter 5 of the Companies Act and Chapter 5 of the Regulations.
- 10.3.2.2 In the circumstances, the Share Acquisitions Scheme is subject to, *inter alia*, the adoption of a Special Resolution by Northam Shareholders in accordance with section 48(8)(b) as read with sections 114 and 115(2)(a) of the Companies Act. Zambezi will not vote on such resolution.

10.3.3 Northam Zambezi Ordinary Share Subscription

Notwithstanding that Zambezi will be a Subsidiary of the Northam Group at the time of implementation of the Northam Zambezi Ordinary Share Subscription, considering that the Northam Zambezi Ordinary Share Subscription has been agreed to whilst Zambezi is a related party to Northam (refer to paragraph 9.5), the Northam Zambezi Ordinary Share Subscription amounts to a Category 1 related party transaction for Northam and is therefore subject to the adoption of an Ordinary Resolution by Northam Shareholders in accordance with paragraph 10.4(e) of the JSE Listings Requirements. Zambezi will be precluded from voting on such resolution.

10.4 Solvency and liquidity

- 10.4.1 In proposing the Share Acquisitions Scheme, the Northam Directors have taken cognisance of their duties and responsibilities in terms of paragraph 5.69(c) of the JSE Listings Requirements and sections 46 and 48, as read with section 4, of the Companies Act pertaining to the solvency and liquidity of Northam.
- 10.4.2 After considering the effect of the Share Acquisitions Scheme, the Northam Board confirms that the provisions of sections 46 and 48 as read with section 4 of the Companies Act have been complied with and the Northam Board has reasonably concluded that the Company will satisfy the solvency and liquidity test as envisaged in section 4 of the Companies Act immediately after implementation of the Share Acquisitions Scheme. In reaching this conclusion, the Northam Directors are satisfied that, considering all reasonably foreseeable financial circumstances of the Company at the date of the resolution:

- 10.4.2.1 the assets of the Company as fairly valued will, after completion of each of the Share Acquisitions Scheme and payment of the consideration thereunder, be equal to or exceed the liabilities of the Company as fairly valued. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in the most recent audited consolidated annual financial statements of Northam for the year ended 30 June 2020, which comply with the Companies Act;
- 10.4.2.2 the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months following completion of the Share Acquisitions Scheme and payment of the consideration thereunder;
- 10.4.2.3 the share capital and reserves of Northam and the Northam Group will be adequate for ordinary business purposes for a period of 12 months after the date of issue of this Circular and following implementation of the Share Acquisitions Scheme and payment of the consideration thereunder; and
- 10.4.2.4 the working capital of Northam and the Northam Group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of this Circular and following implementation of the Share Acquisitions Scheme and payment of the consideration thereunder.

10.5 Appraisal Rights in respect of the Share Acquisitions Scheme

- 10.5.1 This paragraph 10.5 only provides a summary of the provisions relating to Northam Shareholders' Appraisal Rights in terms of section 164 of the Companies Act, the full provisions of which are contained in annexure 22.
- 10.5.2 At any time before the Share Acquisitions Scheme Resolution is voted on at the General Meeting, a Northam Shareholder may give written notice to Northam objecting to the Share Acquisitions Scheme Resolution in terms of section 164(3) of the Companies Act and vote against the Share Acquisitions Scheme Resolution at the General Meeting.
- 10.5.3 Within 10 Business Days after the Share Acquisitions Scheme Resolution has been adopted, Northam must send a notice to each Northam Shareholder who gave Northam the notice referred to in paragraph 10.5.2, and has neither withdrawn that notice nor voted in favour of the Share Acquisitions Scheme Resolution, informing them that the Share Acquisitions Scheme Resolution has been adopted.
- 10.5.4 A Northam Shareholder who has given Northam the notice referred to in paragraph 10.5.2 and who has complied with all of the procedural steps set out in section 164 of the Companies Act may, if the Share Acquisitions Scheme Resolution is adopted, deliver a written notice to Northam demanding that Northam pays that Northam Shareholder the fair value for all the Northam Shares held by that Northam Shareholder (defined in this paragraph 10.5.4 as a "**Demand**"). The Demand must be delivered:
 - 10.5.4.1 within 20 Business Days after receipt of the notice from Northam referred to in paragraph 10.5.3; or
 - 10.5.4.2 if the Northam Shareholder does not receive the notice from Northam referred to in paragraph 10.5.3, within 20 Business Days after learning that the Share Acquisitions Scheme Resolution has been adopted.
- 10.5.5 The Demand referred to above must also be delivered to the TRP and must set out:
 - 10.5.5.1 the Dissenting Shareholder's name and address;
 - 10.5.5.2 the number of Northam Shares in respect of which the Dissenting Shareholder seeks payment; and
 - 10.5.5.3 a demand for payment of the fair value of those Northam Shares. The fair value of the Northam Shares is determined as at the date on which, and the time immediately before, the Share Acquisitions Scheme Resolution was adopted.

- 10.5.6 A Dissenting Shareholder may withdraw its Demand before Northam makes an offer in accordance with section 164(11) of the Companies Act or if Northam fails to make such an offer.
- 10.5.7 If Northam receives a Demand and such Demand is not withdrawn by the Dissenting Shareholder before the Repurchase Implementation Date, the Company 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.
- 10.5.8 Northam'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.
- 10.5.9 A Dissenting Shareholder who, pursuant to the exercise of its Appraisal Rights, has sent a Demand to Northam has no further rights in respect of its Northam Shares, other than to be paid their fair value, unless:
- 10.5.9.1 the Dissenting Shareholder withdraws that Demand before Northam makes an offer to that Dissenting Shareholder under section 164(11) of the Companies Act, or allows any offer made by Northam to lapse;
 - 10.5.9.2 Northam fails to make an offer in accordance with section 164(11) of the Companies Act and the Dissenting Shareholder withdraws its Demand; or
 - 10.5.9.3 Northam revokes the Share Acquisitions Scheme Resolution by a subsequent Special Resolution,
- in which case that Dissenting Shareholder's rights in respect of the relevant Northam Shares shall, in terms of section 164(10) of the Companies Act, be reinstated without interruption. As set out in the Notice of General Meeting, a Special Resolution has been proposed to Northam Shareholders in terms of which, subject to the passing of the Share Acquisitions Scheme Resolution, if the Transaction Conditions (as set out in paragraph 10.2), are not fulfilled or waived and the Share Acquisitions Scheme accordingly terminates, the Share Acquisitions Scheme Resolution will be revoked with effect from the date on which the Share Acquisitions Scheme terminates.
- 10.5.10 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, if it (i) holds Certificated Shares, tender the Documents of Title in respect of such Certificated Shares to the Company or the Transfer Secretaries; or (ii) holds Dematerialised Shares, instruct its Broker or CSDP to transfer those Northam Shares to the Company or the Transfer Secretaries. The Company 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 or directed the transfer to the Company or the Transfer Secretaries of the Dematerialised Shares, as the case may be.
- 10.5.11 A Dissenting Shareholder who considers the offer made by the Company 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 Northam Shares that were subject to the Demand, and an order requiring the Company 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:
- 10.5.11.1 the Dissenting Shareholders to either withdraw their Demands or to tender their Northam Shares to the Company as contemplated in paragraph 10.5.10; or
 - 10.5.11.2 the Company to pay the fair value in respect of the Northam Shares (as determined by the court) to the Dissenting Shareholders who tender their Northam Shares as contemplated in paragraph 10.5.10.

- 10.5.12 Before exercising their rights under section 164 of the Companies Act, Northam Shareholders should have regard to the following:
- 10.5.12.1 the Independent Expert Report as it pertains to the Share Acquisitions Scheme as set out in annexure 3 concludes that the Share Acquisitions Scheme and the consideration payable by Northam in terms thereof are fair and reasonable to Northam Shareholders; and
 - 10.5.12.2 the court is empowered to grant a costs order in favour of, or against, a Dissenting Shareholder, as may be applicable.
- 10.5.13 It should be noted that one of the Transaction Conditions relates to Northam Shareholders giving notice objecting to the Share Acquisitions Scheme Resolution as contemplated in section 164(3) of the Companies Act and/or exercising Appraisal Rights, as more fully set out in paragraph 10.2.1.2. In the event that this Transaction Condition is not fulfilled or waived, the Share Acquisitions Scheme will not be implemented.
- 10.5.14 Any Northam Shareholder who is in doubt as to what action to take must consult their legal or professional advisor in this regard.

11. GENERAL MEETING

The General Meeting will be held entirely by electronic communication at **10:00 on Wednesday, 30 June 2021**. Northam Shareholders are referred to section A of “*Action required by Shareholders in respect of the Transaction*” titled “*Voting, attendance and representation at the General Meeting*” commencing on page 8 for information regarding voting, attendance and representation at the General Meeting.

SECTION C: NORTHAM SCHEME

The definitions and interpretations commencing on page 15 apply to this section, unless otherwise stated or the context so requires.

12. NORTHAM SCHEME TERMS

The terms of the Northam Scheme are as follows:

- 12.1 Northam Holdings hereby offers to acquire all of the Northam Shares (excluding Treasury Shares) held by Eligible Northam Shareholders by way of the Northam Scheme.
- 12.2 The Northam Scheme constitutes an “*affected transaction*” as defined in section 117(1)(c)(iii) of the Companies Act and, as such, is regulated by the Companies Act and the Regulations. Accordingly, implementation of the Northam Scheme is subject to, *inter alia*, the adoption of the Northam Scheme Resolution by Northam Shareholders at the General Meeting in accordance with section 115 of the Companies Act. No Northam Shareholder will be precluded from voting on such resolution.
- 12.3 The Northam Scheme is proposed by the Northam Board, between Northam and Eligible Northam Shareholders, pursuant to 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 Scheme Shares held by the Northam Scheme Participants for the Northam Scheme Consideration.
- 12.4 Implementation of the Northam Scheme is conditional upon the fulfilment or waiver of the Extended BEE Transaction Conditions, as set out in paragraph 26.
- 12.5 The Northam Scheme will become binding on Northam and the Northam Scheme Participants (irrespective of whether or not the individual Northam Shareholder voted in favour of the Northam Scheme Resolution or abstained from voting thereon) if:
 - 12.5.1 the Northam Scheme Resolution is approved at the General Meeting;
 - 12.5.2 all the remaining Extended BEE Transaction Conditions are fulfilled or waived; and
 - 12.5.3 the Northam Scheme is not terminated (as contemplated in paragraph 21).
- 12.6 The Northam Scheme Participants will be deemed, with effect from the Northam Scheme Implementation Date, to have disposed of and transferred the Northam Scheme Shares held by them to Northam Holdings, who will be deemed to have acquired ownership of such Northam Scheme Shares, free of encumbrance, on the Northam Scheme Implementation Date, against settlement of the Northam Scheme Consideration in accordance with paragraph 16, upon which all risk and benefit in the Northam Scheme Shares will pass from the Northam Scheme Participants to Northam Holdings.
- 12.7 Under the Northam Scheme Consideration, the Northam Scheme Participants will receive Northam Holdings Shares in exchange for their Northam Scheme Shares, on a one-for-one basis, with no entitlement to cash, subject to the provisions of paragraph 52 affecting Foreign Shareholders.
- 12.8 The Northam Scheme Consideration will be settled, in full, in accordance with the terms of the Northam Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Northam or Northam Holdings may otherwise be, or claim to be, entitled to against a Northam Scheme Participant.
- 12.9 Northam Scheme Participants may enforce their rights to receive the Northam Scheme Consideration in respect of the Northam Scheme Shares held by them against Northam.
- 12.10 The effect of the Northam Scheme will be that, with effect from the Northam Scheme Implementation Date, Northam Holdings will acquire and own all the Northam Scheme Shares held by the Northam Scheme Participants and Northam will become a Subsidiary of Northam Holdings.
- 12.11 Simultaneously with the implementation of the Northam Scheme, all of the Northam Shares will be delisted from the Main Board of the JSE and the Northam Holdings Shares will be listed on the Main Board of the JSE.

- 12.12 On and with effect from the Northam Scheme Implementation Date, each Northam Scheme Participant will be deemed to have warranted and undertaken in favour of Northam Holdings that the Northam Scheme Shares held by them are not subject to a pledge or otherwise encumbered, or if subject to any pledge or other encumbrance, shall be released therefrom immediately upon settlement of the Northam Scheme Consideration. In this regard, such Northam Scheme Participant irrevocably authorises and appoints Northam and Northam Holdings in *rem suam* (that is, irrevocably for Northam's and Northam Holdings' advantage), with full power of substitution, to act as agent in the name, place and stead of such Northam Scheme Participant in doing all things and signing all documents to ensure that the relevant Northam Scheme Shares are released from any pledge or other encumbrance, including the removal of any endorsements to that effect in the Northam Register.
- 12.13 With effect from the Northam Scheme Implementation Date, each Northam Scheme Participant irrevocably authorises and appoints Northam in *rem suam* (that is, irrevocably for Northam's advantage), with full power of substitution, to act as agent in the name, place and stead of such Northam Scheme Participant in doing all things and signing all documents to implement the transfer of its Northam Scheme Shares and all other acts required or desirable in order to implement the Northam Scheme, including to take all steps necessary to procure electronic delivery of Dematerialised Shares.

13. **CONDITIONS PRECEDENT**

- 13.1 Implementation of the Northam Scheme is conditional upon the fulfilment or waiver (to the extent permitted) of the Extended BEE Transaction Conditions set out in paragraph 26.
- 13.2 If the Extended BEE Transaction Conditions are not timeously fulfilled or waived, then the Northam Scheme will lapse and will not become operative.

14. **NORTHAM SCHEME CONSIDERATION**

- 14.1 In the event that the Northam Scheme becomes operative, Northam Holdings will acquire all of the Northam Scheme Shares held by the Northam Scheme Participants in exchange for Northam Holdings Shares, on a one-for-one basis.
- 14.2 As at the Last Practicable Date, Northam Holdings is a wholly-owned Subsidiary of Northam and no securities of Northam Holdings are listed on the JSE or any other securities exchange. If the Northam Scheme becomes operative, all of the Northam Holdings Shares will be listed on the Main Board of the JSE.
- 14.3 The tax implications of the Northam Scheme depend on the individual circumstances of the Northam Scheme Participant concerned and the tax jurisdiction applicable to such Northam Scheme Participant. It is recommended that Northam Scheme Participants seek appropriate professional advice in this regard.
- 14.4 For details regarding the settlement of the Northam Scheme Consideration, Northam Shareholders are referred to paragraph 16.

15. **APPLICATION FOR NORTHAM HOLDINGS SHARES AND SURRENDER OF DOCUMENTS OF TITLE**

15.1 ***Dematerialised Shareholders without "own name" registration***

In the event that the Northam Scheme becomes operative, Northam Scheme Participants holding Dematerialised Shares without "own name" registration will **not** be required to surrender Documents of Title in respect of their Northam Scheme Shares and must **not** complete the Application and Surrender Form (*pink*).

15.2 ***Dematerialised Shareholders with "own name" registration***

15.2.1 In the event that the Northam Scheme becomes operative, Northam Scheme Participants holding Dematerialised Shares with "own name" registration will **not** be required to surrender Documents of Title in respect of their Northam Scheme Shares but **will** be required to complete the Application and Surrender Form (*pink*) in accordance with the instructions set out in section B of "Action required by Shareholders in respect of the Northam Scheme

and the Extended BEE Transaction”, titled “Application for Northam Holdings Shares and surrender of Documents of Title” commencing on page 11.

- 15.2.2 Northam Scheme Participants holding Dematerialised Shares with “*own name*” registration who fail to, directly or *via* its Broker or CSDP, correctly and timeously complete and return the Application and Surrender Form (*pink*) in accordance with paragraph 15.2.1 will become Issuer Nominee Shareholders and the Northam Scheme Consideration in respect of the Northam Scheme Shares held by them will be issued in accordance with paragraph 15.4.
- 15.2.3 Northam Holdings reserves the right, in its absolute discretion, to:
 - 15.2.3.1 treat as valid an Application and Surrender Form (*pink*) that has not been correctly completed;
 - 15.2.3.2 accept late submission of an Application and Surrender Form (*pink*); and/or
 - 15.2.3.3 dispense with the requirement that a Northam Scheme Participant holding Dematerialised Shares with “*own name*” registration completes and returns an Application and Surrender Form (*pink*), if it is satisfied that such Northam Scheme Participant is in possession of a copy of the Northam Holdings Prospectus or is aware of its contents.

15.3 **Certificated Shareholders**

- 15.3.1 In the event that the Northam Scheme becomes operative, Northam Scheme Participants holding Certificated Shares will be required to surrender their Documents of Title in respect of their Northam Scheme Shares in exchange for the Northam Scheme Consideration, irrespective of whether they voted in favour of the Northam Scheme Resolution or not.
- 15.3.2 In anticipation of the Northam Scheme becoming operative, Eligible Northam Shareholders holding Certificated Shares are required to surrender their Documents of Title in respect of all their Northam Scheme Shares and to complete and return the Application and Surrender Form (*pink*) in accordance with the instructions set out in section B of “*Action required by Shareholders in respect of the Northam Scheme and the Extended BEE Transaction*”, titled “*Application for Northam Holdings Shares and surrender of Documents of Title*” commencing on page 11.
- 15.3.3 Northam Scheme Participants holding Certificated Shares who fail to correctly and timeously complete and return the Application and Surrender Form (*pink*) and surrender their Documents of Title in accordance with paragraph 15.3.2, will become Issuer Nominee Shareholders and the Northam Scheme Consideration in respect of the Northam Scheme Shares held by them will be issued in accordance with paragraph 15.4.
- 15.3.4 Northam Holdings reserves the right, in its absolute discretion, to:
 - 15.3.4.1 treat as valid an Application and Surrender Form (*pink*) that has not been correctly completed; and/or
 - 15.3.4.2 accept late submission of an Application and Surrender Form (*pink*).
- 15.3.5 No receipt will be issued for Documents of Title surrendered unless specifically requested.
- 15.3.6 If Documents of Title relating to any Northam Scheme Shares are lost or destroyed, Northam Holdings may dispense with the surrender of such Documents of Title upon production of evidence satisfactory to Northam Holdings that the Documents of Title in respect of the Northam Scheme Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to Northam Holdings. Accordingly, if the Documents of Title have been lost or destroyed, Certificated Shareholders should nevertheless return the Application and Surrender Form (*pink*), duly signed and completed, to the Transfer Secretaries, together with a duly signed and completed indemnity form which is obtainable from the Transfer Secretaries.
- 15.3.7 Documents of Title surrendered by Certificated Shareholders in anticipation of the Northam Scheme becoming operative will be held in trust by the Transfer Secretaries, at the risk of such Certificated Shareholders, pending the Northam Scheme becoming operative.

- 15.3.8 Should a Certificated Shareholder surrender Documents of Title in anticipation of the Northam Scheme being implemented and thereafter the Northam Scheme is not implemented, the Transfer Secretaries shall, within 5 Business Days of either the date upon which it becomes known that the Northam Scheme will not be implemented or on receipt by the Transfer Secretaries of the required Documents of Title, whichever is the later, return the Documents of Title to Certificated Shareholders at their own risk.
- 15.3.9 If Documents of Title are surrendered in anticipation of the Northam Scheme becoming operative, such Eligible Northam Shareholders will be entitled to attend, participate in and vote at the General Meeting but will not be entitled to Dematerialise, trade or otherwise deal in their Northam Scheme Shares after the date of surrender, or if the Northam Scheme is not implemented, between the date of surrender and the date on which their Northam Scheme Shares are returned to them.
- 15.3.10 Under Strate directives, Dematerialised Shareholders are required to provide a physical and email address for purposes of receiving direct communication from Northam Holdings, which includes but is not limited to the receipt of shareholder communication documentation. Such election will facilitate the direct communication by Northam Holdings to the Northam Holdings Shareholders following implementation of the Northam Scheme. Northam Scheme Participants who are currently Certificated Shareholders and will be Dematerialised Shareholders following implementation of the Northam Scheme are encouraged to make such election. **Should a Certificated Shareholder fail to provide such information, the contact details in respect of such Certificated Shareholder previously provided to Northam will be deemed to have been elected by the Certificated Shareholder in relation to their shareholding in Northam Holdings.**

15.4 **Issuer Nominee Shareholders**

The Northam Scheme Consideration in respect of the Northam Scheme Shares held by Issuer Nominee Shareholders will be credited to an account in the name of Computershare Nominees, who will hold such Northam Holdings Shares as the registered holder thereof for the benefit of Issuer Nominee Shareholders on the following basis:

- 15.4.1 The Issuer Nominee Shareholders will be the beneficial owners of such Northam Holdings Shares, and will be recorded on a nominee sub-register maintained by Computershare Nominees and will receive a statement from Computershare Nominees, which will confirm the number of Northam Holdings Shares held by them.
- 15.4.2 Issuer Nominee Shareholders will be bound by the provisions of Strate's rules and directives in respect of their Northam Holdings Shares held in the nominee sub-register, and will be deemed to have concluded a custody agreement with Computershare Nominees, which establishes a business relationship between Computershare Nominees and each Issuer Nominee Shareholder. In terms of the said custody agreement, Issuer Nominee Shareholders will be entitled to, *inter alia*, receive the Distributions made in respect of their Northam Holdings Shares and to instruct Computershare Nominees how they wish to vote their Northam Holdings Shares. However, the Issuer Nominee Shareholders will be restricted from trading their Northam Holdings Shares until such time they have provided Computershare Nominees with the necessary documents as may be required by Computershare Nominees in this regard.
- 15.4.3 Issuer Nominee Shareholders will have the option to move their Northam Holdings Shares to the account of their own CSDP or Broker, or to materialise and certificate their Northam Holdings Shares, at any time provided they duly complete and return the Application and Surrender Form (*pink*) and surrender their Documents of Title (if required).
- 15.4.4 Should Issuer Nominee Shareholders fail to duly complete and return the Application and Surrender Form (*pink*) and surrender their Documents of Title (if required) within 3 years of the Northam Scheme Implementation Date, then the Northam Holdings Shares to which such Issuer Nominee Shareholders are entitled may be disposed of at the ruling market price and the disposal consideration, less realisation costs and taxes, will be paid to the benefit of the Guardian's Fund of the Master of the High Court (the "**Guardian's Fund**"). The proceeds of such disposal may be claimed by the relevant Issuer Nominee Shareholder, subject to the requirements imposed by the Master of the High Court, Johannesburg. As part of the

Northam Scheme, each Issuer Nominee Shareholder irrevocably authorises and appoints Northam or Northam Holdings, in *rem suam* (that is, irrevocably for Northam or Northam Holdings' advantage), with full power of substitution, to act as its agent and in its name, place and stead to dispose of such Issuer Nominee Shareholder's Northam Holdings Shares and to pay the proceeds to the benefit of the Guardian's Fund in the aforesaid manner.

16. SETTLEMENT OF THE NORTHAM SCHEME CONSIDERATION

16.1 If the Northam Scheme becomes operative, Northam Scheme Participants will be entitled to receive the Northam Scheme Consideration in respect of the Northam Scheme Shares held by them, subject to the provisions of this Circular.

16.2 If the Northam Scheme becomes operative, all Northam Holdings Shares, including the Northam Holdings Shares issued to settle the Northam Scheme Consideration, will be listed on the Main Board of the JSE. **The Northam Scheme Consideration will be settled in Dematerialised form only.** In the circumstances, Certificated Shareholders are required to provide details of a Broker or CSDP account into which the Northam Scheme Consideration to which they are entitled is to be credited by completing the Application and Surrender Form (*pink*) in accordance with the instructions set out in section B of "Action Required by Shareholders in respect of the Northam Scheme and the Extended BEE Transaction" titled "Application for Northam Holdings Shares and surrender of Documents of Title" commencing on page 11.

16.3 **Eligible Northam Shareholders who are Foreign Shareholders should refer to paragraph 52 for further information.**

16.4 Settlement of the Northam Scheme Consideration will be administered and effected by the Transfer Secretaries, on behalf of Northam.

16.5 **Dematerialised Shareholders without "own name" registration**

If the Northam Scheme becomes operative, Northam Scheme Participants holding Dematerialised Shares without "own name" registration will have:

16.5.1 their account held at their Broker or CSDP debited with the relevant number of Northam Scheme Shares; and

16.5.2 their account held at their Broker or CSDP credited with the relevant number of Northam Holdings Shares,

on the Northam Scheme Implementation Date.

16.6 **Dematerialised Shareholders with "own name" registration**

16.6.1 If the Northam Scheme becomes operative, Northam Scheme Participants who hold Dematerialised Shares with "own name" registration and who deliver a duly completed Application and Surrender Form (*pink*) to the Transfer Secretaries (or instruct their CSDP or Broker to complete the Application and Surrender Form (*pink*) on their behalf) so as to be received before 12:00 on the Northam Scheme Record Date will have:

16.6.1.1 their account held at their Broker or CSDP debited with the relevant number of Northam Scheme Shares; and

16.6.1.2 their account held at their Broker or CSDP credited with the relevant number of Northam Holdings Shares,

on the Northam Scheme Implementation Date.

16.6.2 If Northam Scheme Participants who hold Dematerialised Shares with "own name" registration fail to deliver a duly completed Application and Surrender Form (*pink*) to the Transfer Secretaries in accordance with paragraph 15.2.1, they will be treated as Issuer Nominee Shareholders and their Northam Holdings Shares will be issued in Dematerialised form in accordance with the provisions of paragraph 15.4.

16.7 **Certificated Shareholders**

- 16.71 If the Northam Scheme becomes operative, Northam Scheme Participants who hold Certificated Shares and who deliver a duly completed Application and Surrender Form (*pink*) and surrender their Documents of Title to the Transfer Secretaries in accordance with paragraph 15.3.2 so as to be received before 12:00 on the Northam Scheme Record Date will have:
- 16.71.1 their Documents of Title cancelled; and
 - 16.71.2 their account held at their nominated Broker or CSDP (as specified in the Application and Surrender Form (*pink*)) credited with the relevant number of Northam Holdings Shares,
- on the Northam Scheme Implementation Date.
- 16.72 If Northam Scheme Participants who hold Certificated Shares fail to:
- 16.72.1 deliver a duly completed Application and Surrender Form (*pink*) together with their Documents of Title to the Transfer Secretaries in accordance with paragraph 15.3.2; or
 - 16.72.2 provide account details, or provide incorrect account details, of their CSDP or Broker, into which their Northam Holdings Shares are to be credited,
- they will be treated as Issuer Nominee Shareholders and their Northam Holdings Shares will be issued in Dematerialised form in accordance with the provisions of paragraph 15.4.

17. **APPRAISAL RIGHTS**

- 17.1 This paragraph 17 only provides a summary of the provisions relating to Appraisal Rights in terms of section 164 of the Companies Act, the full provisions of which are contained in annexure 22.
- 17.2 At any time before the Northam Scheme Resolution is voted on at the General Meeting, a Northam Shareholder may give written notice to Northam objecting to the Northam Scheme Resolution in terms of section 164(3) of the Companies Act and vote against the Northam Scheme Resolution at the General Meeting.
- 17.3 Within 10 Business Days after the Northam Scheme Resolution has been adopted, Northam must send a notice to each Northam Shareholder who gave Northam the notice referred to in paragraph 17.2, and has neither withdrawn that notice nor voted in favour of the Northam Scheme Resolution, informing them that the Northam Scheme Resolution has been adopted.
- 17.4 A Northam Shareholder who has given Northam the notice referred to in paragraph 17.2 and who has complied with all of the procedural steps set out in section 164 of the Companies Act may, if the Northam Scheme Resolution is adopted, deliver a written notice to Northam demanding that Northam pays that Northam Shareholder the fair value for all the Northam Shares held by that Northam Shareholder (defined in this paragraph 17.4 as a “**Demand**”). The Demand must be delivered:
- 17.4.1 within 20 Business Days after receipt of the notice from Northam referred to in paragraph 17.3; or
 - 17.4.2 if the Northam Shareholder does not receive the notice from Northam referred to in paragraph 17.3, within 20 Business Days after learning that the Northam Scheme Resolution has been adopted.
- 17.5 The Demand referred to above must also be delivered to the TRP and must set out:
- 17.5.1 the Dissenting Shareholder’s name and address;
 - 17.5.2 the number of Northam Shares in respect of which the Dissenting Shareholder seeks payment; and
 - 17.5.3 a demand for payment of the fair value of those Northam Shares. The fair value of the Northam Shares is determined as at the date on which, and the time immediately before, the Northam Scheme Resolution was adopted.
- 17.6 A Dissenting Shareholder may withdraw its Demand before Northam makes an offer in accordance with section 164(11) of the Companies Act or if Northam fails to make such an offer.

- 17.7 If Northam receives a Demand and such Demand is not withdrawn by the Dissenting Shareholder before the Northam Scheme Implementation Date, Northam will, in accordance with section 164(11) of the Companies Act, within 5 Business Days of the Northam Scheme Implementation Date, make an offer to the Dissenting Shareholder.
- 17.8 Northam'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.
- 17.9 A Dissenting Shareholder who, pursuant to the exercise of its Appraisal Rights, has sent a Demand to Northam has no further rights in respect of its Northam Shares, other than to be paid their fair value and will be excluded from the Northam Scheme and will not receive the Northam Scheme Consideration, unless:
- 17.9.1 the Dissenting Shareholder withdraws that Demand before Northam makes an offer to that Dissenting Shareholder under section 164(11) of the Companies Act, or allows any offer made by Northam to lapse;
 - 17.9.2 Northam fails to make an offer in accordance with section 164(11) of the Companies Act and the Dissenting Shareholder withdraws its Demand; or
 - 17.9.3 Northam revokes the Northam Scheme Resolution by a subsequent Special Resolution, in which case that Dissenting Shareholder's rights in respect of the relevant Northam Shares shall, in terms of section 164(10) of the Companies Act, be reinstated without interruption. As set out in the Notice of General Meeting, a Special Resolution has been proposed to Northam Shareholders in terms of which, subject to the passing of the Northam Scheme Resolution, if the Extended BEE Transaction Conditions (as set out in paragraph 26), are not fulfilled or waived and the Northam Scheme accordingly terminates, the Northam Scheme Resolution will be revoked with effect from the date on which the Northam Scheme terminates.
- 17.10 If the Northam Scheme becomes operative, any Dissenting Shareholder whose shareholder rights are reinstated as envisaged in paragraph 17.9:
- 17.10.1 before 12:00 on the Northam Scheme Record Date, shall be deemed to be a Northam Scheme Participant and be eligible to participate in the Northam Scheme and be subject to the ordinary terms and conditions of the Northam Scheme; or
 - 17.10.2 after 12:00 on the Northam Scheme Record Date, shall be deemed to have been a Northam Scheme Participant with retrospective effect from the Northam Scheme Record Date and, as part of the Northam Scheme, authorises Northam and/or the Transfer Secretaries on its behalf to transfer its Northam Scheme Shares to Northam Holdings against settlement of the Northam Scheme Consideration and to take all other actions and steps necessary to give effect to the foregoing.
- 17.11 A Dissenting Shareholder who accepts Northam's offer made in accordance with the requirements of section 164(11) of the Companies Act will not be a Northam Scheme Participant and will not participate in the Northam Scheme. Such Dissenting Shareholder must thereafter, if it (i) holds Certificated Shares, tender the Documents of Title in respect of such Certificated Shares to Northam or the Transfer Secretaries; or (ii) holds Dematerialised Shares, instruct its Broker or CSDP to transfer those Northam Shares to Northam or the Transfer Secretaries. The Company 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 or directed the transfer to the Company or the Transfer Secretaries of the Dematerialised Shares, as the case may be.
- 17.12 A Dissenting Shareholder who considers the offer made by Northam 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 Northam Shares that were subject to the Demand, and an order requiring the Company to pay to the 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:
- 17.12.1 the Dissenting Shareholders to either withdraw their Demands or to tender their Northam Shares to the Company as contemplated in paragraph 17.11; or

- 17.12.2 Northam to pay the fair value in respect of the Northam Shares (as determined by the court) to the Dissenting Shareholders who tender their Northam Shares as contemplated in paragraph 17.11.
- 17.13 Before exercising their rights under section 164 of the Companies Act, Eligible Northam Shareholders should have regard to the following:
- 17.13.1 the Independent Expert Report as set out in annexure 4 concludes that the Northam Scheme and the Northam Scheme Consideration are fair and reasonable to Northam Shareholders; and
- 17.13.2 the court is empowered to grant a costs order in favour of, or against, a Dissenting Shareholder, as may be applicable.
- 17.14 It should be noted that one of the Extended BEE Transaction Conditions relates to the Northam Shareholders giving notice objecting to the Northam Scheme Resolution as contemplated in section 164(3) of the Companies Act and/or exercising Appraisal Rights, as set out in paragraph 26.1.3. If this Extended BEE Transaction Condition is not fulfilled or waived, the Northam Scheme will lapse and will not become operative.
- 17.15 Any Eligible Northam Shareholder who is in doubt as to what action to take must consult their legal or professional advisor in this regard.
- 17.16 A Dissenting Shareholder who is deemed to become a Northam Scheme Participant pursuant to the Dissenting Shareholder's shareholder rights being reinstated as envisaged in paragraph 17.9, will receive the Northam Scheme Consideration and, after the Northam Delisting has been effected, will be required to return a duly completed Application and Surrender Form (*pink*) and surrender their Documents of Title to Northam (marked for the attention of the Company Secretary) as follows:
- 17.16.1 by hand: Building 4, 1st Floor, Maxwell Crescent West, Waterfall City, Jukskei View, 2090, South Africa; or
- 17.16.2 by post: PO Box 412694, Craighall, 2024, South Africa.
- 17.17 Following Northam's receipt of the Dissenting Shareholder's duly completed Application and Surrender Form (*pink*) and the Documents of Title, the Northam Scheme Consideration will be settled to the relevant Dissenting Shareholder and they will have their account held at their Broker or CSDP credited with the relevant number of Northam Holdings Shares.
- 17.18 If a Dissenting Shareholder who is deemed to become a Northam Scheme Participant (as envisaged in paragraph 17.10.2), fails to claim their Northam Scheme Consideration, by delivering the duly completed Application Form and Surrender (*pink*) and the Documents of Title to Northam within 3 years after the date on which the Dissenting Shareholder's shareholder rights are reinstated as envisaged in paragraph 17.9, the Northam Scheme Consideration due to it may be disposed of at the ruling market price on behalf and at the risk of such Northam Scheme Participant, with the relevant portion of the average net proceeds of such disposal (after the deduction of all costs and taxes incurred in connection with such disposal) being paid to the benefit of the Guardian's Fund of the Master of the High Court, from which it may be claimed by such Dissenting Shareholder, subject to the requirements imposed by the Master of the High Court.

18. **AMENDMENTS, VARIATIONS AND MODIFICATIONS TO THE NORTHAM SCHEME**

Subject to compliance with the Companies Act, the Regulations and the JSE Listings Requirements, Northam and Northam Holdings will be entitled, by written agreement, to amend, vary or modify the Northam Scheme, including the Northam Scheme Resolution. All dates and times referred to in this Circular and the Northam Holdings Prospectus are subject to change. Shareholders will be notified of any material changes on SENS.

19. **NORTHAM DELISTING AND LISTING OF NORTHAM HOLDINGS SHARES**

- 19.1 If the Northam Scheme is implemented, Northam Scheme Participants will receive Northam Holdings Shares in exchange for their Northam Shares and Northam will become a Subsidiary of Northam Holdings.
- 19.2 To ensure the continuation of listing of the Northam Group on the Main Board of the JSE, if the Northam Scheme is implemented all Northam Shares will be delisted from the Main Board of the JSE and all Northam Holdings Shares will be listed on the Main Board of the JSE.

19.3 Subject to the Northam Scheme becoming operative:

- 19.3.1 the JSE has granted approval for the Northam Holdings Shares to be listed on the Main Board of the JSE at the commencement of trade on the Business Day following the Northam Scheme LDT;
- 19.3.2 trading in Northam Shares will be suspended the Business Day following the Northam Scheme LDT; and
- 19.3.3 the Northam Shares will be delisted from the Main Board of the JSE on the Business Day following the Northam Scheme Implementation Date, in terms of paragraph 1.17(b) of the JSE Listings Requirements.

20. **CONFIRMATION OF SUFFICIENT SECURITIES TO SETTLE THE NORTHAM SCHEME CONSIDERATION**

Northam Holdings confirms that it has sufficient authorised but unissued share capital available from which to issue the Northam Holdings Shares, for settlement of the Northam Scheme Consideration due to the Northam Scheme Participants. Further details of the authorised share capital of Northam Holdings are set out in paragraph 39 and annexure 10.

21. **TERMINATION OF THE NORTHAM SCHEME**

The Northam Scheme will terminate with immediate effect if any of the Extended BEE Transaction Conditions set out in paragraph 26 have not been timeously fulfilled or waived.

22. **FOREIGN SHAREHOLDERS**

Foreign Shareholders are urged to read the important information relating to the Extended BEE Transaction set out in paragraph 52 and Section 2, paragraph 3.2 of the Northam Holdings Prospectus. Foreign Shareholders who are in doubt about their position should consult their professional advisor in the relevant jurisdiction.

23. **GENERAL**

- 23.1 Upon the Northam Scheme becoming operative, the Documents of Title held by any Northam Scheme Participants will cease to be of any value, other than for the purposes of surrender in terms of the Northam Scheme, and no certificates, deeds or documents will be issued by Northam in their place.
- 23.2 For purposes of section 115(4) of the Companies Act, as at the Last Practicable Date, there are no voting rights in respect of the Northam Shares which cannot be taken into account in calculating the percentage of voting rights required:
 - 23.2.1 to determine whether the applicable quorum of Northam Shareholders is present at the General Meeting; and
 - 23.2.2 to approve the Northam Scheme Resolution.
- 23.3 The Northam Scheme shall be governed by the laws of South Africa. As part of the Northam Scheme each Northam 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 Northam Scheme.

24. **GENERAL MEETING**

The General Meeting will be held entirely by electronic communication at **10:00 on Wednesday, 30 June 2021**. Northam Shareholders are referred to section A of “*Action required by Shareholders in respect of the Transaction*”, titled “*Voting, attendance and representation at the General Meeting*” commencing on page 8 for information regarding voting, attendance and representation at the General Meeting.

SECTION D: EXTENDED BEE TRANSACTION

The definitions and interpretations commencing on page 15, apply to this section, unless otherwise stated or the context so requires.

25. EXTENDED BEE TRANSACTION

Following implementation of the Northam Scheme, ownership in Northam by HDPs will be restored in terms of the Extended BEE Transaction, the terms and conditions of which are as follows:

25.1 HDP SPV

25.1.1 HDP SPV Subscription, HDP SPV Pref Subscription and HDP Security SPV Subscription

- 25.1.1.1 HDP SPV will, indirectly through HDP Security SPV, subscribe for, and Northam Holdings will issue to HDP Security SPV, the HDP SPV Subscription Shares at the Subscription Price, such that the collective effective see-through shareholding in Northam by the SPVs will amount to up to 26.5% in aggregate (net of Treasury Shares), post implementation of the Northam Scheme and the issue of the HDP SPV Subscription Shares and the BEE SPV Subscription Shares (“**HDP SPV Subscription**”).
- 25.1.1.2 The number of HDP SPV Subscription Shares will depend on, *inter alia*, (i) the number of Northam Holdings Shares issued pursuant to the Northam Scheme (which will be subject to the number of Northam Shares repurchased by Northam pursuant to the Share Acquisitions Scheme); and (ii) the shareholding of the BEE SPVs in Northam (net of Treasury Shares).
- 25.1.1.3 The subscription consideration payable for the HDP SPV Subscription Shares will be funded as follows:
 - 25.1.1.3.1 Northam Holdings will subscribe for A Preference Shares and B Preference Shares in HDP SPV, with an aggregate subscription consideration equal to the Subscription Price multiplied by the number of HDP SPV Subscription Shares (“**HDP SPV Pref Subscription**”); and
 - 25.1.1.3.2 HDP SPV will utilise the proceeds from the HDP SPV Pref Subscription to subscribe for ordinary shares in HDP Security SPV, so as to enable HDP Security SPV to subscribe for the HDP SPV Subscription Shares and settle the subscription consideration payable for the HDP SPV Subscription Shares pursuant to the HDP SPV Subscription (“**HDP Security SPV Subscription**”).
- 25.1.1.4 The HDP SPV Subscription Shares will rank *pari passu* with all other Northam Holdings Shares in issue.
- 25.1.1.5 The HDP SPV Subscription will be subject to the terms set out in paragraph 25.4.
- 25.1.1.6 Implementation of the HDP SPV Subscription, the HDP SPV Pref Subscription and the HDP Security SPV Subscription will be conditional on, *inter alia*, the fulfilment or waiver of the Extended BEE Transaction Conditions set out in paragraph 26.
- 25.1.1.7 Following implementation of the HDP SPV Subscription the shareholders of Northam Holdings will comprise the Northam Scheme Participants (which will include the Zambezi Ordinary Shareholders) and HDP SPV (indirectly through HDP Security SPV).

25.1.2 HDP SPV Share Issue

- 25.1.2.1 Following implementation of the HDP SPV Subscription, HDP SPV will issue HDP SPV Shares for a nominal consideration, to a minimum of 5 HDP Entities.

- 25.1.2.2 The number of HDP SPV Shares to be issued pursuant to the HDP SPV Share Issue and the allocation thereof amongst the HDP Entities depends on Northam Holdings and Northam reaching agreement with each of the relevant HDP Entities.
- 25.1.2.3 Following implementation of the HDP SPV Share Issue, HDP SPV will no longer be a Subsidiary of Northam Holdings.
- 25.1.2.4 Implementation of the HDP SPV Share Issue will be conditional on, *inter alia*, the fulfilment or waiver of the Extended BEE Transaction Conditions, as set out in paragraph 26.

25.1.3 **HDP SPV Listing**

- 25.1.3.1 Following implementation of the HDP SPV Subscription and the HDP SPV Share Issue, it is envisaged that the HDP SPV Shares will in due course be listed on the BEE Segment of the Main Board of the JSE in terms of paragraph 4.32 of the JSE Listings Requirements, in order to facilitate the trading of HDP SPV Shares amongst BEE Compliant Persons.
- 25.1.3.2 In terms of the rules of the BEE Segment, for so long as they are listed, the HDP SPV Shares and the beneficial interests therein shall only be capable of transfer to verified BEE Compliant Persons.
- 25.1.3.3 In due course, an application will be made to the JSE and a pre-listing statement and/or prospectus will be issued for purposes of the HDP SPV Listing.

25.1.4 **Distributions**

- 25.1.4.1 For so long as the A Preference Shares issued by HDP SPV remain outstanding, any Distributions made by Northam Holdings in respect of the HDP SPV Subscription Shares held by HDP Security SPV will be utilised by HDP Security SPV as follows:
 - 25.1.4.1.1 firstly, to provide for and pay its taxes;
 - 25.1.4.1.2 thereafter, to provide for and pay its permitted operational expenses (including any associated funding from the Northam Group) which are not settled by Northam Holdings or Northam in terms of the relevant HDP SPV Administration Services Agreement; and
 - 25.1.4.1.3 thereafter, the balance of the available funds to make a Distribution in respect of the ordinary shares held by HDP SPV in HDP Security SPV.
- 25.1.4.2 For so long as the A Preference Shares issued by HDP SPV remain outstanding, the Distributions made by HDP Security SPV in respect of the ordinary shares held by HDP SPV in HDP Security SPV (as envisaged in paragraph 25.1.4.1.3) will be utilised by HDP SPV as follows:
 - 25.1.4.2.1 firstly, to provide for and pay its taxes;
 - 25.1.4.2.2 thereafter, to provide for and pay its permitted operational expenses (including any associated funding from the Northam Group) which are not settled by Northam Holdings or Northam, *inter alia*, in terms of the relevant HDP SPV Administration Services Agreement;
 - 25.1.4.2.3 thereafter, no less than 5% of the available funds will be utilised to make a Distribution of a trickle dividend to the holders of HDP SPV Shares in order to ensure value transfer to the ordinary shareholders of HDP SPV during the Empowerment Term; and
 - 25.1.4.2.4 thereafter the balance of the available funds will be utilised to service the A Preference Shares and B Preference Shares issued by HDP SPV.

25.1.5 **Unwinding of the HDP structure at the end of the Empowerment Term**

- 25.1.5.1 At the end of the Empowerment Term, the Northam Holdings Shares ultimately held by HDP SPV after settlement of the A Preference Shares and the B Preference Shares issued by HDP SPV and any other funding advanced by the Northam Group, will, at the election of Northam Holdings, be:

- 25.1.5.1.1 Distributed by HDP SPV to the holders of HDP SPV Shares as a dividend *in specie, pro rata* in accordance with their shareholdings in HDP SPV; and/or
- 25.1.5.1.2 purchased by Members of the Group for cash, at a price equal to the 30 Day VWAP on the repurchase date and the proceeds thereof will be Distributed by HDP SPV to the holders of HDP SPV Shares, *pro rata* in accordance with their shareholdings.
- 25.1.5.2 If Northam Holdings elects to have a Member of the Group purchase the Northam Holdings Shares for cash (as contemplated in paragraph 25.1.5.1.2), such acquisition will be subject to compliance with the JSE Listings Requirements (if applicable) at the relevant time.

25.2 BEE SPVs

25.2.1 BEE SPV Subscriptions, BEE SPV Pref Subscriptions and BEE Security SPV Subscriptions

- 25.2.1.1 Each of the Employee SPV and Community SPV will, indirectly through Employee Security SPV and Community Security SPV, respectively, subscribe for, and Northam will issue to them, the BEE SPV Subscription Shares at the Subscription Price, such that the collective shareholding in Northam by Employee SPV and Community SPV (indirectly through the BEE Security SPVs) will amount to no more than 23% of the total Northam Shares in issue (net of Treasury Shares) post implementation of the Northam Scheme and the issue of the BEE SPV Subscription Shares (collectively, the “**BEE SPV Subscriptions**”).
- 25.2.1.2 The number of BEE SPV Subscription Shares will depend on, *inter alia*, the percentage allocation agreed to between Northam, Northam Holdings and the BEE SPVs and the number of Northam Holdings Shares issued pursuant to the Northam Scheme (which will be subject to the number of Northam Shares repurchased by Northam pursuant to the Share Acquisitions Scheme), but will in aggregate not exceed 23% of the Northam Shares in issue (net of Treasury Shares).
- 25.2.1.3 The aggregate subscription consideration payable for the BEE SPV Subscription Shares will be funded as follows:
 - 25.2.1.3.1 Northam will subscribe for A Preference Shares and B Preference Shares in each of the BEE SPVs, with an aggregate subscription consideration equal to the Subscription Price multiplied by the number of BEE SPV Subscription Shares (collectively, the “**BEE SPV Pref Subscriptions**”); and
 - 25.2.1.3.2 each of the BEE SPVs will utilise the proceeds from the BEE SPV Pref Subscriptions to subscribe for ordinary shares in the relevant BEE Security SPV to enable the BEE Security SPVs to subscribe for the BEE SPV Subscription Shares and settle the subscription consideration payable for the BEE SPV Subscription Shares pursuant to the BEE SPV Subscriptions (collectively, the “**BEE Security SPV Subscriptions**”).
- 25.2.1.4 The BEE SPV Subscription Shares will rank *pari passu* with all other Northam Shares in issue.
- 25.2.1.5 The BEE SPV Subscriptions will be subject to the terms set out in paragraph 25.4.
- 25.2.1.6 Implementation of the BEE SPV Subscriptions, BEE SPV Pref Subscriptions and the BEE Security SPV Subscriptions will be conditional on, *inter alia*, the fulfilment or waiver of the Extended BEE Transaction Conditions set out in paragraph 26.
- 25.2.1.7 Following implementation of the BEE SPV Subscriptions, the shareholders of Northam will comprise Northam Holdings, Zambezi and the BEE SPVs (indirectly through the BEE Security SPVs).

25.2.2 BEE SPV Share Issues

- 25.2.2.1 Following implementation of the BEE SPV Subscriptions, Employee SPV will issue Employee SPV Shares to the Employee Entities and Community SPV will issue Community SPV Shares to the Community Entities.
- 25.2.2.2 The number of BEE SPV Shares to be issued pursuant to the BEE SPV Share Issues and the allocation of the relevant BEE SPV Shares amongst the Employee Entities and the Community Entities, depends on Northam Holdings and Northam reaching agreement with each of the relevant Employee Entities and Community Entities.
- 25.2.2.3 It is envisaged that the transfer of BEE SPV Shares will be restricted as contemplated in paragraph 25.4.
- 25.2.2.4 Following implementation of the BEE SPV Share Issues, Employee SPV and Community SPV will no longer be Subsidiaries of Northam.
- 25.2.2.5 Implementation of the BEE SPV Share Issues will be conditional on, *inter alia*, the fulfilment or waiver of the Extended BEE Transaction Conditions set out in paragraph 26.

25.2.3 Distributions

- 25.2.3.1 For so long as the A Preference Shares issued by a BEE SPV remain outstanding, any Distributions made by Northam in respect of the BEE SPV Subscription Shares held by the relevant BEE Security SPV will be utilised by such BEE Security SPV as follows:
 - 25.2.3.1.1 firstly, to provide for and pay its taxes;
 - 25.2.3.1.2 thereafter, to provide for and pay its permitted operational expenses (including any associated funding from the Northam Group) which are not settled by Northam in terms of the relevant BEE SPV Administration Services Agreement; and
 - 25.2.3.1.3 thereafter, the balance of the available funds to make a Distribution in respect of the ordinary shares held by the BEE SPVs in the BEE Security SPVs.
- 25.2.3.2 For so long as the A Preference Shares issued by a BEE SPV remain outstanding, the Distributions made by the relevant BEE Security SPV in respect of the ordinary shares held by such BEE SPVs in the relevant BEE Security SPV (as contemplated in paragraph 25.2.3.1.3), will be utilised by such BEE SPV as follows:
 - 25.2.3.2.1 firstly, to provide for and pay its taxes;
 - 25.2.3.2.2 thereafter, to provide for and pay its permitted operational expenses (including any associated funding from the Northam Group) which are not settled by Northam in terms of the relevant BEE SPV Administration Services Agreement;
 - 25.2.3.2.3 thereafter, no less than 5% of the available funds will be utilised to make a Distribution of a trickle dividend to the holders of BEE SPV Shares in order to ensure value transfer to the ordinary shareholders of the relevant BEE SPV during the Empowerment Term; and
 - 25.2.3.2.4 thereafter, the balance of the available funds will be utilised to service the A Preference Shares and B Preference Shares issued by the BEE SPVs.
- 25.2.3.3 The Distributions made by the BEE SPVs in respect of the BEE SPV Shares held by the Employee Entities or the Community Entities, as the case may be, will be utilised by the Employee Entities and Community Entities as follows:
 - 25.2.3.3.1 firstly, to provide for and pay its taxes;
 - 25.2.3.3.2 secondly, to provide for and pay its permitted operational expenses (including any associated funding from the Northam Group); and

25.2.3.3.3 thereafter, the balance of the available funds will be utilised for purposes of (i) in the case of the Employee Entities, funding Employee development activities such as education projects or paying cash bonuses to Employees; and (ii) in the case of the Community Entities, funding Community development activities including healthcare, education and development projects.

25.2.4 **Annual BEE SPV Advances**

25.2.4.1 In order to ensure the realisation and transfer of value to Employee SPV and Community SPV on an annual basis for the benefit of their respective beneficiaries over the Empowerment Term, Members of the Group may provide funding to the BEE SPVs, the Employee Entities and/or the Community Entities of up to R150 million in aggregate per annum, escalating annually by no more than 5% over the Empowerment Term, by way of loan funding or the subscription for appropriate instruments ("**Annual BEE SPV Advances**").

25.2.4.2 The Annual BEE SPV Advances will be applied towards employee or community-based initiatives, as the case may be, as envisaged in paragraph 25.2.3.3.3.

25.2.5 **Unwind of the BEE SPV structure at the end of the Empowerment Term**

25.2.5.1 At the end of the Empowerment Term, the Northam Shares ultimately held by each of the BEE SPVs after settlement of the A Preference Shares and the B Preference Shares issued by each of them and any other funding advanced by Members of the Group will, at the election of Northam and/or Northam Holdings, be:

25.2.5.1.1 Distributed by the relevant BEE SPV to the Employee Entities or the Community Entities, as the case may be, as a dividend *in specie, pro rata* in accordance with their shareholdings in the relevant BEE SPV;

25.2.5.1.2 purchased by Members of the Group at the 30 Day VWAP on the purchase date (subject to the necessary adjustment for the enterprise value of Northam Holdings attributable to Northam) and the proceeds thereof Distributed by the relevant BEE SPV to the Employee Entities or the Community Entities, as the case may be, as a cash dividend, *pro rata* in accordance with their shareholdings in the relevant BEE SPV; and/or

25.2.5.1.3 purchased by Northam Holdings in exchange for the issue of Northam Holdings Shares and such Northam Holdings Shares will be Distributed by the BEE SPVs to the Employee Entities or the Community Entities, as the case may be, as a dividend *in specie, pro rata* in accordance with their shareholdings in the relevant BEE SPV.

25.2.5.2 If Northam Holdings and/or Northam elects to (i) have a Member of the Group purchase the Northam Shares for cash (as contemplated in paragraph 25.2.5.1.2) or (ii) purchase the Northam Shares and issue Northam Holdings Shares (as contemplated in paragraph 25.2.5.1.3), as the case may be, such acquisitions will be subject to compliance with the JSE Listings Requirements (if applicable) at the relevant time.

25.3 **Issue of "N" shares**

25.3.1 It is anticipated that:

25.3.1.1 Northam Holdings may subscribe for an "N" share in HDP SPV and/or HDP Security SPV for a nominal subscription consideration; and

25.3.1.2 Northam may subscribe for an "N" share in each of the BEE SPVs and/or BEE Security SPVs for a nominal subscription consideration.

25.3.2 These "N" shares issued by the SPVs and the Security SPVs will entitle Northam Holdings and Northam to certain rights in order to ensure compliance by the SPVs and Security SPVs with the applicable Extended BEE Transaction Agreements and the A Preference Share Terms and B Preference Share Terms.

25.4 Lock-in and BEE undertakings

25.4.1 In terms of the relevant Subscription and Relationship Agreements, it is proposed that:

25.4.1.1 for purposes of securing the HDP ownership credentials which will accrue to the Northam Group pursuant to the Subscriptions:

25.4.1.1.1 each SPV will undertake not to dispose of nor encumber the ordinary shares held by it in the relevant Security SPV for the duration of the Empowerment Term other than pursuant to the applicable Extended BEE Transaction Agreements;

25.4.1.1.2 each Security SPV will undertake not to dispose of nor encumber the HDP SPV Subscription Shares or BEE SPV Subscription Shares, as the case may be, held by it, for the duration of the Empowerment Term other than pursuant to the Extended BEE Transaction Agreements;

25.4.1.1.3 no transfers of BEE SPV Shares will be permitted for the duration of the Empowerment Term, save with Northam Holdings' or Northam's prior written consent; and

25.4.1.1.4 no transfers of HDP SPV Shares will be permitted until the HDP SPV Listing without Northam Holdings' prior written consent, whereafter the transfers of HDP SPV Shares will be restricted to trading amongst BEE Compliant Persons,

(collectively, the "**Lock-in Arrangements**");

25.4.1.2 it will be agreed that:

25.4.1.2.1 each Security SPV will be deemed to have offered to sell the relevant HDP SPV Subscription Shares or BEE SPV Subscription Shares, as the case may be, held by it to Northam Holdings, Northam or their respective nominees at a purchase price equal to the 30 Day VWAP on the applicable offer date (subject to the necessary adjustments for the enterprise value of Northam Holdings attributable to Northam, in the case of an offer of Northam Shares), or a discount thereto in the event that, *inter alia*, it becomes subject to an insolvency event or it breaches any of its obligations, undertakings or warranties in terms of the applicable Subscription and Relationship Agreement; and

25.4.1.2.2 each SPV will be deemed to have offered to sell the ordinary shares in the relevant Security SPV, held by it to Northam Holdings, Northam or their respective nominees at a purchase price equal to the 30 Day VWAP on the applicable offer date (subject to the necessary adjustments for the enterprise value of Northam Holdings attributable to Northam, in the case of an offer of Northam Shares), or a discount thereto in the event that, *inter alia*, it becomes subject to an insolvency event or it breaches any of its obligations, undertakings or warranties in terms of the applicable Subscription and Relationship Agreement,

(**"Deemed Offers"**).

25.4.2 If a Deemed Offer is triggered, any acquisition of the relevant shares by a Member of the Group will be subject to compliance with the JSE Listings Requirements (if applicable) at the relevant time.

25.5 Security arrangements

It is proposed that in order to, *inter alia*, secure the obligations of:

25.5.1 (i) each SPV under the A Preference Share Terms and B Preference Share Terms; and (ii) each Security SPV under the applicable Subscription and Relationship Agreement, HDP Security SPV and each BEE Security SPV will enter into the Security SPV Guarantees and the Security SPV Pledge and Cession Agreements;

- 25.5.2 (i) each SPV under the A Preference Share Terms and B Preference Share Terms; and (ii) each SPV under the applicable Subscription and Relationship Agreements, HDP SPV and each BEE SPV will enter into the SPV Pledge and Cession Agreements; and
- 25.5.3 each of the Employee Entities and the Community Entities under the applicable Subscription and Relationship Agreement, each of the Employee Entities and the Community Entities will enter into the SPV Shareholder Pledge and Cession Agreements.

25.6 Administration of the SPVs and Security SPVs

- 25.6.1 For purposes of ensuring that the SPVs do not, *inter alia*, incur any liabilities or indebtedness, and that they remain ring-fenced, it is proposed that administration services agreements are entered into between:
 - 25.6.1.1 Northam Holdings and/or Northam, HDP Security SPV and HDP SPV in terms of which Northam Holdings or Northam will be appointed to attend to the day-to-day administration of HDP Security SPV and HDP SPV and Northam Holdings or Northam will agree to pay the permitted operational expenses of these entities up to an aggregate amount of R3 million per annum, escalating at up to 5% annually (“**HDP SPV Permitted Expenses Threshold**”), (collectively, the “**HDP SPV Administration Services Agreements**”).
 - 25.6.1.2 Northam, the BEE Security SPVs and the BEE SPVs in terms of which Northam will be appointed to attend to the day-to-day administration of each of the BEE SPVs and BEE Security SPVs and Northam will agree to pay the permitted operational expenses of each of these entities up to an amount of R1 million per annum, escalating at up to 5% annually (“**BEE SPV Permitted Expenses Threshold**”), (collectively, the “**BEE SPV Administration Services Agreements**”).
- 25.6.2 Any permitted operational expenses in excess of the HDP SPV Permitted Expenses Threshold and BEE SPV Permitted Expenses Threshold may be funded by the Northam Group at its discretion by way of a loan or the subscription for an appropriate instrument (“**Additional Financial Assistance**”).
- 25.6.3 If the Additional Financial Assistance is implemented by way of the subscription of an appropriate instrument, such subscription will be subject to compliance with the JSE Listings Requirements (if applicable) at the relevant time.

25.7 Acceleration of maturity of the Extended BEE Transaction

Northam Holdings and/or Northam will be entitled to accelerate the maturity of the Extended BEE Transaction after the 5th anniversary of its implementation if, *inter alia*, there are changes to HDP ownership requirements set out in the BEE Laws.

For the avoidance of doubt, Zambezi and the current Zambezi Ordinary Shareholders, including the ultimate beneficiaries (other than the BEE Trusts and their beneficiaries) shall not participate in, nor be a beneficiary of, the Extended BEE Transaction (whether directly or indirectly), unless they acquire listed HDP SPV Shares in the market in their capacity as BEE Compliant Persons pursuant to the HDP SPV Listing.

26. EXTENDED BEE TRANSACTION CONDITIONS

- 26.1 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**”):
 - 26.1.1 the Ordinary Resolutions and Special Resolutions required in order to approve and implement the Extended BEE Transaction are adopted by Northam Shareholders at the General Meeting, including the following resolutions:
 - 26.1.1.1 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
 - 26.1.1.2 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;

- 26.1.2 in the event of the provisions of section 115(2)(c) of the Companies Act becoming applicable in relation to the Northam Scheme Resolution:
 - 26.1.2.1 by no later than the 40th Business Day after the Northam Scheme Resolution is adopted:
 - 26.1.2.1.1 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
 - 26.1.2.1.2 the provisions of section 115(2)(c) of the Companies Act cease to be applicable; and
 - 26.1.2.2 if applicable, Northam not treating the Northam Scheme Resolution as a nullity as contemplated in section 115(5)(b) of the Companies Act;
- 26.1.3 in relation to the Northam Scheme Resolution, either:
 - 26.1.3.1 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 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
 - 26.1.3.2 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;
- 26.1.4 by no later than 30 July 2021, all the Extended BEE Transaction Agreements are entered into and have become unconditional in accordance with their terms;
- 26.1.5 the written consent or waiver of the relevant counterparties to any material contracts to which a Member of the Group is a party, is obtained in relation to the implementation of the Extended BEE Transaction, to the extent required;
- 26.1.6 by no later than 16 August 2021, the Zambezi Scheme Conditions are timeously fulfilled or waived and the Zambezi Scheme is implemented; and
- 26.1.7 by no later than 27 August 2021:
 - 26.1.7.1 the Transaction Conditions are timeously fulfilled or waived and the Repurchase is implemented; and
 - 26.1.7.2 a Compliance Certificate is issued in respect of the Northam Scheme.
- 26.2 If the Extended BEE Transaction Conditions are not timeously fulfilled or waived, then the Extended BEE Transaction will lapse and will not be implemented.
- 26.3 The Extended BEE Transaction Conditions envisaged in:
 - 26.3.1 paragraphs 26.1.3 to 26.1.5 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

- 26.3.2 paragraphs 26.1.1, 26.1.2, 26.1.6 and 26.1.7 are not capable of being waived. However, Northam shall be entitled to, upon written notice to Northam Holdings prior to any such conditions precedent having failed, extend the time and/or date for fulfilment of any such conditions precedent from time to time.

27. INFORMATION REGARDING THE SPVs AND SECURITY SPVs

27.1 HDP SPV and HDP Security SPV

Northam Holdings will incorporate:

- 27.1.1 HDP Security SPV as a special purpose ring-fenced company for purposes of the Extended BEE Transaction and ancillary matters, including (i) subscribing for the HDP SPV Subscription Shares; (ii) issuing ordinary shares to HDP SPV; and (iii) holding the Northam Holdings Shares subscribed for pursuant to the HDP SPV Subscription for the benefit of holders of HDP SPV Shares. Prior to the issue of ordinary shares to HDP SPV, HDP Security SPV will be a wholly-owned Subsidiary of Northam Holdings; and
- 27.1.2 HDP SPV as a special purpose ring-fenced company for purposes of the Extended BEE Transaction and ancillary matters, including (i) indirectly subscribing for the HDP SPV Subscription Shares (indirectly through HDP Security SPV); (ii) issuing A Preference Shares and B Preference Shares for purposes of funding the HDP SPV Subscription and ancillary matters; (iii) issuing HDP SPV Shares to the HDP Entities; and (iv) the HDP SPV Listing. Prior to the issue of the HDP SPV Shares to the HDP Entities, HDP SPV will be a wholly-owned Subsidiary of Northam Holdings.

27.2 Community SPV and Community Security SPV

Northam will incorporate:

- 27.2.1 Community Security SPV as a special purpose ring-fenced company for purposes of the Extended BEE Transaction and ancillary matters, including (i) subscribing for the relevant BEE SPV Subscription Shares; (ii) issuing ordinary shares to Community SPV; and (iii) holding the Northam Shares subscribed for pursuant to the relevant BEE SPV Subscription for the benefit of the Community Entities. Prior to the issue of ordinary shares to Community SPV, Community Security SPV will be a wholly-owned Subsidiary of Northam; and
- 27.2.2 Community SPV as a special purpose ring-fenced company for purposes of the Extended BEE Transaction and ancillary matters, including (i) indirectly subscribing for the relevant BEE SPV Subscription Shares (indirectly through Community Security SPV); (ii) issuing A Preference Shares and B Preference Shares for purposes of funding the relevant BEE SPV Subscription and ancillary matters; and (iii) issuing Community SPV Shares to the Community Entities. Prior to the issue of the Community SPV Shares to the Community Entities, Community SPV will be a wholly-owned Subsidiary of Northam.

27.3 Employee SPV and Employee Security SPV

Northam will incorporate:

- 27.3.1 Employee Security SPV as a special purpose ring-fenced company for purposes of the Extended BEE Transaction and ancillary matters, including (i) subscribing for the relevant BEE SPV Subscription Shares; (ii) issuing ordinary shares to Employee SPV; and (iii) holding the Northam Shares subscribed for pursuant to the relevant BEE SPV Subscription for the benefit of the Employee Entities. Prior to the issue of ordinary shares to Employee SPV, Employee Security SPV will be a wholly-owned Subsidiary of Northam; and
- 27.3.2 Employee SPV as a special purpose ring-fenced company for purposes of the Extended BEE Transaction and ancillary matters, including (i) indirectly subscribing for the relevant BEE SPV Subscription Shares (indirectly through Employee Security SPV); (ii) issuing A Preference Shares and B Preference Shares for purposes of funding the relevant BEE SPV Subscription

and ancillary matters; and (iii) issuing Employee SPV Shares to the Employee Entities. Prior to the issue of the Employee SPV Shares to the Employee Entities, Employee SPV will be a wholly-owned Subsidiary of Northam.

- 27.4 Following implementation of the HDP Security SPV Subscription, the BEE Security SPV Subscriptions and the SPV Share Issues, other than the initial ordinary share in each of the SPVs and the Security SPVs issued to Northam Holdings or Northam, as the case may be, 100% of the issued ordinary shares in (i) the SPVs will be held by the HDP Entities, Community Entities or Employee Entities, as the case may be; and (ii) the Security SPVs will be held by HDP SPV, Community SPV or Employee SPV, as the case may be.
- 27.5 At incorporation, the directors of the SPVs and Security SPVs will comprise 3 persons nominated by a Member of the Group. Following implementation of the HDP Security SPV Subscription, the BEE Security SPV Subscriptions and the SPV Share Issues, a Member of the Group will be entitled to appoint at least 2 directors to the respective boards of the SPVs and Security SPVs, provided that the majority of the directors of the respective boards will be elected by the holders of the ordinary shares in the respective SPVs and Security SPVs. Until such time as the respective boards of the SPVs and Security SPVs are reconstituted, such that majority of the respective boards comprise of persons elected by the holders of the ordinary shares in the respective SPVs and Security SPVs, the HDP SPV Subscription Shares and the BEE SPV Subscription Shares will not have their votes counted at general meetings of shareholders of Northam Holdings and Northam, respectively.
- 27.6 For the duration of the Empowerment Term, the SPVs and the Security SPVs will be subject to the Lock-in Arrangements (as contemplated in paragraph 25.4.1.1) and the operations of these companies will be restricted to activities related to the Extended BEE Transaction. Accordingly, these SPVs will be prohibited from undertaking certain activities including, *inter alia*:
- 27.6.1 incurring financial indebtedness;
 - 27.6.2 conducting any business activities;
 - 27.6.3 disposing of or encumbering any assets; and
 - 27.6.4 increasing, reducing, or modifying its issued share capital,
- other than pursuant to the Extended BEE Transaction.

28. NORTHAM SHAREHOLDER APPROVAL REQUIREMENTS AND EXERCISE OF VOTING RIGHTS

28.1 HDP SPV Subscription, HDP SPV Pref Subscription and HDP Security SPV Subscription

- 28.1.1 The HDP SPV Subscription will amount to an issue of securities by Northam Holdings (which will be the listed issuer at the time) to HDP Security SPV (a wholly-owned Subsidiary of Northam Holdings at the time). In the circumstances, implementation of the HDP SPV Subscription is subject to, *inter alia*, the adoption of an Ordinary Resolution (requiring approval of a 75% majority) by Northam Shareholders authorising the specific issue for cash in accordance with paragraph 5.51(g) of the JSE Listings Requirements. No Northam Shareholders will be precluded from voting on such resolution.
- 28.1.2 The HDP SPV Pref Subscription and HDP Security SPV Subscription will amount to transactions between wholly-owned Subsidiaries of Northam Holdings and are therefore not subject to Northam Shareholder approval in accordance with the exclusion set out in paragraph 9.1(c)(iii) of the JSE Listings Requirements as read with paragraph 3.35 of the JSE Listings Requirements.

28.2 HDP SPV Share Issue

The HDP SPV Share Issue will amount to an issue of securities by HDP SPV (a wholly-owned Subsidiary of Northam Holdings at the time) to HDP Entities, as contemplated in paragraph 3.35 as read with paragraph 9.1(c)(i) of the JSE Listings Requirements. In the circumstances and considering that Northam Holdings will provide financial assistance in connection with the HDP SPV Share Issue, through the HDP SPV Pref Subscription, the HDP SPV Share Issue will be classified as a Category 1 transaction in terms of the JSE Listings Requirements. In the circumstances, implementation of the HDP SPV Share Issue is subject to, *inter alia*, the adoption of an Ordinary Resolution by Northam Shareholders approving the HDP SPV Share Issue in accordance with paragraph 9.20(b) of the JSE Listings Requirements. No Northam Shareholders will be precluded from voting on such resolution.

28.3 BEE SPV Subscriptions, BEE SPV Pref Subscriptions and BEE Security SPV Subscriptions

- 28.3.1 The BEE SPV Subscriptions will amount to an issue of securities by Northam (which will not be a listed issuer at the time) to the BEE Security SPVs (wholly-owned Subsidiaries of Northam at the time). At the time of implementation of the BEE SPV Subscriptions, BEE SPV Pref Subscriptions and the BEE Security SPV Subscriptions, all the Northam Shares will be held by Northam Holdings and Zambezi (and Northam will have 99% voting control and 100% economic control of Zambezi at such time). In the circumstances, the BEE SPV Subscriptions, BEE SPV Pref Subscriptions and the BEE Security SPV Subscriptions will effectively amount to transactions between wholly-owned Subsidiaries of Northam Holdings and therefore are not subject to Northam Shareholder approval in terms of the JSE Listings Requirements in accordance with the exclusion set out in paragraph 9.1(c)(iii) of the JSE Listings Requirements as read with paragraph 3.35 of the JSE Listings Requirements.
- 28.3.2 The issue of the BEE SPV Subscription Shares to the BEE Security SPVs will amount to the issue of Northam Shares to Related persons of Northam since the BEE Security SPVs will be wholly-owned by Northam at the time of implementation of the BEE SPV Subscriptions. In the circumstances, implementation of the BEE SPV Subscriptions is subject to, *inter alia*, the adoption of a Special Resolution by Northam Shareholders authorising the issue in accordance with section 41(1)(b) of the Companies Act.

28.4 BEE SPV Share Issues

The BEE SPV Share Issues to the Community Entities and Employee Entities will amount to an issue of securities by wholly-owned Subsidiaries of Northam, as contemplated in paragraph 3.35 as read with paragraph 9.1(c)(i) of the JSE Listings Requirements. In the circumstances and considering that Northam will provide financial assistance in connection with the BEE SPV Share Issues, through the BEE SPV Pref Subscriptions, the BEE SPV Share Issues will be classified as a Category 1 transaction in terms of the JSE Listings Requirements. In the circumstances, implementation of the BEE SPV Share Issues is subject to, *inter alia*, the adoption of an Ordinary Resolution by Northam Shareholders approving the BEE SPV Share Issues in accordance with paragraph 9.20(b) of the JSE Listings Requirements. No Northam Shareholders will be precluded from voting on such resolution.

28.5 Financial assistance

One or more components of the Extended BEE Transaction (including the subscription by Northam for A Preference Shares and B Preference Shares in Employee SPV and Community SPV; the BEE SPV Administration Services Agreements; the HDP SPV Administration Services Agreements; the Additional Financial Assistance and the Annual BEE SPV Advances) may amount to the provision of financial assistance by Northam in terms of sections 44 and 45 of the Companies Act. In the circumstances, the provision of such financial assistance is subject to the adoption of a Special Resolution by Northam Shareholders at the General Meeting in accordance with sections 44(3)(a)(ii) and section 45(3)(a)(ii) of the Companies Act. No Northam Shareholders will be precluded from voting on such resolution.

29. GENERAL MEETING

The General Meeting will be held entirely by electronic communication at **10:00 on Wednesday, 30 June 2021**. Northam Shareholders are referred to section A of “*Action required by Shareholders in respect of the Transaction*” titled “*Voting, attendance and representation at the General Meeting*” commencing on page 8 for information regarding voting, attendance and representation at the General Meeting.

SECTION E: GENERAL

The definitions and interpretations commencing on page 15 apply to this section, unless otherwise stated or the context so requires.

30. FUTURE ACQUISITIONS OF NORTHAM HOLDINGS SHARES FROM THE BEE TRUSTS

- 30.1 Subject to reaching agreement with each of the BEE Trusts, being the Zondereinde Community Trust, the Booysendal Community Trust and the ESOP, Northam Holdings, Northam or their nominees may, from time to time, purchase all or a portion of the Northam Holdings Shares received by the BEE Trusts pursuant to the Northam Scheme in order to, *inter alia*, provide liquidity to the BEE Trusts ("**BEE Trust Repurchases**").
- 30.2 The BEE Trust Repurchases will be made at an indicative cash consideration not exceeding the prevailing 30 Day VWAP of a Northam Holdings Share as at the relevant acquisition date ("**BEE Trust Repurchase Consideration**"). The BEE Trust Repurchase Consideration will be funded from the Northam Group's income reserves.
- 30.3 The acquisitions of Northam Holdings Shares by Members of the Group in terms of the BEE Trust Repurchases will amount to a specific repurchase in terms of paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements and implementation thereof will be subject to, *inter alia*, the adoption of a Special Resolution by Northam Shareholders. The BEE Trusts disposing of Northam Holdings Shares in terms of the BEE Trust Repurchase Consideration, and their associates, will be precluded from voting on such resolution.
- 30.4 The Composite Transaction is not subject to the approval of the BEE Trust Repurchases.

31. FUTURE ACQUISITION OF NORTHAM HOLDINGS SHARES FROM THE RELEVANT ZAMBEZI SHAREHOLDERS

- 31.1 In terms of the Relevant Zambezi Shareholder Transaction Agreements, the Relevant Zambezi Shareholders may, from time to time, offer all or a portion of their Northam Holdings Shares received by them pursuant to the Northam Scheme to Northam or Northam Holdings or their nominees ("**Relevant Zambezi Shareholder Repurchases**").
- 31.2 The Relevant Zambezi Shareholder Repurchases will be made at an indicative cash consideration not exceeding the prevailing 30 Day VWAP of a Northam Holdings Share as at the relevant acquisition date ("**Relevant Zambezi Shareholder Repurchase Consideration**"). The Relevant Zambezi Shareholder Repurchase Consideration will be funded from the Northam Group's income reserves.
- 31.3 The Relevant Zambezi Shareholder Repurchases will amount to a specific repurchase in terms of paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements and implementation thereof will be subject to, *inter alia*, the adoption of a Special Resolution by Northam Shareholders. The Relevant Zambezi Shareholders disposing of Northam Holdings Shares in terms of the Relevant Zambezi Shareholder Repurchases, and their associates, will be precluded from voting on such resolution.
- 31.4 The Composite Transaction is not subject to the approval of the Relevant Zambezi Shareholder Repurchases.

32. ADDITIONAL ZAMBEZI N SHARE SUBSCRIPTION

- 32.1 It is envisaged that following the Revised Accumulated Dividends Settlement and Northam assuming control of Zambezi, Northam may from time to time subscribe for additional Zambezi N Shares in order to capitalise Zambezi so as to enable Zambezi to settle future dividends in respect of the Zambezi Preference Shares until such time as the Zambezi Preference Shares have been fully redeemed ("**Additional Zambezi N Share Subscription**").
- 32.2 The subscription consideration payable by Northam for the subscription of additional Zambezi N Shares from time to time will be equal to the amount of the dividends to be settled by Zambezi

in respect of the Zambezi Preference Shares held by Northam, in accordance with the Zambezi Pref Share Terms (as amended by the Zambezi Pref Share Term Amendments).

32.3 The subscription for additional Zambezi N Shares in terms of the Additional Zambezi N Share Subscription amounts to a subscription for securities in Zambezi by Northam. At the time of implementation of the Additional Zambezi N Share Subscriptions, it is anticipated that all the Northam Shares will be held by Northam Holdings and Zambezi (and Northam will have 99% voting control and 100% economic control of Zambezi at such time). In the circumstances, the Additional Zambezi N Share Subscription will effectively amount to a transaction between wholly-owned Subsidiaries of Northam Holdings and therefore is not subject to Northam Shareholder approval pursuant to paragraph 3.35 as read with paragraph 9.1(c)(iii) of the JSE Listings Requirements. No adjustment is made in the *pro forma* financial information for the subscription by Northam for Zambezi N Shares, contemplated in this paragraph 32, as no transactions will occur until the Composite Transaction has been concluded.

33. THE ZAMBEZI ORDINARY SHAREHOLDER LOAN

Pursuant to the Zambezi Ordinary Shareholder Loan Agreements, Northam agrees to advance to each Zambezi Ordinary Shareholder their proportionate amount (determined in accordance with their respective Zambezi Shareholdings) of R500 million together with certain “*Deemed Advances*” (as defined in the Zambezi Ordinary Shareholder Loan Agreements) in respect of the Zambezi Transaction Costs in an amount of (i) up to R18 million (plus VAT thereon) if the Transaction does not become unconditional, or (ii) R10 million (plus VAT thereon) if the Transaction becomes unconditional. The Zambezi Ordinary Shareholder Loans will:

33.1 be secured by way of each relevant Pledge and Cession Agreement entered into between each Zambezi Ordinary Shareholder and Northam on or about 2 February 2015 (as amended to cater for the Zambezi Ordinary Shareholders’ obligations to Northam under the Zambezi Ordinary Shareholder Loan Agreements);

33.2 accrue interest daily at a nominal rate equal to the aggregate of the Prime Rate and 3.5%, and compounded annually on 1 January; and

33.3 be fully repaid on (i) the Net Value Distribution Date if the Transaction becomes unconditional; or (ii) 25 May 2025 if the Transaction does not become unconditional, provided that, if Zambezi pays any Distribution in respect of the Zambezi Ordinary Shares prior to 25 May 2025, then 100% of such Distribution will be utilised to settle the Zambezi Ordinary Shareholder Loan and unpaid accrued interest thereon.

34. NORTHAM SIP AMENDMENTS

34.1 Northam established the Northam SIP in 2011 and amended the Northam SIP in 2016 following the implementation of the Zambezi BEE Transaction.

34.2 The LIM Amendments and other consequential amendments

34.2.1 The lock-in and incentive mechanism (“**LIM**”) in the Northam SIP was specifically structured to incentivise the mitigation of risks to the Company introduced by the Northam Guarantee provided by Northam, as well as to retain key members of Northam’s senior management and employees (“**Management Team**”) until the redemption of the Zambezi Preference Shares on 18 May 2025 (“**Original Maturity Date**”).

34.2.2 In terms of the rules of the Northam SIP (“**Rules**”), a redemption by Zambezi of the Zambezi Preference Shares prior to the Original Maturity Date will result in the Zambezi BEE Transaction Conditional Shares awarded to the Management Team under the LIM (“**Participants**”) being subject to a proportionate vesting with the balance lapsing (“**Proportionate Vesting**”). Implementation of the Transaction entails the Zambezi Preference Shares being redeemed by Zambezi on or prior to the Original Maturity Date, at Zambezi’s election. The Proportionate Vesting could therefore occur as a result of the implementation of the Transaction to the extent that Zambezi elects to redeem, and redeems, the Zambezi Preference Shares prior to the Original Maturity Date.

- 34.2.3 In order to maintain the retention of the Management Team and to continue to incentivise the Management Team until the Original Maturity Date, and to prevent the possible Proportionate Vesting upon implementation of the Transaction, it is proposed that the Rules be amended, with effect from the Zambezi Scheme Implementation Date, to cater for the following amendments:
- 34.2.3.1 no Proportionate Vesting will occur if Zambezi elects to redeem, and redeems, the Zambezi Preference Shares prior to the Original Maturity Date;
 - 34.2.3.2 subject to paragraphs 34.2.3.4 and 34.2.3.5, the Zambezi BEE Transaction Conditional Shares will, subject to the "*Vesting Condition*" (as defined in the Rules) being fulfilled on such date, vest on the Original Maturity Date and the "*Performance Condition*" (as defined in the Rules) relating thereto being deemed to have been fulfilled on such date;
 - 34.2.3.3 subject to paragraphs 34.2.3.4 and 34.2.3.5, dividends which are declared and paid in respect of Northam Shares from the Zambezi Scheme Implementation Date until the Original Maturity Date shall notionally accrue to the Zambezi BEE Transaction Conditional Shares and the aggregate amount of such notional dividends shall be paid in cash to the Participants within 30 days of the Original Maturity Date, provided that the vesting condition has been fulfilled on the Original Maturity Date;
 - 34.2.3.4 in relation to a "*No Fault Termination*" (as defined in the Rules), if a Participant's employment with any "*Employer Company*" (as defined in the Rules) terminates prior to the vesting date:
 - 34.2.3.4.1 then a portion of the Zambezi BEE Transaction Conditional Shares which have not vested shall be retained by the Participant as determined in accordance with the Rules, and the remaining portion of the Zambezi BEE Transaction Conditional Shares will lapse. The retained Zambezi BEE Transaction Conditional Shares shall vest on the Original Maturity Date *mutatis mutandis* in accordance with the Rules, and both the vesting condition and the performance condition relating thereto shall be deemed to have been fulfilled on such date. Dividends which are declared and paid in respect of Northam Shares from the Zambezi Scheme Implementation Date until the "*Date of Termination of Employment*" (as defined in the Rules) shall notionally accrue to the retained Zambezi BEE Transaction Conditional Shares. The aggregate amount of such notional dividends shall be paid in cash to the Participant within 30 days of the Original Maturity Date and the vesting condition shall be deemed to have been fulfilled on the Original Maturity Date; and
 - 34.2.3.4.2 as a result of a "*No Fault Termination*" (as defined in the Rules) envisaged in rule 2.1.32.1 or 2.1.32.4 of the Rules, then the Zambezi BEE Transaction Conditional Shares will vest immediately on the date of termination of employment and both the vesting condition and the performance condition relating thereto shall be deemed to have been fulfilled on such date. Dividends that are declared and paid in respect of Northam Shares from the Zambezi Scheme Implementation Date until the date of termination of employment shall notionally accrue to such Zambezi BEE Transaction Conditional Shares. The aggregate amount of such notional dividends shall be paid in cash to the Participant within 30 days of the date of termination of employment, and the vesting condition shall be deemed to have been fulfilled on the date of termination of employment; and
 - 34.2.3.5 if a Participant's employment with any employer company terminates prior to the vesting date by reason of "*Early Retirement*" (as defined in the Rules), then a portion of the Zambezi BEE Transaction Conditional Shares which have not vested shall be retained by the Participant as determined in accordance with the Rules, and the remaining portion of the Zambezi BEE Transaction Conditional Shares will lapse.

The retained portion of the Zambezi BEE Transaction Conditional Shares shall vest on the Original Maturity Date *mutatis mutandis* in accordance with the Rules, and both the vesting condition and the performance condition relating thereto shall be deemed to have been fulfilled on such date. Dividends which are declared and paid in respect of Northam Shares from the Zambezi Scheme Implementation Date until the date of termination of employment shall notionally accrue to the retained portion of the Zambezi BEE Transaction Conditional Shares envisaged in this paragraph, and the aggregate amount of such notional dividends shall be paid to the Participant within 30 days of the Original Maturity Date, and the vesting condition shall be deemed to have been fulfilled on the Original Maturity Date,

(collectively the "**LIM Amendments**").

34.2.4 In addition, with effect from the Northam Scheme Implementation Date:

34.2.4.1 the definition of "*Company*" in the Rules will be replaced with a definition of Northam Holdings; and

34.2.4.2 any awards under the Northam SIP which have vested but have not yet been settled and any future awards will, subject to the Rules (as amended pursuant to the LIM Amendments), be settled in Northam Holdings Shares rather than Northam Shares.

34.3 **The CIBB Termination**

34.3.1 As part of the LIM, the Company also introduced a short-term cash incentive bonus in respect of the Zambezi BEE Transaction ("**CIBB**") in order to incentivise and retain the Management Team over the short-term so as to continuously maintain the long-term objectives introduced by the LIM.

34.3.2 In light of the envisaged early wind-up of the Zambezi BEE Transaction, it is proposed that the Company terminate the CIBB with effect from the Zambezi Scheme Implementation Date ("**CIBB Termination**").

34.4 In order to give effect to the LIM Amendments and the CIBB Termination, the Participants have provided written consent in terms of which, *inter alia*, the Participants have consented to the LIM Amendments and the CIBB Termination ("**Northam SIP Amendments Consents**").

34.5 Implementation of the Northam SIP Amendments is subject to the adoption of an Ordinary Resolution (requiring at least 75% approval) by Northam Shareholders at the General Meeting, excluding the votes in respect of the Northam Shares held by existing participants in the Northam SIP which were acquired in terms of the Northam SIP, in accordance with paragraph 14.2 of Schedule 14 of the JSE Listings Requirements. Additionally, existing participants in the Northam SIP will not cast any votes in respect of the Northam Shares held by them which were acquired in terms of the Northam SIP, on the Northam Shareholder Resolutions.

34.6 The Composite Transaction is not subject to the approval of the Northam SIP Amendments.

35. **EFFECTS OF THE COMPOSITE TRANSACTION**

35.1 **Zambezi Scheme**

On the Zambezi Scheme becoming operative, Northam will, with effect from the Business Day following the Zambezi Scheme Implementation Date, become the sole holder of all Zambezi Preference Shares, and the Zambezi Preference Shares will be delisted from the Main Board of the JSE pursuant to the Zambezi Offer.

35.2 **Share Acquisitions Scheme**

On the Share Acquisitions Scheme becoming operative, all the Northam Shares repurchased by Northam pursuant to the Share Acquisitions Scheme will, with effect from the date on which the relevant Northam Shares are acquired, be cancelled and revert to the status of authorised but unissued shares in the share capital of Northam.

35.3 Northam Scheme

On the Northam Scheme becoming operative:

- 35.3.1 Northam Holdings will become the registered and beneficial owner of all the Northam Scheme Shares pursuant to the Northam Scheme; and
- 35.3.2 the Northam Delisting and the Northam Holdings Listing will be implemented.

35.4 Extended BEE Transaction

On the Extended BEE Transaction becoming operative:

- 35.4.1 the SPVs will acquire an interest in the Northam Holdings Shares and Northam Shares in terms of the HDP SPV Subscription and the BEE SPV Subscriptions;
- 35.4.2 each of the HDP Entities, Community Entities and Employee Entities will subscribe for HDP SPV Shares, Community SPV Shares and Employee SPV Shares, respectively;
- 35.4.3 Northam Holdings and Northam will subscribe for A Preference Shares and B Preference Shares in terms of the HDP SPV Pref Subscription and the BEE SPV Pref Subscriptions; and
- 35.4.4 ownership by HDPs (through the SPVs) in Northam will be restored to up to 26.5% (net of Treasury Shares).

36. PRO FORMA FINANCIAL INFORMATION

36.1 Pro forma financial information of the Transaction on Northam and the Composite Transaction on a Northam Scheme Participant

- 36.1.1 The tables below set out the *pro forma* financial information of (i) the Transaction (prior to implementation of the Extended BEE Transaction) on Northam reflected on a per Northam Share basis and (ii) the Composite Transaction on a Northam Scheme Participant.
- 36.1.2 The full *pro forma* financial information of Northam and Northam Holdings is presented in annexure 5, and annexure 6, respectively. This should be read in conjunction with the Independent Reporting Accountant's assurance reports thereon, as set out in annexure 7, annexure 8 and annexure 9, respectively.
- 36.1.3 The *pro forma* financial information has been prepared in order to provide information on how:
 - 36.1.3.1 the Transaction (prior to implementation of the Extended BEE Transaction) may affect the financial performance and position of Northam, by illustrating the effect thereof on the basic and diluted earnings per share ("**EPS**"), basic and diluted headline earnings per share ("**HEPS**"), the net asset value per share ("**NAVPS**") and the tangible net asset value per share ("**TNAVPS**") of a Northam Share; and
 - 36.1.3.2 the Composite Transaction may affect the financial performance and position of Northam and Northam Holdings, by illustrating the effect thereof on the EPS, HEPS, NAVPS and TNAVPS of a Northam Share that a Northam Scheme Participant will be exchanging for the EPS, HEPS, NAVPS and TNAVPS per Northam Holdings Share.
- 36.1.4 The *pro forma* financial information of the Composite Transaction on a Northam Scheme Participant reflects a comparison of:
 - 36.1.4.1 the historical financial information extracted, without adjustment, and/or derived from Northam's condensed reviewed interim financial results for the 6 months ended 31 December 2020 ("**Northam's Interim Results**") (an extract of which is included in annexure 15), adjusted for post balance sheet adjustments and the Transaction (prior to implementation of the Extended BEE Transaction) (further details of which are contained in annexure 5) ("**Northam's Pro Forma Financial Information**"); and
 - 36.1.4.2 the historical financial information extracted, without adjustment, from Northam Holdings' audited financial statements as at the date of incorporation (which information is included in annexure 16), adjusted for the Composite Transaction (further details of which are contained in annexure 6) ("**Northam Holdings' Pro Forma Financial Information**"),

by multiplying the Northam Holdings' *Pro Forma* Financial Information by the exchange ratio of one Northam Holdings Share for every Northam Share (after implementation of the Transaction but prior to implementation of the Extended BEE Transaction), to provide the *pro forma* financial information of the Composite Transaction on a Northam Scheme Participant.

- 36.1.5 The *pro forma* financial information assumes, *inter alia*, that all Zambezi Scheme Conditions and Transaction Conditions 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 (prior to implementation of the Extended BEE Transaction) on a Shareholder or on Northam and the Composite Transaction on a Northam Scheme Participant, had the Composite Transaction been implemented on 1 July 2020 for purposes of EPS and HEPS and on 31 December 2020 for purposes of NAVPS and TNAVPS.
- 36.1.6 As the Composite Transaction is subject to Shareholder approval and, as a result of possible movements in the share price of a Northam Share before the General Meeting, the following scenarios have been presented:
- **Base Case Scenario:** The 30 Day VWAP and the closing share price of a Northam Share of R259.07 is calculated as at the Last Practicable Date.
 - **Scenario 1:** The 30 Day VWAP and the closing share price of a Northam Share of R310.88 is calculated as 20% higher than the 30 Day VWAP and the closing share price on the Last Practicable Date.
 - **Scenario 2:** The 30 Day VWAP and the closing share price of a Northam Share of R207.26 is calculated as 20% lower than the 30 Day VWAP and the closing share price on the Last Practicable Date.
- 36.1.7 The *pro forma* financial information set out below is the responsibility of Northam Directors and Northam Holdings Directors.
- 36.1.8 The *pro forma* financial information is provided for illustrative purposes only, and because of its nature, may not fairly represent the financial performance and position of Northam, Northam Holdings, a Shareholder or a Northam Scheme Participant after the implementation of the Transaction and/or the Composite 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 the Last Practicable Date. For the avoidance of doubt:
- 36.1.8.1 the actual adjustments will be determined with reference to, *inter alia*, the 30 Day VWAP immediately prior to the implementation of the various components of the Composite Transaction; and
- 36.1.8.2 the *pro forma* financial information assumes that the Transaction (including, *inter alia*, the Zambezi Preference Share Redemption) and/or the Composite Transaction is implemented on a single date and does not consider, *inter alia*, the cash flows that have accrued / will accrue to Northam and Northam Holdings post 31 December 2020 and the actual dates on which the various components of the Composite Transaction are implemented (i.e. the Zambezi Preference Share Redemption and the related tax event that may arise at any time up to 17 May 2025 and the tax payment in step 7 which will take place on or before Northam Group's first provisional or final (as the case may be) tax payment date after implementation of the Net Value Distribution). Accordingly, the *pro forma* financial information should not be used in assessing the solvency and liquidity of the Northam Group (refer to paragraph 10.4 in relation to the solvency and liquidity statement by the Northam Board and Section 3, paragraph 1.2 of the Northam Holdings Prospectus in relation to the working capital statement by the Northam Holdings Board).
- 36.1.9 The *pro forma* financial information has been prepared in accordance with IFRS, the Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants, the JSE Listings Requirements, the Regulations and accounting policies that comply with IFRS and which are consistent with those applied in the preparation of the financial statements of Northam (as at 31 December 2020) and Northam Holdings (as at incorporation), as the context requires.

Base Case Scenario	Northam 31 December 2020	Northam 31 December 2020 Adjusted	Northam after implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)	Northam Holdings after implementation of the Composite Transaction		
	Reported	<i>Pro forma</i>	<i>Pro forma</i>	Percentage change	<i>Pro forma</i>	Percentage change
Notes	1	2	3	4	5	6
Basic and diluted EPS (cents)	599.9 531.0	548.5 485.4	379.9 379.9	(30.7%) (21.7%)	(2 661.7) (2 661.7)	(800.6%) (800.6%)
Basic and diluted HEPS (cents)	599.9 531.0	548.4 485.4	379.9 379.9	(30.7%) (21.7%)	(2 661.7) (2 661.7)	(800.6%) (800.6%)
NAVPS (cents)	3 353.7	3 296.8	1 761.8	(46.6%)	1 426.8	(19.0%)
TNAVPS (cents)	3 353.7	3 296.8	1 761.8	(46.6%)	1 426.8	(19.0%)
Weighted average number of shares in issue ('000)	349 876	349 876	371 819	6.3%	371 819	–
Diluted weighted average number of shares in issue ('000)	395 305	395 305	371 819	(5.9%)	371 819	–
Number of shares in issue (‘000)	509 781	509 781	419 064	(17.8%)	396 092	(5.5%)
Treasury shares in issue (‘000)	159 905	159 905	47 245	(70.5%)	24 273	(48.6%)
Shares in issue adjusted for treasury shares ('000)	349 876	349 876	371 819	6.3%	371 819	–

Notes:

All notes to the annexures referenced below are in respect of the **Base Case Scenario**.

1. The financial information included in the “Northam 31 December 2020” column has been extracted, without adjustment, and/or derived from Northam’s Interim Results as published on SENS on 19 March 2021.
2. The financial information included in the “Northam 31 December 2020 Adjusted” column reflects the financial information extracted, without adjustment, from Northam’s *Pro Forma* Financial Information, as contained in annexure 5. Please also refer to the notes in annexure 5 for details pertaining to the adjustments.
3. The financial information included in the “Northam after implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)” column reflects the financial information extracted, without adjustment, from Northam’s Interim Results adjusted for the Transaction (but prior to implementation of the Extended BEE Transaction), further details of which are set out in annexure 5. Please also refer to the notes in annexure 5 for details pertaining to the adjustments.
4. The “Percentage change” column compares the financial information included in the “Northam after implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)” column with the financial information in the “Northam 31 December 2020 Adjusted” column.
5. The financial information included in the “Northam Holdings after implementation of the Composite Transaction” column reflects the financial information extracted, without adjustment, from Northam Holdings’ *Pro Forma* Financial Information, further details of which are set out in annexure 6. Please also refer to the notes in annexure 6 for details pertaining to the adjustments.
6. The “Percentage change” column compares the financial information included in the “Northam Holdings after implementation of the Composite Transaction” column with the financial information in the “Northam after implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)” column.

Scenario 1	Northam 31 December 2020	Northam 31 December 2020 Adjusted	Northam after implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)		Northam Holdings after implementation of the Composite Transaction	
	Reported	<i>Pro forma</i>	<i>Pro forma</i>	Percentage change	<i>Pro forma</i>	Percentage change
Notes	1	2	3	4	5	6
Basic and diluted EPS (cents)	599.9 531.0	548.5 485.4	381.1 381.1	(30.5%) (21.5%)	(3 313.9) (3 313.9)	(969.6%) (969.6%)
Basic and diluted HEPS (cents)	599.9 531.0	548.4 485.4	381.0 381.0	(30.5%) (21.5%)	(3 313.9) (3 313.9)	(969.8%) (969.8%)
NAVPS (cents)	3 353.7	3 296.8	1 699.3	(48.5%)	1 361.9	(19.9%)
TNAVPS (cents)	3 353.7	3 296.8	1 699.3	(48.5%)	1 361.9	(19.9%)
Weighted average number of shares in issue ('000)	349 876	349 876	370 709	6.0%	370 709	–
Diluted weighted average number of shares in issue ('000)	395 305	395 305	370 709	(6.2%)	370 709	–
Number of shares in issue (‘000)	509 781	509 781	417 416	(18.1%)	394 366	(5.5%)
Treasury shares in issue (‘000)	159 905	159 905	46 707	(70.8%)	23 657	(49.4%)
Shares in issue adjusted for treasury shares ('000)	349 876	349 876	370 709	6.0%	370 709	–

Notes:

All notes to the annexures referenced below are in respect of **Scenario 1**.

1. The financial information included in the “Northam 31 December 2020” column has been extracted, without adjustment, and/or derived from Northam’s Interim Results as published on SENS on 19 March 2021.
2. The financial information included in the “Northam 31 December 2020 Adjusted” column reflects the financial information extracted, without adjustment, from Northam’s *Pro Forma* Financial Information, as contained in annexure 5. Please also refer to the notes in annexure 5 for details pertaining to the adjustments.
3. The financial information included in the “Northam after implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)” column reflects the financial information extracted, without adjustment, from Northam’s Interim Results adjusted for the Transaction (but prior to implementation of the Extended BEE Transaction), further details of which are set out in annexure 5. Please also refer to the notes in annexure 5 for details pertaining to the adjustments.
4. The “Percentage change” column compares the financial information included in the “Northam after implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)” column with the financial information in the “Northam 31 December 2020 Adjusted” column.
5. The financial information included in the “Northam Holdings after implementation of the Composite Transaction” column reflects the financial information extracted, without adjustment, from Northam Holdings’ *Pro Forma* Financial Information, further details of which are set out in annexure 6. Please also refer to the notes in annexure 6 for details pertaining to the adjustments.
6. The “Percentage change” column compares the financial information included in the “Northam Holdings after implementation of the Composite Transaction” column with the financial information in the “Northam after implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)” column.

Scenario 2	Northam 31 December 2020	Northam 31 December 2020 Adjusted	Northam after implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)		Northam Holdings after implementation of the Composite Transaction	
	Reported	<i>Pro forma</i>	<i>Pro forma</i>	Percentage change	<i>Pro forma</i>	Percentage change
Notes	1	2	3	4	5	6
Basic and diluted EPS (cents)	599.9 531.0	548.5 485.4	378.6 378.6	(31.0%) (22.0%)	(2 281.7) (2 281.7)	(702.7%) (702.7%)
Basic and diluted HEPS (cents)	599.9 531.0	548.4 485.4	378.6 378.6	(31.0%) (22.0%)	(2 281.7) (2 281.7)	(702.7%) (702.7%)
NAVPS (cents)	3 353.7	3 296.8	1 833.1	(44.4%)	1 500.7	(18.1%)
TNAVPS (cents)	3 353.7	3 296.8	1 833.1	(44.4%)	1 500.7	(18.1%)
Weighted average number of shares in issue ('000)	349 876	349 876	373 104	6.6%	373 104	–
Diluted weighted average number of shares in issue ('000)	395 305	395 305	373 104	(5.6%)	373 104	–
Number of shares in issue (‘000)	509 781	509 781	420 961	(17.4%)	398 080	(5.4)%
Treasury shares in issue (‘000)	159 905	159 905	47 857	(70.1%)	24 976	(47.8)%
Shares in issue adjusted for treasury shares ('000)	349 876	349 876	373 104	6.6%	373 104	–

Notes:

All notes to the annexures referenced below are in respect of **Scenario 2**.

1. The financial information included in the “Northam 31 December 2020” column has been extracted, without adjustment, and/or derived from Northam’s Interim Results as published on SENS on 19 March 2021.
2. The financial information included in the “Northam 31 December 2020 Adjusted” column reflects the financial information extracted, without adjustment, from Northam’s *Pro Forma* Financial Information, as contained in annexure 5. Please also refer to the notes in annexure 5 for details pertaining to the adjustments.
3. The financial information included in the “Northam after implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)” column reflects the financial information extracted, without adjustment, from Northam’s Interim Results adjusted for the Transaction (but prior to implementation of the Extended BEE Transaction), further details of which are set out in annexure 5. Please also refer to the notes in annexure 5 for details pertaining to the adjustments.
4. The “Percentage change” column compares the financial information included in the “Northam after implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)” column with the financial information in the “Northam 31 December 2020 Adjusted” column.
5. The financial information included in the “Northam Holdings after implementation of the Composite Transaction” column reflects the financial information extracted, without adjustment, from Northam Holdings’ *Pro Forma* Financial Information, further details of which are set out in annexure 6. Please also refer to the notes in annexure 6 for details pertaining to the adjustments.
6. The “Percentage change” column compares the financial information included in the “Northam Holdings after implementation of the Composite Transaction” column with the financial information in the “Northam after implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)” column.

36.2 Northam's Pro Forma Financial Information

The full *pro forma* financial information on Northam 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 8.

36.3 Northam Holdings' Pro Forma Financial Information

The full *pro forma* financial information on Northam Holdings is set out in annexure 6 and should be read together with the Independent Reporting Accountant's assurance report thereon, as set out in annexure 9.

37. HISTORICAL FINANCIAL INFORMATION

37.1 Historical financial information of Northam

Extracts of the audited consolidated financial statements of Northam for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 are set out in annexure 14 and extracts of the condensed reviewed interim financial statements of Northam for the 6 months ended 31 December 2020 are set out in annexure 15.

37.2 Historical financial information of Northam Holdings

The historical financial information of Northam Holdings as at incorporation is set out in annexure 16 and should be read together with the Independent Reporting Accountant's assurance report thereon, as set out in annexure 17.

38. NORTHAM SHARE CAPITAL

38.1 The authorised and issued share capital of Northam, as at the Last Practicable Date, is set out below:

Authorised share capital
2 000 000 000 Northam Shares
Issued share capital
509 781 212 Northam Shares

38.2 As at the Last Practicable Date, there are no Treasury Shares.

38.3 On the assumption that 131 693 175 Northam Shares ² are transferred to and repurchased by Northam and subsequently cancelled pursuant to the implementation of the Share Acquisitions Scheme, the authorised and issued share capital of Northam will be as follows:

Authorised share capital
2 000 000 000 Northam Shares
Issued share capital
378 088 037 Northam Shares

38.4 After implementation of the Share Acquisitions Scheme there will be no Treasury Shares.

38.5 On the assumption that 112 935 388 Northam Shares ³ will be subscribed for by the BEE SPVs (indirectly through the BEE Security SPVs), the authorised and issued share capital of Northam, following implementation of the BEE SPV Subscriptions, will be as follows:

² The issued share capital of Northam post implementation of the Share Acquisitions Scheme is provided for illustration purposes only and is determined by reference to, inter alia, the 30 Day VWAP as at the Last Practicable Date and based on the assumptions used for the "base case scenario" in the *pro forma* financial information set out in paragraph 36 and annexures 5 and 6. The actual issued share capital of Northam post implementation of the Share Acquisitions Scheme will depend on, inter alia, the dates on which various components of the Composite Transaction are implemented.

³ The issued share capital of Northam post implementation of the BEE SPV Subscriptions is provided for illustration purposes only and is determined by reference to, inter alia, the 30 Day VWAP as at the Last Practicable Date and based on the assumptions used for the "base case scenario" in the *pro forma* financial information set out in paragraph 36 and annexures 5 and 6. The actual issued share capital of Northam post implementation of the Composite Transaction will depend on, inter alia, the dates on which various components of the Composite Transaction are implemented.

Authorised share capital
2 000 000 000 Northam Shares
Issued share capital
491 023 425 Northam Shares

- 38.6 Following implementation of the Composite Transaction (including after the Zambezi Preference Share Redemption), Northam will become a Subsidiary of Northam Holdings and there will be no Treasury Shares.

39. NORTHAM HOLDINGS SHARE STRUCTURE

- 39.1 The authorised and issued share capital of Northam Holdings, as at the Last Practicable Date, is set out below:

Authorised share capital
2 000 000 000 Northam Holdings Shares
Issued share capital
1 Northam Holdings Share

- 39.2 As at the Last Practicable Date, 1 Northam Holdings Share is in issue and is held by Northam and Northam Holdings has no Treasury Shares in issue.
- 39.3 On the assumption that 378 088 037 Northam Holdings Shares⁴ will be issued to Northam Scheme Participants in terms of the Northam Scheme, the authorised and issued share capital of Northam Holdings, following implementation of the Northam Scheme, will be as follows:

Authorised share capital
2 000 000 000 Northam Holdings Shares
Issued share capital
378 088 038 Northam Holdings Shares

- 39.4 Following implementation of the Northam Scheme, 1 Northam Holdings Share will be held as a Treasury Share, being the share held by Northam.
- 39.5 On the assumption that 18 004 193 Northam Holdings Shares⁵ will be subscribed for by HDP Security SPV, the authorised and issued share capital of Northam Holdings, following implementation of the HDP SPV Subscription, will be as follows:

Authorised share capital
2 000 000 000 Northam Holdings Shares
Issued share capital
396 092 231 Northam Holdings Shares

- 39.6 Following implementation of the Composite Transaction, there will be 1 Treasury Share, being the Northam Holdings Share held by Northam.
- 39.7 The terms of the Northam Holdings Shares are set out in the Northam Holdings MOI (an extract of which is contained in annexure 10).

⁴ The issued share capital of Northam Holdings post implementation of the Northam Scheme is provided for illustration purposes only and is determined by reference to, inter alia, the 30 Day VWAP as at the Last Practicable Date and based on the assumptions used for the "base case scenario" in the pro forma financial information set out in paragraph 36 and annexures 5 and 6. The actual issued share capital of Northam Holdings post implementation of the Northam Scheme will depend on, inter alia, the dates on which various components of the Composite Transaction are implemented.

⁵ The issued share capital of Northam Holdings post implementation of the HDP SPV Subscription is provided for illustration purposes only and is determined by reference to, inter alia, the 30 Day VWAP as at the Last Practicable Date and based on the assumptions used for the "base case scenario" in the pro forma financial information set out in paragraph 36 and annexures 5 and 6. The actual issued share capital of Northam Holdings post implementation of the HDP SPV Subscription will depend on, inter alia, the dates on which various components of the Composite Transaction are implemented.

40. EXPENSES

The expenses relating to the Composite Transaction, including costs of the professional advisors, all of which are exclusive of any applicable VAT and disbursements (unless otherwise indicated), are estimated, as at the Last Practicable Date, to be R330.9 million, of which R220.6 million is payable by Northam and R110.3 million is payable by Northam Holdings, comprised as follows:

Description	Payable to	Estimated fee* (R'000)
Corporate advisor and transaction sponsor to Northam and Northam Holdings in respect of the Composite Transaction	One Capital Advisory Proprietary Limited and One Capital Sponsor Services Proprietary Limited**	250 000
Attorneys to Northam and Northam Holdings in respect of the Composite Transaction	Webber Wentzel	45 000
Previous attorneys and tax advisors to Northam and Northam Holdings in respect of the Composite Transaction (including disbursements)	Cliffe Dekker Hofmeyr Inc.	7 827
Independent Auditor and Independent Reporting Accountant to Northam and Northam Holdings	Ernst & Young Inc.	6 430
Independent Expert	BDO	3 150
Independent transaction sponsor to Northam and Northam Holdings	Deloitte and Touche Sponsor Services Proprietary Limited	280
Accounting expert for Northam and Northam Holdings	Mazars	768
Counsel to Northam and Northam Holdings as to English and U.S. law (including disbursements)	Allen & Overy LLP	5 000
Competent Person's Report	MSA Group Proprietary Limited	5 217
TRP documentation fees	TRP	484
JSE documentation fees	JSE	585
JSE admission of new listing and new listing fees	JSE	3 945
Registration of the Northam Holdings Prospectus	CIPC	10
Printing and publishing costs	INCE	1 103
Transfer secretaries	Computershare	100
Competition Commission fees	Competition Commission	550
Other	The Meeting Specialist	68
Other	Strate Proprietary Limited	100
Other	SRK Consulting (South Africa) Proprietary Limited	282
Other	Singular Systems Proprietary Limited	52
Other	Guillemot Business Forms Proprietary Limited	11
Total		330 962

* All transaction costs stated herein are stated exclusive of VAT and only a portion of VAT levied on said expenses are claimable by Northam and Northam Holdings. In addition, please refer to the pro forma financial information set out in annexures 5 and 6 for the income tax treatment in respect of the transaction costs.

** The fee has not been separated as it is charged in terms of a single mandate.

41. NORTHAM SHARE INFORMATION

The price and trading history of the Northam Shares on the JSE is set out in annexure 18.

42. BENEFICIAL INTERESTS AND DEALINGS

42.1 Northam Directors' beneficial interest in Northam securities

42.1.1 As at the Last Practicable Date, the beneficial interests of the Northam Directors (current and those who resigned during the preceding 18 months) directly and indirectly, in the issued share capital of Northam, are as follows:

	Direct beneficial interest	Indirect beneficial interest	Total	Total
	Number of Northam Shares		Percentage**	
PA Dunne	41 050	–	41 050	0.01
AH Coetzee	–	–	–	–
KB Mosehla*	–	5 116 974	5 116 974	1.00
DH Brown	–	–	–	–
CK Chabedi*^	–	204 000	204 000	0.04
TE Kgosi*	–	635 000	635 000	0.12
NY Jekwa	175	–	175	<0.01
HH Hickey	–	–	–	–
R Havenstein^	–	–	–	–
GT Lewis	122	–	122	<0.01
MH Jonas	–	–	–	–
TI Mvusi	–	–	–	–
JJ Nel	–	–	–	–
JG Smithies	–	–	–	–
Total	41 347	5 955 974	5 997 321	1.17

* Pursuant to the Zambezi BEE Transaction, Mr Chabedi, Ms Kgosi and Mr Mosehla acquired a beneficial interest in the ordinary share capital of Zambezi. This resulted in them and their associates acquiring an effective interest in Northam Shares.

** Percentage shareholding is calculated as a percentage of the total issued share capital of Northam as at the Last Practicable Date.

^ Retired from the Board on 27 November 2020.

42.1.2 None of the Northam Directors have dealt in Northam Shares for value in the 6 months preceding the Last Practicable Date.

42.2 Northam Directors' beneficial interest in Zambezi Preference Shares

42.2.1 As at the Last Practicable Date, the beneficial interests of the Northam Directors (current and those who resigned during the preceding 18 months), directly and indirectly, in the issued Zambezi Preference Shares, are as follows:

	Direct beneficial interest	Indirect beneficial interest	Total	Total
	Number of Zambezi Preference Shares		Percentage*	
PA Dunne	–	–	–	–
AH Coetzee	15 800	–	15 800	0.01
KB Mosehla	–	–	–	–
DH Brown	–	–	–	–
CK Chabedi [^]	–	–	–	–
TE Kgosi	–	–	–	–
NY Jekwa	–	–	–	–
HH Hickey	–	–	–	–
R Havenstein [^]	–	–	–	–
GT Lewis	–	–	–	–
MH Jonas	–	–	–	–
TI Mvusi	–	–	–	–
JJ Nel	–	–	–	–
JG Smithies	–	–	–	–
Total	15 800	–	15 800	0.01

* Percentage shareholding is calculated as a percentage of the total issued Zambezi Preference Shares.

[^] Retired from the Board on 27 November 2020.

42.2.2 None of the Northam Directors have dealt in Zambezi Preference Shares for value in the 6 months preceding the Last Practicable Date.

42.3 Northam Directors' beneficial interest in transactions

The Northam Directors[^] have not had any material beneficial interest, whether direct or indirect, in transactions that were effected by Northam during the current or immediately preceding financial year or during an earlier financial year which remain in any respect outstanding or unperformed.

42.4 Northam Directors' beneficial interest in Northam Holdings securities

42.4.1 As at the Last Practicable Date, none of the Northam Directors (current and those who resigned during the preceding 18 months), hold a beneficial interest, directly and indirectly, in the issued share capital of Northam Holdings.

42.4.2 None of the Northam Directors have dealt for value in any securities of Northam Holdings for the 6 months preceding the Last Practicable Date.

42.4.3 Based on various assumptions applicable to the Composite Transaction, the illustrative direct and indirect beneficial interests⁶ of Northam Directors in Northam Holdings post implementation of the Northam Scheme, are expected to be as follows:

⁶ The beneficial interests are provided for illustration purposes only and are determined by reference to, inter alia, Northam's shareholding and the 30 Day VWAP as at the Last Practicable Date and based on the assumptions used for the "base case scenario" in the pro forma financial information set out in paragraph 36 and annexures 5 and 6. The actual beneficial interests post implementation of the Northam Scheme will depend on, inter alia, the dates on which various components of the Composite Transaction are implemented.

	Direct beneficial interest	Indirect beneficial interest	Total	Total
	Number of Northam Holdings Shares		Percentage*	
PA Dunne	41 050	–	41 050	0.01
AH Coetzee	–	–	–	–
KB Mosehla	942 547	–	942 547	0.25
DH Brown	–	–	–	–
CK Chabedi [^]	37 577	–	37 577	0.01
TE Kgosi	116 967	–	116 967	0.03
NY Jekwa	175	–	175	<0.01
HH Hickey	–	–	–	–
R Havenstein [^]	–	–	–	–
GT Lewis	122	–	122	<0.01
MH Jonas	–	–	–	–
TI Mvusi	–	–	–	–
JJ Nel	–	–	–	–
JG Smithies	–	–	–	–
Total	1 138 438	–	1 138 438	0.30

* Percentage shareholding is calculated as a percentage of the total issued share capital of Northam Holdings.

[^] Retired from the Board on 27 November 2020.

42.4.4 Based on various assumptions applicable to the Composite Transaction, the illustrative direct and indirect beneficial interests ⁷ of Northam Directors in Northam Holdings post implementation of the Northam Scheme and the HDP SPV Subscription, are expected to be as follows:

	Direct beneficial interest	Indirect beneficial interest	Total	Total
	Number of Northam Holdings Shares		Percentage*	
PA Dunne	41 050	–	41 050	0.01
AH Coetzee	–	–	–	–
KB Mosehla	942 547	–	942 547	0.24
DH Brown	–	–	–	–
CK Chabedi [^]	37 577	–	37 577	0.01
TE Kgosi	116 967	–	116 967	0.03
NY Jekwa	175	–	175	<0.01
HH Hickey	–	–	–	–
R Havenstein [^]	–	–	–	–
GT Lewis	122	–	122	<0.01
MH Jonas	–	–	–	–
TI Mvusi	–	–	–	–
JJ Nel	–	–	–	–
JG Smithies	–	–	–	–
Total	1 138 438	–	1 138 438	0.29

* Percentage shareholding is calculated as a percentage of the total issued share capital of Northam Holdings.

[^] Retired from the Board on 27 November 2020.

⁷ The beneficial interests are provided for illustration purposes only and are determined by reference to, inter alia, the 30 Day VWAP as at the Last Practicable Date and based on the assumptions used for the “base case scenario” in the pro forma financial information set out in paragraph 36 and annexures 5 and 6. The actual beneficial interests post implementation of the Composite Transaction will depend on, inter alia, the dates on which various components of the Composite Transaction are implemented.

43. MAJOR SHAREHOLDERS

- 43.1 In so far as it is known by the Northam Directors, the Shareholders that, directly or indirectly, are beneficially interested in 5% or more of the issued share capital of Northam, together with each of such Shareholder's interest, as at the Last Practicable Date are as follows:

Shareholder	Number of Northam Shares	Percentage shareholding*
Zambezi	159 905 453	31.37%
Public Investment Corporation SOC Limited	66 102 545	12.97%
BlackRock Inc.	36 033 828	7.07%
Coronation Asset Management Proprietary Limited	30 952 957	6.07%
Total	292 994 783	57.48%

* Percentage shareholding is calculated as a percentage of the total issued share capital of Northam as at the Last Practicable Date.

- 43.2 Post implementation of the Transaction, Zambezi will become a Subsidiary of Northam, and post implementation of the Extended BEE Transaction, Northam Holdings will hold not less than 77% and Employee SPV and Community SPV will collectively hold no more than 23% of all the Northam Shares (net of Treasury Shares).
- 43.3 Based on various assumptions applicable to the Composite Transaction, the illustrative interests of Shareholders who are expected to be beneficially interested in 5% or more of the issued share capital of Northam Holdings post implementation of the Northam Scheme ⁸, but before implementation of the BEE SPV Subscriptions, are expected to be as follows:

Shareholder	Number of Northam Holdings Shares	Percentage shareholding*
Zambezi	–	0.00%
Public Investment Corporation SOC Limited	66 102 545	17.48%
BlackRock Inc.	36 033 828	9.53%
Coronation Asset Management Proprietary Limited	30 952 957	8.19%
Old Mutual Limited	19 115 037	5.06%
Total	152 204 367	40.26%

* Percentage shareholding is calculated as a percentage of the total issued share capital of Northam Holdings.

- 43.4 Based on various assumptions applicable to the Composite Transaction, the illustrative interests of Shareholders who are expected to be beneficially interested in 5% or more of the issued share capital of Northam Holdings post implementation of the Composite Transaction ⁹, are expected to be as follows:

⁸ The shareholding post implementation of the Northam Scheme is provided for illustration purposes only and is determined by reference to, inter alia, Northam's shareholding and the 30 Day VWAP as at the Last Practicable Date and based on the assumptions used for the "base case scenario" in the pro forma financial information set out in paragraph 36 and annexures 5 and 6. The actual shareholding post implementation of the Northam Scheme will depend on, inter alia, the dates on which the various components of the Composite Transaction are implemented.

⁹ The shareholding post implementation of the Composite Transaction is provided for illustration purposes only and is determined by reference to, inter alia, the 30 Day VWAP as at the Last Practicable Date and based on the assumptions used for the "base case scenario" in the pro forma financial information set out in paragraph 36 and annexures 5 and 6. The actual shareholding post implementation of the Composite Transaction will depend on, inter alia, the dates on which the various components of the Composite Transaction are implemented.

Shareholder	Number of Northam Holdings Shares	Percentage shareholding*
Zambezi	–	0.00%
Public Investment Corporation SOC Limited	66 102 545	16.69%
BlackRock Inc.	36 033 828	9.10%
Coronation Asset Management Proprietary Limited	30 952 957	7.81%
Total	133 089 330	33.60%

* Percentage shareholding is calculated as a percentage of the total issued share capital of Northam Holdings.

44. IRREVOCABLE UNDERTAKINGS AND LETTERS OF SUPPORT IN SUPPORT OF THE COMPOSITE TRANSACTION

44.1 As at the Last Practicable Date, Northam has obtained support from:

44.1.1 asset managers acting on behalf of their clients and Shareholders, in the form of binding irrevocables and letters of support, in support of the Northam Shareholder Resolutions, from Shareholders representing 57.1%, including the Northam Shares held by Zambezi (as further detailed in the table below). To the extent that Zambezi will not vote or is precluded from voting on any of the Northam Shareholder Resolutions, support in respect of 37.5% of Northam Shares eligible to vote on those Northam Shareholder Resolutions has been obtained:

Shareholder	Direct interest	Indirect interest	Total interest	Percentage of Northam Shares*
Irrevocable undertakings				
Zambezi	159 905 453	–	159 905 453	31.4%
Public Investment Corporation (SOC) Limited	54 533 102	11 569 443	66 102 545	13.0%
Fairtree Asset Management Proprietary Limited	17 913 410	–	17 913 410	3.5%
Allan Gray Proprietary Limited (on behalf of its clients)	–	16 208 585	16 208 585	3.2%
Letter of support				
Coronation Asset Management Proprietary Limited	–	30 952 957	30 952 957	6.1%
TOTAL	232 351 965	58 730 985	291 082 950	57.1%

* Percentage shareholding is calculated as a percentage of the total issued share capital of Northam as at the Last Practicable Date. Rounding of numbers in the tables may result in minor computational discrepancies. Where this occurs, it is deemed insignificant.

44.1.2 Zambezi Ordinary Shareholders, in the form of binding irrevocables, in support of the Zambezi Ordinary Shareholder resolutions required to implement the Transaction (“**Zambezi Shareholder Resolutions**”), representing 74.5% of all of the Zambezi Ordinary Shares eligible to vote on the Zambezi Shareholder Resolutions; and

44.1.3 Zambezi Preference Shareholders, in the form of binding irrevocables, in support of the Zambezi Preference Shareholders resolutions required to implement the Transaction (“**Zambezi Pref Shareholder Resolutions**”) representing 97.4% of all of the Zambezi Preference Shares eligible to vote on the Zambezi Pref Shareholder Resolutions including the Zambezi Preference Shares held by Northam. To the extent that Northam will not vote or is precluded from voting on any of the Zambezi Pref Shareholder Resolutions, support in respect of 78.8% of the Zambezi Preference Shares eligible to vote on those Zambezi Preference Shareholder Resolutions has been obtained.

44.2 Details regarding the providers of the binding irrevocables and letters of support prior to the publication of the Announcement and as at the Last Practicable Date and the dealings for value in Northam Shares by such persons (to the extent disclosure is required), for the 6 months preceding the Last Practicable Date, are set out in annexures 19 and 20, respectively.

44.3 As at the Last Practicable Date, none of the providers of the binding irrevocables and letters of support:

44.3.1 hold a beneficial interest, directly or indirectly, in the issued share capital of Northam Holdings; or

44.3.2 have dealt for value in any securities of Northam Holdings for the 6 months preceding the Last Practicable Date.

45. NORTHAM DIRECTORS' REMUNERATION AND NORTHAM DIRECTORS' AND EMPLOYEE SERVICE CONTRACTS

45.1 Northam Directors' remuneration

45.1.1 The remuneration paid to the Northam Directors for the year ended 30 June 2020, is as follows:

	Fees R'000	Remuneration Package R'000	Performance bonus and retention payouts R'000	Benefits and other R'000	Gain on share-based payment R'000	Total emoluments R'000
Executive						
PA Dunne	–	9 353	9 198	–	17 571	36 122
AH Coetzee	–	4 404	4 171	–	3 749	12 324
Non-executive						
KB Mosehla	618	–	–	–	–	618
R Havenstein [^]	748	–	–	–	–	748
DH Brown	651	–	–	–	–	651
CK Chabedi [^]	676	–	–	–	–	676
HH Hickey	568	–	–	–	–	568
NY Jekwa	713	–	–	–	–	713
MH Jonas	352	–	–	–	–	352
TE Kgosi	706	–	–	–	–	706
TI Mvusi	352	–	–	–	–	352
JJ Nel	584	–	–	–	–	584
JG Smithies	467	–	–	–	–	467
Total	6 435	13 757	13 369	–	21 320	54 881

[^] Retired from the Board on 27 November 2020.

45.1.2 All remuneration is payable by Northam and no remuneration is payable to the Northam Directors by Subsidiaries or associates of Northam.

45.1.3 The Company does not pay any pension or provident contributions on behalf of the Northam Directors, nor have they received any material benefits. No commission, gain or profit-sharing arrangements are in place with non-executive Northam Directors.

45.2 Continuation of service of Northam Directors and Northam Directors' service contracts

45.2.1 Upon implementation of the Northam Scheme, the Northam Directors as at the Northam Scheme Implementation Date will constitute the Northam Holdings Board. Accordingly, upon the implementation of the Northam Scheme, the Northam Holdings Board will comprise 11 members, 8 of whom will be independent non-executive directors (including the chairman) and 2 of whom will be executive directors.

- 45.2.2 The non-executive directors of Northam Holdings will be entitled to receive remuneration for their services as directors of Northam Holdings in accordance with Northam Holdings' MOI and Northam Holdings' remuneration policy from time to time.
- 45.2.3 The current service contracts of the executive Northam Directors will remain in force following implementation of the Northam Scheme and no new service contracts for the executive Northam Directors have been entered into as a consequence of the Composite Transaction.
- 45.2.4 The details regarding the material terms of the current service contracts of the executive Northam Directors, as at the Last Practicable Date, are as follows:
 - 45.2.4.1 If at any time before the termination of an executive Northam Director's employment, a change of control of Northam should occur and the executive Northam Director's employment is terminated by Northam, directly or constructively, as a direct consequence of the change in control within 12 months of the effective date of such change of control, then such executive Northam Director shall be entitled to a lump sum compensatory payment equal to (subject to paragraph 45.2.4.2) twice the then annual guaranteed package plus the average of the incentive bonuses paid by Northam to the executive Northam Director during the previous 2 years, together with any other payments and/or benefits then due and payable.
 - 45.2.4.2 During the first year of an executive Director's employment the multiple referred to in paragraph 45.2.4.1 above shall be limited to the then annual guaranteed package.
 - 45.2.4.3 The agreed amounts referred to in paragraphs 45.2.4.1 and 45.2.4.2 shall cover any compensation or damages that the executive Northam Directors' may be entitled to in terms of the Labour Relations Act, No. 66 of 1995, the Basic Conditions of Employment Act, No. 75 of 1997, and any other law (including common law) governing employment or the termination of employment.
 - 45.2.4.4 The notice period in respect of the Chief Executive Officer is 12 months' written notice and 6 months' written notice in respect of the Chief Financial Officer.

46. AGREEMENTS AND OTHER ARRANGEMENTS

46.1 Implementation Agreement

- 46.1.1 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 Zambezi BEE Transaction.
- 46.1.2 The salient terms of the Implementation Agreement include, *inter alia*, the following:
 - 46.1.2.1 the terms of the Transaction, as detailed in paragraphs 9 and 10;
 - 46.1.2.2 the Transaction Conditions, as detailed in paragraph 10.2; and
 - 46.1.2.3 the terms of the termination of the Zambezi Scheme, as detailed in paragraph 9.3.

46.2 BEE Trust Transaction Agreements

- 46.2.1 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.
- 46.2.2 Pursuant to the relevant BEE Trust Transaction Agreements:
 - 46.2.2.1 Northam and the ESOP will agree to the terms of the ESOP Repurchase as detailed in paragraph 10.1.5; and
 - 46.2.2.2 each of the BEE Trusts, *inter alia*, will agree to amend the applicable transaction documents relating to the Zambezi BEE Transaction in order to enable the parties to, *inter alia*, give effect to the Transaction and the applicable Transaction Documents.

46.3 **Relevant Zambezi Shareholder Transaction Agreements**

46.3.1 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.

46.3.2 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 –

46.3.2.1 the Northam Shares received by it in terms of the Net Value Share Distribution (“**Relevant Northam Shares**”); or

46.3.2.2 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.

46.4 **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 Distributions; and certain amendments to the transaction documents relating to the Zambezi BEE Transaction to which the Zambezi Ordinary Shareholders are parties.

46.5 **Northam Scheme Agreement**

46.5.1 The Northam Scheme Agreement sets out the terms, obligations and mutual commitments of Northam and Northam Holdings in respect of the Northam Scheme.

46.5.2 The salient terms of the Northam Scheme Agreement include, *inter alia*, the following:

46.5.2.1 the terms of the Northam Scheme, as detailed in paragraph 12;

46.5.2.2 the Extended BEE Transaction Conditions, as detailed in paragraph 26; and

46.5.2.3 the terms of termination of the Northam Scheme, as detailed in paragraph 21.

46.6 **Northam SIP Amendments Consents**

The Northam SIP Amendments Consents (as defined in paragraph 34.4) set out, *inter alia*, the consent by the Participants to the LIM Amendments and the CIBB Termination, as detailed in paragraph 34.

46.7 **Other**

46.7.1 Save for the Implementation Agreement; the Relevant Zambezi Shareholder Transaction Agreements; the Zambezi Ordinary Shareholder Loan Agreements; the Northam Scheme Agreement; and the irrevocables and letters of support (as detailed in paragraph 44), 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 Composite Transaction, between:

- 46.7.1.1 Northam and Zambezi;
 - 46.7.1.2 Northam and Northam Holdings;
 - 46.7.1.3 Northam Holdings and Zambezi;
 - 46.7.1.4 Northam and the Zambezi Directors, or persons who were Zambezi Directors within the 12 months prior to the Last Practicable Date;
 - 46.7.1.5 Northam and Zambezi Shareholders, or persons who were Zambezi Shareholders within the 12 months prior to the Last Practicable Date;
 - 46.7.1.6 Northam Holdings and Zambezi Directors, or persons who were Zambezi Directors within 12 months prior to the Last Practicable Date;
 - 46.7.1.7 Northam Holdings and Zambezi Shareholders, or persons who were Zambezi Shareholders within 12 months prior to the Last Practicable Date;
 - 46.7.1.8 Northam Holdings and Northam Directors, or persons who were Northam Directors within 12 months prior to the Last Practicable Date; and/or
 - 46.7.1.9 Northam Holdings and Northam Shareholders, or persons who were Northam Shareholders within 12 months prior to the Last Practicable Date.
- 46.7.2 Save for the agreements mentioned in this paragraph 46 and contracts entered into in the ordinary course of business, within the 2 preceding years, Northam and/or its Subsidiaries have not entered into any agreements or contracts which constitute material contracts which contain an obligation or settlement that is material to Northam or its Subsidiaries.

47. INDEPENDENT EXPERT REPORTS AND OPINIONS

47.1 Zambezi Scheme

- 47.1.1 In accordance with paragraph 10.7(b) of the JSE Listings Requirements, the Northam Board has appointed BDO as the independent expert for purposes of providing the Northam Board with independent external advice in the form of a fairness opinion in regard to the Zambezi Scheme.
- 47.1.2 The Independent Expert has, *inter alia*, in accordance with Schedule 5 of the JSE Listings Requirements, performed a valuation of the Zambezi Scheme Shares and provided its opinion to the Northam Board.
- 47.1.3 Taking into consideration the terms and conditions of the Zambezi Scheme and 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 Scheme is fair in so far as Northam Shareholders are concerned.
- 47.1.4 A copy of the Independent Expert Report in respect of the Zambezi Scheme is contained in annexure 2.

47.2 Share Acquisitions Scheme and the Northam Zambezi Ordinary Share Subscription

- 47.2.1 In accordance with sections 114(2) and 114(3) of the Companies Act as read with Regulations 90 and 110, the Independent Board has appointed BDO as the independent expert for the purpose of providing the Independent Board with independent external advice in the form of a fair and reasonable opinion in regard to the Share Acquisitions Scheme and the consideration payable by Northam in terms thereof.
- 47.2.2 Additionally, in accordance with paragraph 10.4(f) of the JSE Listings Requirements, the Northam Board has appointed BDO as the independent expert for purposes of providing the Northam Board with independent external advice in the form of a fairness opinion in regard to the Northam Zambezi Ordinary Share Subscription.
- 47.2.3 The Independent Expert has, *inter alia*, in accordance with Regulation 90, performed a valuation of the Northam Shares being acquired pursuant to the Share Acquisitions Scheme and provided its opinion to the Independent Board. Additionally, the Independent Expert

has, *inter alia*, taken into consideration the terms and conditions of the Northam Zambezi Ordinary Share Subscription and has provided its opinion to the Northam Board.

472.4 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:

472.4.1 the Share Acquisitions Scheme and the consideration payable by Northam in terms thereof is fair and reasonable; and

472.4.2 the Northam Zambezi Ordinary Share Subscription is fair in so far as Northam Shareholders are concerned.

472.5 A copy of the Independent Expert Report in respect of the Share Acquisitions Scheme and the Northam Zambezi Ordinary Share Subscription is contained in annexure 3.

47.3 Northam Scheme and the Extended BEE Transaction

473.1 In accordance with sections 114(2) and 114(3) of the Companies Act as read with Regulations 90 and 110, the Independent Board appointed BDO as the independent expert for the purpose of providing the Independent Board with independent external advice in the form of a fair and reasonable opinion in regard to the Northam Scheme and the Northam Scheme Consideration.

473.2 Additionally, at the request of the JSE, the Northam Board has appointed BDO as the independent expert for purposes of providing the Northam Board with independent external advice in the form of a fairness opinion in regard to the Extended BEE Transaction.

473.3 The Independent Expert has, in accordance with Regulation 90, performed a valuation of the Northam Shares and Northam Holdings Shares and provided its opinion to the Independent Board. Additionally, the Independent Expert has, *inter alia*, taken into consideration the terms and conditions of the Extended BEE Transaction and has provided its opinion to the Northam Board.

473.4 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:

473.4.1 the Northam Scheme and the Northam Scheme Consideration are fair and reasonable; and

473.4.2 the Extended BEE Transaction is fair in so far as Northam Shareholders are concerned.

473.5 A copy of the Independent Expert Report in respect of the Northam Scheme and the Extended BEE Transaction is contained in annexure 4.

48. OPINIONS AND RECOMMENDATIONS OF THE NORTHAM BOARD AND INDEPENDENT BOARD

48.1 Northam Board's opinion and recommendation

48.1.1 The Northam Board, after due consideration of the Independent Expert Reports in respect of the Zambezi Scheme, the Northam Zambezi Ordinary Share Subscription and the Extended BEE Transaction, is of the opinion that the Zambezi Scheme, the Northam Zambezi Ordinary Share Subscription and the Extended BEE Transaction are fair in so far as Northam Shareholders are concerned and recommends that Northam Shareholders vote in favour of the resolutions set out in the Notice of General Meeting.

48.1.2 All of the Northam Directors, who hold a beneficial interest, directly or indirectly, in Northam Shares, have indicated that they will vote in favour of the resolutions set out in the Notice of General Meeting.

48.2 Independent Board's opinion

- 48.2.1 After due consideration of the Independent Expert Reports in respect of the Share Acquisitions Scheme and the Northam Scheme, the Independent Board has placed reliance on the Independent Expert Reports and is of the opinion that:
- 48.2.1.1 the Share Acquisitions Scheme and the consideration payable by Northam thereunder are fair and reasonable; and
- 48.2.1.2 the Northam Scheme and the Northam Scheme Consideration are fair and reasonable.
- 48.2.2 The Independent Board unanimously recommends that Northam Shareholders vote in favour of the Northam Shareholder Resolutions pertaining to the Share Acquisitions Scheme and the Northam Scheme.
- 48.2.3 The Independent Board's recommendation contained in paragraph 48.2.2 is not and should not be construed as investment advice. Each Shareholder should consider the full contents of this Circular and the Northam Holdings Prospectus in the context of its own circumstances, risk profile and liquidity requirements to inform a decision and, where appropriate, should seek independent advice in relation to such decision.
- 48.2.4 No other offers have been received in respect of the Northam Shares in the 6 months preceding the Last Practicable Date.

49. RESPONSIBILITY STATEMENTS

49.1 Independent Board's and Northam Board's responsibility statement

- 49.1.1 The members of the Independent Board and the Northam Board, collectively and individually, insofar as any information in this Circular relates to Northam and the Composite Transaction:
- 49.1.1.1 have considered all statements of fact and opinion in this Circular;
- 49.1.1.2 accept full responsibility for the information contained in this Circular and the accuracy thereof;
- 49.1.1.3 certify that, to the best of their knowledge and belief, the information contained in this Circular is true and correct;
- 49.1.1.4 certify that this Circular does not omit anything that is likely to affect the importance of any information contained in this Circular;
- 49.1.1.5 confirm that they have made all reasonable enquiries to ascertain such facts in this regard; and
- 49.1.1.6 confirm that this Circular contains all information (to the extent appropriate) required by the Companies Act, the Regulations and the JSE Listings Requirements (where applicable).
- 49.1.2 No member of either the Independent Board or Northam Board is excluded from the statements above.

49.2 Northam Holdings Board's responsibility statement

- 49.2.1 The members of the Northam Holdings Board, collectively and individually, insofar as any information in this Circular relates to Northam Holdings and the Extended BEE Transaction:
- 49.2.1.1 have considered all statements of fact and opinion in this Circular;
- 49.2.1.2 accept full responsibility for the accuracy of the information contained in this Circular;
- 49.2.1.3 certify that, to the best of their knowledge and belief, the information contained in this Circular is true and correct;
- 49.2.1.4 certify that this Circular does not omit anything that is likely to affect the importance of any information contained in this Circular;

- 49.2.1.5 confirm that they have made all reasonable enquiries to ascertain such facts in this regard; and
- 49.2.1.6 confirm that this Circular contains all information (to the extent appropriate) required by the Companies Act, the Regulations and the JSE Listings Requirements (where applicable).

49.2.2 No member of the Northam Holdings Board is excluded from the statements above.

50. GENERAL MEETING

The General Meeting will be held entirely by electronic communication at **10:00 on Wednesday, 30 June 2021**. Northam Shareholders are referred to section A of “*Action required by Shareholders in respect of the Transaction*”, titled “*Voting, attendance and representation at the General Meeting*” commencing on page 8 for information regarding voting, attendance and representation at the General Meeting.

51. GOVERNING LAW

This Circular and the Composite 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.

52. FOREIGN SHAREHOLDERS

This section is intended as a general guide only, and any person outside of South Africa who is in doubt as to his or her position should consult his or her professional advisor without delay.

The attention of Foreign Shareholders is drawn to this paragraph.

52.1 General

- 52.1.1 The distribution of this Circular and the Northam Holdings Prospectus and the Application and Surrender Form (*pink*), the Northam Scheme and/or the offer, issue or transfer of Northam Holdings Shares pursuant to the Northam Scheme to certain Foreign Shareholders may be restricted by the laws of the relevant jurisdiction and failure to comply with any of those restrictions may constitute a contravention of the laws of any such territory. In such circumstances, subject to any applicable exemptions under the securities laws of the relevant jurisdiction, the Northam Scheme Consideration is not offered and will not be issued to such persons and this Circular, the Northam Holdings Prospectus and the Application and Surrender Form (*pink*) must be treated as being sent for information purposes only and should not be relied upon, copied or redistributed.
- 52.1.2 Foreign Shareholders should consult their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to receive the Northam Scheme Consideration.
- 52.1.3 **If you believe you are a Restricted Foreign Shareholder, you are required to inform your Broker or CSDP or the Transfer Secretaries that you are a Restricted Foreign Shareholder as soon as reasonably possible and in any event by no later than the Northam Scheme Record Date. It is the responsibility of a Foreign Shareholder (including nominees, agents and trustees for such Foreign Shareholder) to ensure that the Northam Scheme Consideration is not issued to such Foreign Shareholder without the observance of the laws and regulatory requirements of the relevant jurisdiction**, including the obtaining of any governmental or other consents which may be required, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction and, if required, satisfy Northam Holdings that all relevant formalities have been complied with or that there is an applicable exemption under the securities laws of the relevant jurisdiction. In the case of any irregularities or uncertainty regarding whether a Foreign Shareholder is a Restricted Foreign Shareholder or whether reliance may be placed on any exemption under the securities laws of a jurisdiction, the determination of Northam Holdings shall be final. Foreign Shareholders who are in any doubt regarding such matters should consult their CSDP, Broker, legal adviser, accountant, banker, other financial intermediary or other professional adviser immediately.

52.2 Cash remittance

In the case of Restricted Foreign Shareholders, the Northam Scheme Consideration in respect of the Northam Shares held by them will be sold in the market as soon as is reasonably practicable after the Northam Scheme Implementation Date, unless Northam Holdings is satisfied that there is an applicable exemption available under the securities laws of the relevant jurisdiction, but there is no guarantee that any exemption will be available, and Northam and Northam Holdings reserve the right to provide a cash remittance at their sole discretion. Such sale shall be carried out at the best price which can reasonably be obtained at the time of the sale and the net proceeds of such sale (after the deduction of all expenses, taxes, currency conversion costs and commissions incurred in connection with such sale) rounded down to the nearest cent, shall be paid to such Restricted Foreign Shareholder. The remittance of the net proceeds of the sale shall be at the risk of the relevant Restricted Foreign Shareholder. Neither Northam, nor Northam Holdings, nor any person appointed to effect such sale, nor any of their respective officers or employees, shall have any liability to the relevant Northam Scheme Participant for any loss suffered by that Northam Scheme Participant by reason of the timing or manner of any such sale.

52.3 Representations and warranties

It is the responsibility of a Foreign Shareholder to ensure full observance of the laws of any relevant jurisdiction in connection with the receipt of the Northam Scheme Consideration and to inform their CSDP or Broker in the event that they are a Restricted Foreign Shareholder. Foreign Shareholders who do not inform their Broker or CSDP or the Transfer Secretaries that they are a Restricted Foreign Shareholder and who receive the Northam Holdings Shares pursuant to the Northam Scheme represent and warrant to Northam Holdings that, such person:

- 52.3.1 is not in a Restricted Jurisdiction (unless an applicable exemption is available under the securities laws of that jurisdiction) and not in any jurisdiction in which it is unlawful to offer, allot and issue the Northam Scheme Consideration or otherwise acquire or subscribe for the Northam Holdings Shares;
- 52.3.2 acknowledges that, subject to certain exceptions, this Circular, the Northam Holdings Prospectus and the Application and Surrender Form (*pink*) are not for distribution in any Restricted Jurisdiction, and if a Foreign Shareholder receives such documents in any Restricted Jurisdiction, it further acknowledges and agrees that such documents shall be treated as being sent for its information purposes only, subject to certain exceptions, and that the Northam Scheme Consideration is not being offered to it and it should not rely upon, copy or redistribute the documents;
- 52.3.3 acknowledges that this Circular, the Northam Holdings Prospectus and the Application and Surrender Form (*pink*) have been prepared for purposes of complying with the Companies Act, the Regulations and the JSE Listings Requirements in South Africa and as a result the information disclosed herein and therein may not be the same as that which would have been disclosed had this Circular or the Northam Holdings Prospectus been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa; and
- 52.3.4 is not acquiring Northam Holdings Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Northam Holdings Shares into any Restricted Jurisdiction.

52.4 Exemptions and Exceptions to the Cash Remittance

Northam and/or Northam Holdings may determine that an exemption is available under the securities laws of one or more Restricted Jurisdictions for the Northam Scheme Consideration to be offered or issued in such Restricted Jurisdictions. In this event, any Restricted Foreign Shareholder that qualifies for such exemption (including those set out below) will be offered and will receive the Northam Scheme Consideration in terms of the Northam Scheme.

52.5 United States

- 52.5.1 The Northam Holdings Shares being offered pursuant to the Northam Scheme Consideration have not been and will not be registered in the United States under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of

the United States or other jurisdiction, and, subject to certain limited exceptions, may not be offered or sold within the United States absent registration under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. In addition, Northam Holdings has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”) and investors will not be entitled to the benefits of the Investment Company Act.

- 52.5.2 Accordingly, Shareholders located in the United States (as defined in Regulation S under the U.S. Securities Act) who are qualified institutional buyers (“**QIBs**”) (as defined in Rule 144A under the U.S. Securities Act) may receive the Northam Scheme Consideration. Shareholders who are located in the United States and who are QIBs are herein referred to as “**Eligible U.S. Shareholders**”. Eligible U.S. Shareholders must execute and deliver an investor letter, in a form satisfactory to Northam Holdings to the effect that such person is a QIB and satisfies certain other requirements.
- 52.5.3 A template investor letter can be obtained from One Capital Advisory Proprietary Limited (investorletter@onecapital.co.za). A completed investor letter must be submitted for verification prior to the issue of Northam Holdings Shares. An investor letter must be sent to investorletter@onecapital.co.za **so as to be received by not later than Friday, 27 August 2021** for verification and prior approval. Following receipt of approval, a QIB who is a Certificated Shareholder or a Dematerialised Shareholder with “*own name*” registration must submit the Application and Surrender Form (*pink*) to the Transfer Secretaries by not later than 12:00 on the Northam Scheme Record Date, as follows:
- by hand: Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, South Africa; or
 - by post: PO Box 61763, Marshalltown, 2107, South Africa; or
 - by email: corporate.events@computershare.co.za.
- 52.5.4 Eligible U.S. Shareholders who receive the Northam Scheme Consideration will receive “*restricted securities*” (as defined in Rule 144 under the U.S. Securities Act) and will have agreed in the investor letter to abide by certain restrictions on the resale of the Northam Holdings Shares, including that, subject to the provisions of the Northam Holdings’ MOI, the Northam Holdings Shares may not be offered, sold, pledged or otherwise transferred except:
- 52.5.4.1 in an offshore transaction (as defined under Regulation S under the U.S. Securities Act (“**Regulation S**”)) where neither the seller nor any person acting on its behalf knows by pre-arrangement or otherwise that the buyer is in the United States;
- 52.5.4.2 to any person the seller and any person acting on its behalf knows to be outside the United States;
- 52.5.4.3 if in the United States, then to a QIB who signs an investor representation letter in the same form as the letter delivered to Northam Holdings by the Eligible U.S. Shareholder; or
- 52.5.4.4 to Northam Holdings or a Subsidiary thereof.
- 52.5.5 The Northam Holdings Shares have not been approved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of such regulatory authorities passed upon or endorsed the merits of the Northam Scheme or the accuracy or adequacy of this Circular or the Northam Holdings Prospectus. Any representation to the contrary is a criminal offence in the United States.
- 52.5.6 In addition, until 40 days after the commencement of the Northam Scheme, an offer, sale or transfer of the Northam Holdings Shares within the United States by a dealer (whether or not participating in the offer) may violate the registration requirements of the U.S. Securities Act.

52.6 Member States of the European Economic Area and the United Kingdom

- 52.6.1 No prospectus which has been approved by the competent authority in a member state of the European Economic Area (each a “**Relevant State**”) or, where appropriate, approved in another Relevant State and notified to the competent authority in the Relevant State in accordance with Regulation (EU) 2017/1129, will be published in relation to the Northam Holdings Shares.
- 52.6.2 Accordingly, in each Relevant State, no Northam Holdings Shares have been offered or will be offered pursuant to the Northam Scheme to the public in that Relevant State except that offers of Northam Holdings Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:
- 52.6.2.1 to any person or legal entity which is a qualified investor as defined under Article 2 of the Regulation (EU) 2017/1129 (“**EEA Qualified Investor**”);
- 52.6.2.2 to fewer than 150 natural or legal persons (other than EEA Qualified Investors) in such Relevant State subject to obtaining the prior consent of Northam Holdings; or
- 52.6.2.3 in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Northam Holdings Shares shall require Northam Holdings to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.
- 52.6.3 In relation to the United Kingdom, this Circular, the Northam Holdings Prospectus, the Application and Surrender Form (*pink*) and any other material in relation to the securities described herein or therein is only directed at, and any investment or investment activity to which this Circular and the Northam Holdings Prospectus relate is available only as follows: (A) to any legal entity which is a qualified investor as defined under Article 2 of the Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”), (a “**UK Qualified Investor**”); (B) to fewer than 150 natural or legal persons (other than UK Qualified Investors); or (C) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000.
- 52.6.4 For the purposes of this provision, the expression an “*offer to the public*” in relation to the Northam Holdings Shares in any Relevant State or the United Kingdom means the communication in any form and by any means of the potential offer or issuance of Northam Holdings Shares as described in this Circular or the Northam Holdings Prospectus, and the expression “*Prospectus Regulation*” means Regulation (EU) 2017/1129.

52.7 UAE

By receiving this Circular, the Northam Holdings Prospectus, the Application and Surrender Form (*pink*) and any other material in relation to the securities described herein, the person or entity to whom it has been issued understands, acknowledges and agrees that this Circular, the Northam Holdings Prospectus, the Application and Surrender Form (*pink*) and any such other material has not been approved by or filed with the UAE Central Bank, the UAE Securities and Commodities Authority (the “**SCA**”) or any other authorities in the UAE, nor has Northam or Northam Holdings received authorisation or licencing from the UAE Central Bank, SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to any securities or other investments may or will be consummated within the UAE. It should not be assumed that Northam or Northam Holdings is a licenced broker, dealer or investment adviser under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Northam Holdings Shares are not intended for circulation or distribution in or into the UAE, other than to persons who are “*Qualified Investors*” within the meaning of the SCA’s Board of Directors Decision No. 37/R.M of 2019 Concerning the Definition of Qualified Investor to whom the materials may lawfully be communicated. This does not constitute a public offer of securities in the UAE in accordance with the SCA Chairman of the Board Resolution No. 11/R.M of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock Companies, or otherwise.

52.8 Japan

The Northam Holdings Shares have not been and will not be registered in accordance with Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended), (the “**FIEA**”) since the offering of the Northam Holdings Shares in Japan constitutes Solicitation of a Small Number of Investors under Article 23-13, Paragraph 4 of the FIEA. The Northam Holdings Shares will not be offered or sold, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act of Japan (Law No. 228 of 1949, as amended)) (including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan, except pursuant to Solicitation of a Small Number of Investors.

52.9 Switzerland

The offering of the Northam Holdings Shares in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act of 15 June 2018, as amended (the “**FinSA**”) because (i) less than 500 persons hold Northam Shares in Switzerland as at the Last Practicable Date and, consequently, the Northam Scheme is addressed to less than 500 retail clients (and thus exempt from the requirement to prepare a prospectus pursuant to article 36(1)(b) of the FinSA) and (ii) the Northam Holdings Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Circular, nor the Northam Holdings Prospectus nor any other offering or marketing material relating to the Northam Holdings Shares constitutes a prospectus pursuant to the FinSA or has been approved by a Swiss review body within the meaning of article 52 of the FinSA, and no such prospectus will be prepared in connection with the Northam Scheme.

53. EXCHANGE CONTROL REGULATIONS

The settlement of the Northam Scheme Consideration to Northam Scheme Participants is subject to the Exchange Control Regulations.

A summary of the Exchange Control Regulations is set out in annexure 23. Any Shareholder who is in doubt as to its position, including its tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

54. MATERIAL CHANGES

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

55. LITIGATION

55.1 As disclosed in note 31 of Northam’s condensed reviewed interim financial results for the period ended 31 December 2020, Northam received judgement in a Labour Court case in which employees claimed that they were unfairly dismissed when they did not return to work after an unprotected work stoppage in 2016. An amount of R55 million has been accounted for in the accounts of Northam for this purpose. The matter was heard in the Labour Appeal Court on 11 February 2020, and judgement is yet to be handed down. As a result, pending the outcome of the appeal, Northam has not given effect to the ruling of the Labour Court and due to the uncertainty of the outcome of the appeal, no further provision has been raised.

55.2 Save for the proceedings referred to above, Northam 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 Northam and its Subsidiaries.

56. CONSENTS

Each of the corporate advisor, transaction sponsor, independent sponsor, Independent Auditors and Independent Reporting Accountant, attorneys, the Independent Expert, tax advisors, foreign legal

counsel, and the Transfer Secretaries 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.

57. **DISCLOSURE IN TERMS OF SCHEDULE 16 OF THE JSE LISTINGS REQUIREMENTS**

57.1 One Capital Sponsor Services Proprietary Limited (“**OCSS**”) hereby discloses that One Capital Advisory Proprietary Limited (“**OCA**”) fulfils the function of corporate advisor to Northam and Northam Holdings in relation to the Composite Transaction. OCSS is a wholly owned subsidiary of OCA.

57.2 OCSS confirms that it has acted with objectivity in discharging its functions as transaction sponsor to Northam and Northam Holdings in relation to the Composite Transaction and has processes and procedures in place to manage any potential or perceived conflicts of interest arising from the above-mentioned relationship. Furthermore, Deloitte and Touche Sponsor Services Proprietary Limited has been appointed as independent transaction sponsor in relation to the Composite Transaction in order to mitigate any potential or perceived conflicts of interest.

58. **CONFLICT BETWEEN THE IMPLEMENTATION AGREEMENT, THE ANNOUNCEMENT AND THIS CIRCULAR**

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

59. **DOCUMENTS AVAILABLE FOR INSPECTION**

The documents listed below (or copies thereof) are available for inspection by Northam Shareholders at the registered office of each of Northam and One Capital Advisory Proprietary Limited, during business hours from the date of issue of this Circular until 10 Business Days after the Northam Scheme Record Date. Northam Shareholders should contact Northam’s company secretary (by email: trish.beale@norplats.co.za) should they wish to inspect the documents. The relevant documents are as follows:

59.1 the Implementation Agreement, the Zambezi Ordinary Shareholder Loan Agreement, the Relevant Zambezi Shareholder Transaction Agreements and the Northam Scheme Agreement;

59.2 the MOI of each of Northam and its major Subsidiaries, Booyensdal Proprietary Limited and Eland Platinum Proprietary Limited;

59.3 the MOI of Zambezi;

59.4 the MOI of Northam Holdings;

59.5 the Rules of the Northam SIP, as amended;

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

59.7 the condensed reviewed interim results of Northam for the 6 months ended 31 December 2020;

59.8 the audited financial statements of Northam Holdings as at incorporation;

59.9 the Independent Reporting Accountant’s assurance report on the historical financial information of Northam Holdings as at incorporation, the text of which is included as annexure 17;

59.10 the Independent Reporting Accountant’s assurance report on the *pro forma* financial information (i) of the Transaction on Northam and (ii) of the Composite Transaction on a Northam Scheme Participant, the text of which is included as annexure 7;

59.11 the Independent Reporting Accountant’s assurance report on the *pro forma* financial information of Northam, the text of which is included as annexure 8;

59.12 the Independent Reporting Accountant’s assurance report on the *pro forma* financial information of Northam Holdings, the text of which is included as annexure 9;

59.13 the Independent Expert Reports, the text of which is included as annexures 2, 3 and 4;

- 59.14 the binding irrevocables and letters of support referred to in paragraph 44;
- 59.15 the letter of approval of this Circular issued by the TRP;
- 59.16 the latest competent person's report;
- 59.17 the written consents of the professional advisors to Northam and Northam Holdings; and
- 59.18 signed copies of this Circular.

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

DH Brown

Independent non-executive director
in his capacity as a member of the Northam Board
Thursday, 20 May 2021

HH Hickey

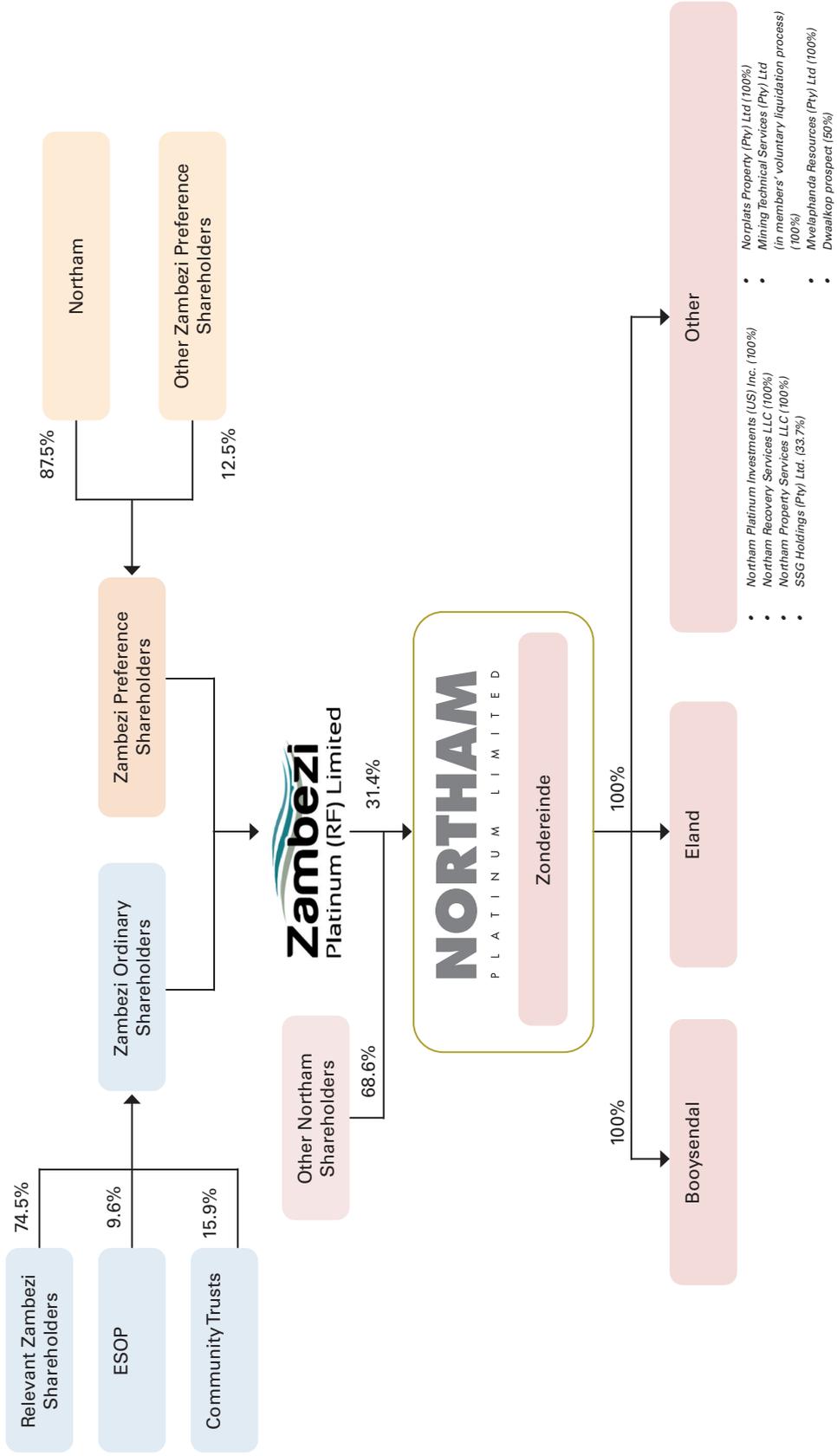
Independent non-executive director
in her capacity as a member of the Independent Board
Thursday, 20 May 2021

AH Coetzee

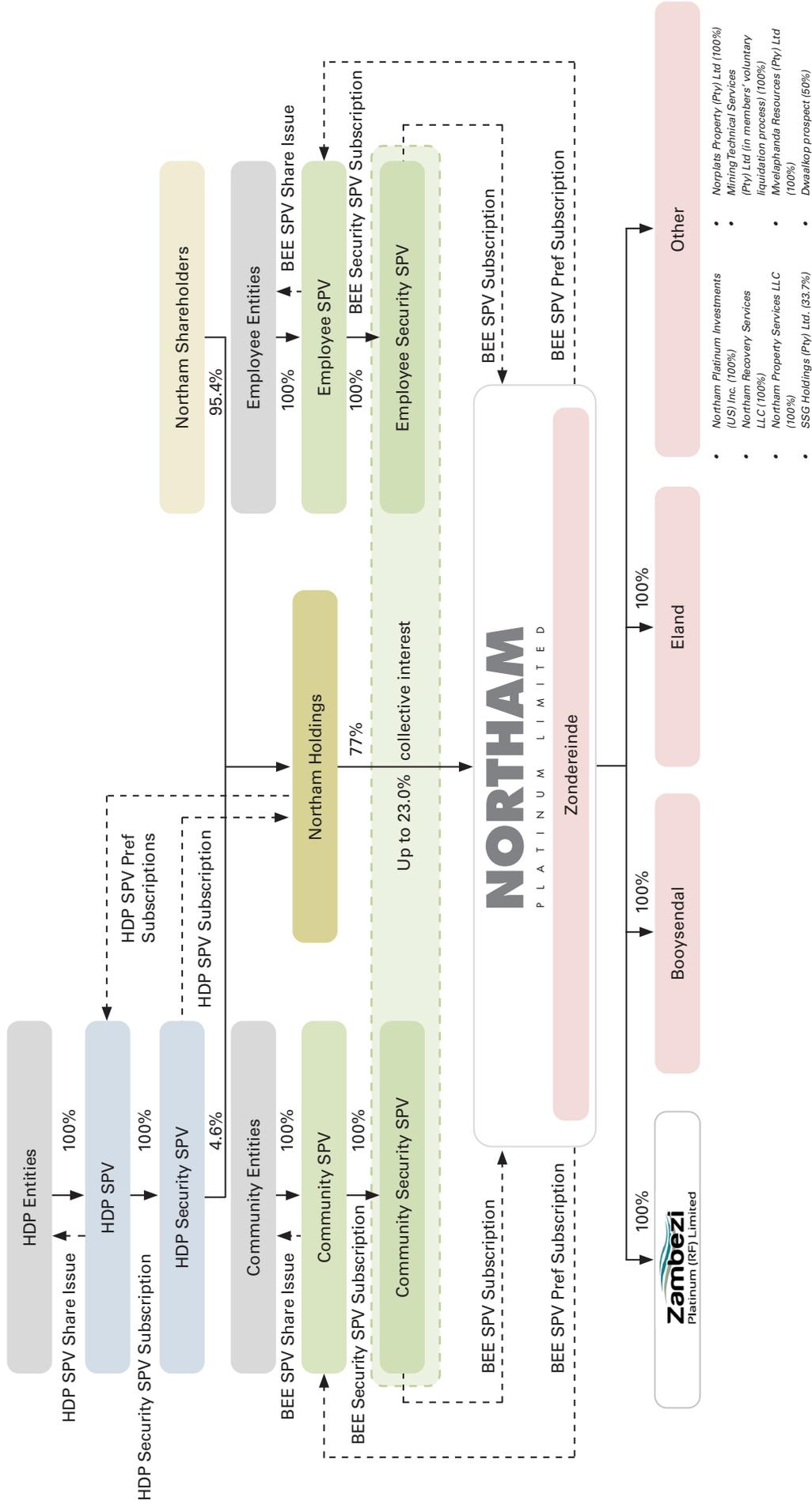
Executive director
in her capacity as a member of the Northam Holdings Board
Thursday, 20 May 2021

ANNEXURE 1: ORGANOGRAM OF THE NORTHAM GROUP

Northam Group structure as at the Last Practicable Date



Northam Group structure post implementation of the Extended BEE Transaction¹



¹ Northam Group structure based on the following assumptions:

- (i) The number of Northam Shares issued to the BEE Security SPVs is equal to no more than 23% of the Northam Shares in issue (net of Treasury Shares).
- (ii) The direct or indirect ownership by HDPs (through the SPVs) in Northam is up to 26.5% (net of Treasury Shares).

ANNEXURE 2: INDEPENDENT EXPERT REPORT IN RESPECT OF THE ZAMBEZI SCHEME

*The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached **do not** apply to this annexure.*

“The Board of Directors
Northam Platinum Limited
Building 4, 1st Floor Maxwell Office Park
Magwa Crescent West
Waterfall City, Jukskei View, 2090

20 May 2021

Dear Sirs/Mesdames

INDEPENDENT EXPERT REPORT IN RESPECT OF THE ZAMBEZI SCHEME

Introduction

In terms of the announcement published by Northam Platinum Limited (“Northam” or the “Company”) and Northam Platinum Holdings Limited on the Stock Exchange News Service operated by the JSE Limited (“JSE”) on Tuesday, 23 March 2021, holders of ordinary shares in the share capital of Northam (“Northam Shares”) (“Northam Shareholders” or “Shareholders”) were advised of, *inter alia*:

- the proposed acceleration of the maturity and wind-up of the empowerment transaction concluded between, *inter alios*, Northam and Zambezi Platinum (RF) Limited (“Zambezi”) in May 2015 (“Zambezi BEE Transaction”), comprising, *inter alia*:
 - the offer by Northam to the holders of the cumulative, non-participating preference shares in the share capital of Zambezi (“Zambezi Preference Shares” or “ZPLPs”), to acquire the remaining ZPLPs not already held by Northam, for a cash consideration per ZPLP amounting to the aggregate of R41.00 and the accumulated dividends per ZPLP on the date on which the Zambezi Scheme (as defined below) is implemented, plus a 15.99% premium thereon (collectively, the “ZPLP Offer Consideration”), by way of a scheme of arrangement proposed by the board of directors of Zambezi between Zambezi and the ZPLP holders in terms of section 114(1) as read with section 115 of the Companies Act 71 of 2008 (“Companies Act”) (the “Zambezi Scheme”). The ZPLP Offer Consideration amounts to R99.53 as at 11 May 2021, being the last practicable date prior to the finalisation of this opinion (“Last Practicable Date”); and
 - the transfer and acquisition by Northam of Northam Shares held by Zambezi and the Northam Employees’ Trust in terms of section 48(8)(b) of the Companies Act and paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Limited Listings Requirements (“JSE Listings Requirements”), by way of a scheme of arrangement in terms of section 114 as read with section 115 of the Companies Act between Northam and Northam Shareholders; and
- the proposed implementation of an extended 15-year BEE transaction for purposes of maintaining ownership by historically disadvantaged persons (as defined in the Mineral and Petroleum Resources Development Act, No. 28 of 2002) in Northam at up to 26.5% (net of Northam Shares held by subsidiaries in the Northam group) with an emphasis on participation by employees of the Northam group and host, and affected, communities.

Fairness opinion required in terms of the JSE Listings Requirements

Zambezi is a material shareholder (as defined in the JSE Listings Requirements) of Northam and therefore a related party to Northam in terms of paragraph 10.1(b)(i) of the JSE Listings Requirements.

In accordance with paragraph 10.7 of the JSE Listings Requirements as read with the Guidance Letter: Related party issues – Schemes of arrangement and offers, dated 2 April 2012, the Zambezi Scheme is categorised as a small related party transaction. Accordingly, in terms of paragraph 10.7(b) of the JSE Listings Requirements, the board of directors of Northam (“Northam Board” or “Board” or “Northam Directors”) is required to provide the JSE with written confirmation from an independent professional expert acceptable to the JSE that the Zambezi Scheme is fair insofar as Shareholders are concerned (“Fairness Opinion”).

BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance”) has been appointed to provide the Fairness Opinion.

Responsibility

Compliance with the JSE Listings Requirements is the responsibility of the Board. Our responsibility is to report on whether the terms of the Zambezi Scheme are fair to Shareholders.

Explanation as to how the term “fair” applies in the context of the Zambezi Scheme

Schedule 5.7 of the JSE Listings Requirements states that the “fairness” of a transaction is based on quantitative issues. A transaction will generally be considered fair to a company’s shareholders if the benefits received, as a result of a transaction, are equal to or greater than the value ceded.

The Zambezi Scheme may be said to be fair to Shareholders if the ZPLP Offer Consideration does not exceed the value of a ZPLP.

Details and sources of information

In arriving at our opinion, we have relied upon the following principal sources of information:

- The presentation to Shareholders explaining the Zambezi BEE Transaction and the issue of the ZPLPs dated 22 October 2014, as published on Northam’s website;
- The Zambezi prospectus to Shareholders dated 21 April 2015 which includes, *inter alia*, the terms of the ZPLPs;
- Annual integrated report and annual financial statements of Northam for the financial year ended 30 June 2020 (“2020 AFS”);
- Condensed reviewed interim financial results of Northam for the six months ended 31 December 2020;
- Annual report of Zambezi for the financial year ended 30 June 2020;
- Reviewed interim condensed results of Zambezi for the six months ended 31 December 2020;
- The Zambezi dividend accrual schedule computing the carrying value of the ZPLPs which amounts to R85.81 as at the Last Practicable Date;
- Published share price data in respect of the ZPLPs from 11 May 2015, being the date of listing of the ZPLPs, until the Last Practicable Date;
- The South African zero-coupon interest rate yield curve data published by Refinitiv and IRESS as at the Last Practicable Date;
- Northam’s average borrowing costs as disclosed in the 2020 AFS, Northam’s credit rating as per Refinitiv and our assessment of the incremental borrowing costs to be incurred as a result of the Zambezi Scheme;
- Discussions with Northam’s executive management and/or its advisors regarding the history of the ZPLPs;
- Discussions with Northam’s executive management and/or its advisors regarding the rationale for the Zambezi Scheme;
- Discussions with Northam’s executive management and/or its advisors on prevailing market, economic, legal and other conditions which may affect underlying value; and
- Publicly available information relating to Northam and the industry in which it operates.

The information above was secured from:

- Northam’s executive management and/or its advisors; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Northam.

Procedures and considerations

In arriving at our opinion, we have undertaken the following procedures and taken into account the following factors in evaluating the fairness of the Zambezi Scheme:

- Held discussions with Northam’s executive management and/or its advisors and considered all relevant matters, including assessing prevailing economic and market conditions and trends;
- Performed a valuation of the ZPLPs, as further detailed below. The ZPLPs will be settled by way of a bullet settlement of the redemption value plus accumulated dividends after 10-years from the date of issue, being 18 May 2015. The ZPLPs accrue dividends on a daily basis at a rate of prime plus 3.5%, compounded annually. The ZPLPs will be settled by Zambezi either in cash or Northam Shares held by Zambezi (at a 10% discount to the 30 day volume weighted average price before redemption), at Zambezi’s election.

Should the value of Zambezi's cash resources plus its Northam Shares (at the aforementioned 10% discount) not be sufficient to settle the ZPLPs, Northam has provided a guarantee to fund/settle the deficit either in cash or by way of issuing new Northam Shares to the holders of the ZPLPs, at Northam's election ("Northam Guarantee");

- Held discussions with the executive directors and management of Northam and/or their advisors as to the long-term strategy and the rationale for the Zambezi Scheme and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the Mining sector;
- Reviewed certain publicly available information relating to Northam and the Mining sector that we deemed relevant, including company announcements and media articles; and
- Performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the Mining sector generally.

Assumptions

We arrived at our opinion based on the following assumptions:

- That the Zambezi Scheme will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Northam; and
- That reliance can be placed on the financial information of Northam and Zambezi.

Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by determining the extent to which representations by Northam's executive management and/or its advisors were confirmed by documentary evidence as well as our understanding of Northam and the economic environment in which it operates.

Limiting conditions

The Fairness Opinion is provided to the Northam Board in connection with and for the purposes of the Zambezi Scheme. The Fairness Opinion does not purport to cater for each individual Shareholder's perspective, but rather that of the general body of Shareholders.

Individual Shareholders' decisions regarding the Zambezi Scheme may be influenced by such Shareholders' particular circumstances and accordingly individual Shareholders should consult an independent advisor if in any doubt as to the merits or otherwise of the Zambezi Scheme.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

We have also assumed that the Zambezi Scheme will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Northam and we express no opinion on such consequences.

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

Independence, competence and fees

We confirm that we have no direct or indirect interest in Northam Shares or ZPLPs or in the Zambezi Scheme. We also confirm that we have the necessary qualifications and competence to provide the Fairness Opinion.

We confirm that neither we, nor any person related to us (as contemplated in the JSE Listings Requirements), have any relationship with Northam or with any party involved in the Zambezi Scheme as contemplated in paragraph 5.12 of Schedule 5 of the JSE Listings Requirements and have not had such relationship within the immediately preceding two years.

Furthermore, we confirm that our professional fees are not contingent upon the success of the Zambezi Scheme. Our fees are not payable in Northam Shares.

Valuation approach

The ZPLPs have similar characteristics to a reverse convertible bond (“RCB”). A RCB is a bond that can be converted to cash, debt or equity at the discretion of the issuer at a set date. The issuer typically has an option on the maturity date to either redeem the bonds in cash or to deliver a predetermined number of shares. The ZPLPs can be converted to cash or equity at the discretion of Zambezi (the issuer) or the Company (pursuant to the Northam Guarantee) at a set date, being 17 May 2025 (“Maturity Date”). Zambezi and the Company (pursuant to the Northam Guarantee) hold an embedded put option on the Maturity Date to either redeem the ZPLPs in cash or to deliver a number of Northam Shares. The “option”, if exercised, allows Zambezi and the Company (pursuant to the Northam Guarantee) to “put” Northam Shares to holders of the ZPLPs at a set date in exchange for the ZPLPs. In the event that Zambezi elects to settle the ZPLPs with Northam Shares, Zambezi does not have the right to settle the ZPLPs with a fixed number of Northam Shares but rather with Northam Shares held by Zambezi at a 10% discount to the 30 day volume weighted average price before redemption.

The fair value of a ZPLP can be presented in a formula as follows:

$$\text{Fair Value (Preference Share)} = \text{Fair Value (Coupon Bond)} - \text{Fair Value (Put Option)}$$

In order to calculate the fair value of the ZPLPs we applied a model that considers the debt component only. The model uses observed market data, as its primary inputs.

As the embedded put option inherent in the ZPLPs (“Put Option”) does not allow for settlement in a fixed number of shares, no value is attributed to the Put Option.

The coupon bond was valued by discounting the expected cash flows, i.e. the bullet payment on the Maturity Date, which is forecasted to be R136.41, at a market related borrowing rate. The valuation was performed as at the Last Practicable Date. We assumed a credit spread range of 2.75% to 3.15% over the three-month Johannesburg Interbank Average Rate (3-month JIBAR) (“Credit Spread”), which at the Last Practicable Date amounted to 3.68%, to derive an expected borrowing rate applicable to Northam. In determining the Credit Spread we have considered the cost of Northam’s current debt, comprising domestic medium-term notes, a revolving credit facility and general banking facilities as well as the credit rating applicable to Northam which informs the Credit Spread, being BBB as per Refinitiv. We assessed the weighted average cost of Northam’s debt and the implied credit spread of Northam’s current facilities relative to the 3-month JIBAR.

The valuation was performed taking cognisance of risk and other market and industry factors affecting Northam and Zambezi.

The key internal value driver to the valuation of a ZPLP is the Credit Spread.

The key external value driver is the forecast prime lending rate as follows:

- Period ended 01 July 2021: 7.00%;
- Year ended 01 July 2022: 7.34%;
- Year ended 01 July 2023: 8.43%;
- Year ended 01 July 2024: 9.52%; and
- Period ended 17 May 2025: 9.93%.

In addition, a sensitivity analysis was performed in respect of the Credit Spread by increasing and decreasing the Credit Spread range by a maximum of 20 basis points.

The sensitivity analysis did not indicate a sufficient effect on the valuation to alter our opinion in respect of the Zambezi Scheme.

Valuation conclusion

In undertaking the valuation exercise above, we have determined a valuation range of R97.05 to R99.90 per ZPLP effective as at the Last Practicable Date. The ZPLP Offer Consideration as at the Last Practicable Date amounts to R99.53.

The valuation range above is provided solely in respect of this opinion and should not be used for any other purposes.

Fairness Opinion

BDO Corporate Finance has considered the terms and conditions of the Zambezi Scheme.

For purposes of paragraph 10.7(b) of the JSE Listings Requirements, BDO Corporate Finance confirms that it is of the opinion that the Zambezi Scheme is fair insofar as Northam Shareholders are concerned.

Our view is based on market, economic, industry, monetary and other conditions (where applicable) prevailing on, and our analysis of the information made available to us up to, the Last Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion for factors or assumptions in light of any development after the Last Practicable Date that may affect our opinion, factors or assumptions contained herein.

We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Zambezi Scheme will be timeously fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Consent

We hereby consent to the inclusion of this Independent Expert Report, in whole or in part, and references thereto in the Circular and any other announcement or document pertaining to the Zambezi Scheme in the form and context in which they appear.

Yours faithfully

BDO Corporate Finance Proprietary Limited

Nick Lazanakis

Director

52 Corlett Drive

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ANNEXURE 3: INDEPENDENT EXPERT REPORT IN RESPECT OF THE SHARE ACQUISITIONS SCHEME AND THE NORTHAM ZAMBEZI ORDINARY SHARE SUBSCRIPTION

*The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached **do not** apply to this annexure.*

“The Board and the Independent Board
Northam Platinum Limited
Building 4, 1st Floor Maxwell Office Park
Magwa Crescent West
Waterfall City, Jukskei View, 2090

20 May 2021

Dear Sirs/Mesdames

INDEPENDENT EXPERT REPORT IN RESPECT OF THE SHARE ACQUISITIONS SCHEME AND THE NORTHAM ZAMBEZI ORDINARY SHARE SUBSCRIPTION

Introduction

In terms of the announcement published by Northam Platinum Limited (“Northam” or the “Company”) and Northam Platinum Holdings Limited on the Stock Exchange News Service operated by the JSE Limited (“JSE”) on Tuesday, 23 March 2021 (“Announcement”), holders of ordinary shares in the share capital of Northam (“Northam Shares”) (“Northam Shareholders” or “Shareholders”) were advised of, *inter alia*:

- the proposed acceleration of the maturity and wind-up of the empowerment transaction concluded between, *inter alios*, Northam and Zambezi Platinum (RF) Limited (“Zambezi”) in May 2015, comprising, *inter alia*:
 - the offer by Northam to the holders of the cumulative, non-participating preference shares in the share capital of Zambezi (“Zambezi Preference Shares” or “ZPLPs”), to acquire the remaining ZPLPs not already held by Northam, for a cash consideration per ZPLP amounting to the aggregate of R41.00 and the accumulated dividends per ZPLP (“Face Value”) on the date on which the Zambezi Scheme (as defined below) is implemented (“Zambezi Scheme Implementation Date”), plus a 15.99% premium thereon, by way of a scheme of arrangement proposed by the board of directors of Zambezi between Zambezi and the ZPLP holders in terms of section 114 as read with section 115 of the Companies Act 71 of 2008 (“Companies Act”) (the “Zambezi Scheme”); and
 - the transfer and acquisition by Northam of Northam Shares held by Zambezi and the Northam Employees’ Trust (the “ESOP”) in terms of section 48(8)(b) of the Companies Act and paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements, by way of a scheme of arrangement in terms of section 114 as read with section 115 of the Companies Act between Northam and the Shareholders (“Scheme”) pursuant to the following transactions:
 - the settlement of all outstanding accumulated dividends as at the Zambezi Scheme Implementation Date in respect of all of the ZPLPs together with an amount equal to 11.11% recurring of the Face Value per ZPLP on the Zambezi Scheme Implementation Date (“Revised Accumulated Dividends”) through the transfer by Zambezi to Northam of so many Northam Shares held by Zambezi, at a price of R160.00 (“Zambezi Pref Share Settlement Price”), as may be equal in value to the amount of the Revised Accumulated Dividends (“Revised Accumulated Dividends Settlement”);
 - o the repurchase by Northam of a number of Northam Shares from Zambezi at a price of R152.00 each (“Repurchase Consideration”) (“Repurchase”), in order to fund payment of, *inter alia*, Zambezi’s taxes and costs arising from the Transaction (as defined below);
 - o the repurchase by Northam of a number of Northam Shares received by the ESOP pursuant to a distribution by Zambezi of Northam Shares at a price not exceeding the 30 day volume weighted average price (“VWAP”) of a Northam Share, determined the day immediately preceding the date on which the repurchase is implemented. The 30 day VWAP as at the effective date of the valuations for the purposes of our opinion, being 31 March 2021 (“Valuation Date”), amounted to R237.28;

- o the redemption of all of the ZPLPs in accordance with the ZPLP terms (as amended), by way of a transfer by Zambezi to Northam of so many Northam Shares (valued at R160.00 per share), as may be equal in value to the issue price of R41.00 per ZPLP and the cash settlement of the unpaid preference dividends in respect of such ZPLPs (“Zambezi Preference Share Redemption”); and
- o the acquisition of any additional Northam Shares which may need to be retained and sold by Zambezi to settle Zambezi’s taxes (if applicable),
- (collectively, the “Share Acquisitions Scheme”. The Zambezi Scheme and the Share Acquisitions Scheme are collectively referred to as the “Transaction”); and
- the proposed implementation of an extended 15-year BEE transaction for purposes of maintaining ownership by historically disadvantaged persons (as defined in the Mineral and Petroleum Resources Development Act, No. 28 of 2002) in Northam at up to 26.5% (net of Northam Shares held by subsidiaries in the Northam group), with an emphasis on participation by employees of the Northam group and host, and affected, communities.
- In addition, in the event that the estimated Zambezi taxes calculated utilising the disposal prices (for tax purposes) as determined in accordance with the Tax Ruling (as defined in the Circular) 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 (“Adjusted Zambezi Taxes”), is in excess of the estimated Zambezi taxes calculated 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, (“Base Case Zambezi Taxes”), (where the Adjusted Zambezi Taxes less the Base Case Zambezi Taxes is defined as the “Excess”), Northam may subscribe for ordinary shares of no par value in the authorised share capital of Zambezi (“Zambezi Ordinary Shares”) to fund the settlement of a portion of the Excess (“Northam Zambezi Ordinary Share Subscription”).

Independent Expert report required in terms of the Companies Act

The Share Acquisitions Scheme amounts to a repurchase of shares as contemplated in section 48(8)(b) as read with sections 114 and 115 of the Companies Act.

In terms of section 114(2) of the Companies Act as read with regulations 90 and 110 of the Companies Regulations, 2011 (the “Regulations”), the independent board of directors of Northam (“Independent Board”) must retain an independent expert to compile a report (in the form of a fair and reasonable opinion) on the Share Acquisitions Scheme and the consideration payable by Northam in terms thereof (“Share Acquisitions Scheme Consideration”) in compliance with section 114(3) of the Companies Act and Regulations 90 and 110.

BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance”) has been appointed as the independent expert by the Independent Board to assess the Share Acquisitions Scheme and the Share Acquisitions Scheme Consideration as required in terms of section 114 of the Companies Act and Regulations 90 and 110 and to provide our opinion to the Independent Board for the sole purpose of assisting the Independent Board in forming and expressing an opinion on the Share Acquisitions Scheme and Share Acquisitions Scheme Consideration for the benefit of Shareholders (the “Independent Expert Report”).

Independent Expert report required in terms of the JSE Listing Requirements

Zambezi is a material shareholder (as defined in the JSE Listings Requirements) of Northam and therefore a related party to Northam in terms of paragraph 10.1(b)(i) of the JSE Listings Requirements.

In accordance with paragraph 10.4 of the JSE Listings Requirements, the Northam Zambezi Ordinary Share Subscription is a related party transaction. Accordingly, in terms of paragraph 10.4(f) of the JSE Listings Requirements, the board of directors of Northam (“Board”) is required to obtain a fairness opinion from an independent professional expert acceptable to the JSE confirming whether the Northam Zambezi Ordinary Share Subscription is fair insofar as Shareholders are concerned (“Fairness Opinion”).

Responsibility

Compliance with the JSE Listings Requirements is the responsibility of the Board. Compliance with the Companies Act and the Regulations is the responsibility of the Independent Board. Our responsibility is to report to the Board on whether the Northam Zambezi Ordinary Share Subscription is fair to Shareholders and to report to the Independent Board on whether the Share Acquisitions Scheme and the Share Acquisitions Scheme Consideration are fair and reasonable to Shareholders.

Definition of the terms “fair” and “reasonable” applicable in the context of the Share Acquisitions Scheme

The “fairness” of a transaction is based on quantitative issues. A transaction will generally be considered to be fair to a company’s shareholders if the benefits received, as a result of the transaction, are equal to or greater than the value given up.

The Share Acquisitions Scheme will be considered fair if the Share Acquisitions Scheme Consideration is equal to or less than the fair value per Northam Share and unfair if the Share Acquisitions Scheme Consideration is more than the fair value per Northam Share.

The assessment of reasonableness of a transaction is generally based on qualitative considerations surrounding an offer. Hence, even though the consideration to be paid in respect of an offer may be more than the market value, the offer may be considered reasonable after considering other significant qualitative factors. The Share Acquisitions Scheme may be said to be reasonable if the Share Acquisitions Scheme Consideration is less than the trading price of a Northam Share as at the time of the Announcement, or at some other more appropriate identifiable time.

Explanation as to how the term “fair” applies in the context of the Northam Zambezi Ordinary Share Subscription

Schedule 5.7 of the JSE Listings Requirements states that the “fairness” of a transaction is based on quantitative issues. A transaction will generally be considered fair to a company’s shareholders if the benefits received, as a result of a transaction, are equal to or greater than the value ceded.

Typically, a subscription may be said to be fair to shareholders if the subscription consideration does not exceed the fair value of an ordinary share in the issuer at the time of the subscription.

Details and sources of information

In arriving at our opinions, we have relied upon the following principal sources of information:

- Annual integrated report and annual financial statements of Northam for the financial years ended 30 June 2018, 2019 and 2020;
- Condensed reviewed interim financial results of Northam for the six months ended 31 December 2020;
- Mineral Resources and Reserves Report in respect of the mineral assets held wholly or partly by Northam as at 30 June 2020 and the summary Mineral Resources and Mineral Reserves report as at 31 December 2020;
- Competent Persons Report for Northam on its mineral assets as at 31 March 2021, prepared by Mr Vince Agnello (MGSSA, MSAIMM, Pr.SciNat) as Competent Valuator on behalf of The MSA Group Proprietary Limited;
- Base case financial model incorporating cash flow projection for Northam from 1 April 2021 to 30 June 2051 or earlier based on the Life of Mine (“LoM”) per principal operation (being Zondereinde, Booyseindal and Eland (“Assets”)) and on a consolidated basis prepared by management of Northam;
- Consensus Analysts’ Forecast commodity prices for each of the principal commodities produced and sold by Northam;
- Consensus Analysts’ Forecast exchange rates;
- Discussions with Northam’s executive management and/or its advisors regarding the rationale for the Share Acquisitions Scheme;
- Discussions with Northam’s executive management and/or its advisors on prevailing market, economic, legal and other conditions which may affect underlying value; and
- Publicly available information relating to Northam and the industry in which it operates.

The information above was secured from:

- Northam’s executive management and/or its advisors; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Northam.

Procedures and considerations

In arriving at our opinions, we have undertaken the following procedures and taken into account the following factors:

- Held discussions with Northam's executive management and/or its advisors and considered all relevant matters, including assessing the prevailing economic and market conditions and trends;
- Reviewed and obtained an understanding from executive management of Northam and their advisors as to the forecasts of each Asset for the forecast financial periods commensurate to the Asset's LoM. Considered the forecasts and the basis of the assumptions therein including the prospects of the Assets. This review included an assessment of the reasonableness of the outlook assumed based on discussions with management or their advisors and an assessment of the achievability thereof by considering historical information as well as macro-economic and sector-specific data;
- Performed a sum of the parts ("SOTP") valuation of Northam as well as a Northam Share;
- Assessed the long-term potential of Northam and the Assets;
- Evaluated the relative risks associated with the Assets and the Mining sector;
- Held discussions with the executive directors and management of Northam and/or their advisors as to the long-term strategy and the rationale for the Share Acquisitions Scheme and Northam Zambezi Ordinary Share Subscription and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the Mining sector;
- Reviewed certain publicly available information relating to Northam and the Mining sector that we deemed relevant, including company announcements and media articles; and
- Performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the Mining sector generally.

Assumptions

We arrived at our opinions based on the following assumptions:

- That the Share Acquisitions Scheme and Northam Zambezi Ordinary Share Subscription will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Northam; and
- That reliance can be placed on the financial information of Northam.

Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinions by determining the extent to which representations by Northam's executive management and/or its advisors were confirmed by documentary evidence as well as our understanding of Northam and the economic environment in which it operates.

Limiting conditions

The opinions are provided in connection with and for the purposes of the Share Acquisitions Scheme and Northam Zambezi Ordinary Share Subscription. The opinions do not purport to cater for each individual Shareholder's perspective, but rather that of the general body of Shareholders.

Individual Shareholders' decisions regarding the Share Acquisitions Scheme and Northam Zambezi Ordinary Share Subscription may be influenced by such Shareholders' particular circumstances and accordingly individual Shareholders should consult an independent advisor if in any doubt as to the merits or otherwise of the Share Acquisitions Scheme and Northam Zambezi Ordinary Share Subscription.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinions. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinions, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

We have also assumed that the Share Acquisitions Scheme and Northam Zambezi Ordinary Share Subscription will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Northam and we express no opinion on such consequences.

We are not aware of any factors that are difficult to quantify, or are unquantifiable in forming our opinions in respect of the fairness of the Share Acquisitions Scheme and Northam Zambezi Ordinary Share Subscription. It is also not within our terms of reference to compare the merits of the Share Acquisitions Scheme and Northam Zambezi Ordinary Share Subscription to any alternative arrangements that were or may have been available to Northam. Such comparison and consideration remain the responsibility of the Board or the Independent Board and their advisors

Our opinions are based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinions, and we are under no obligation to update, review or re-affirm our opinions based on such developments.

Independence, competence and fees

We have no direct or indirect interest in Northam Shares or in the Northam Zambezi Ordinary Share Subscription. We also confirm that we have the necessary qualifications and competence to provide the Fairness Opinion.

Neither we, nor any person related to us (as contemplated in the JSE Listings Requirements), have any relationship with Northam or with any party involved in the Northam Zambezi Ordinary Share Subscription as contemplated in paragraph 5.12 of Schedule 5 of the JSE Listings Requirements and have not had such relationship within the immediately preceding two years.

We confirm that neither we nor any person related to us (as contemplated in the Companies Act) have a direct or indirect interest in Northam Shares, nor the Share Acquisitions Scheme, nor have had within the immediately preceding two years, any relationship as contemplated in section 114(2)(b) of the Companies Act, and specifically declare, as required by Regulations 90(6)(i) and 90(3)(a), that we are independent in relation to the Share Acquisitions Scheme and will reasonably be perceived to be independent taking into account other existing relationships and appointments. We also confirm that we have the necessary competence to provide the Independent Expert Report and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our total professional fees of R3,150,000 are not contingent upon the success of the Share Acquisitions Scheme and Northam Zambezi Ordinary Share Subscription. Our fees are not payable in shares.

Valuation approach

Share Acquisitions Scheme

BDO Corporate Finance performed a valuation of a Northam Share as at the Valuation Date on a SOTP basis to determine whether the Share Acquisitions Scheme and Share Acquisitions Scheme Consideration is fair to Shareholders.

The mineral assets of Northam are the primary value drivers and we conducted a mineral asset valuation for all mineral assets by applying the discounted cash flow (“DCF”) approach. The valuation of Northam has been based upon an aggregation of the value of the company’s underlying operations and mineral assets, comprising:

- The value of the Assets; and
- Net debt and cash including the fair value of the ZPLP’s held by Northam.

The valuation methodologies employed in respect of each Asset are detailed below:

Asset	Category	Primary valuation approach	Comments
Zondereinde	Platinum Group Metals	DCF	Operating mine with LoM plan
Booyseindal	Platinum Group Metals	DCF	Operating mine with LoM plan
Eland	Platinum Group Metals	DCF	Operating mine with LoM plan
ZPLPs	Other	DCF	Net present value of expected cash flows
Net cash / debt	Financial assets	Carrying value	Fair value based on carrying value

The key external value driver to the DCF valuation of the Assets is the price assumption for commodities and products produced by the Assets. Key internal value drivers include the discount rate, production rates and the estimated LoM, operating costs, royalties, capital expenditure requirements and taxes.

The key real commodity prices and exchange rate forecasts applied in the DCF valuations for the 4E Platinum Group Metals (“PGMs”) commodities produced by the Assets are detailed in the table below:

Assumption	Unit	FY21	FY22	FY23	FY24	FY25	Long term
Platinum	USD/oz	1 031	1 142	1 159	1 137	1 062	1 062
Palladium	USD/oz	2 326	2 122	1 938	1 940	1 695	1 695
Rhodium	USD/oz	17 132	18 726	15 563	14 157	11 776	11 776
Gold	USD/oz	1 843	1 741	1 622	1 573	1 505	1 505

The risk of the Assets is expressed in the discount rate applied to the projected future cash flows. A real weighted average cost of capital (“WACC”) of 10.00% (nominal WACC of 15.8%) was determined for Northam. The valuations were re-performed using base case assumptions and applying a range of discount rates based on different risk scenarios, including market risk, financing risk, mining risk and operational risk. The sensitivity analysis was performed by increasing and decreasing the base case discount rate by a maximum of 1.0%. The discount rate sensitivity analysis did not indicate a sufficient effect on the valuation of Northam to alter our opinion in respect of the Share Acquisitions Scheme and the Share Acquisitions Scheme Consideration.

Northam Zambezi Ordinary Share Subscription

At the time of the Northam Zambezi Ordinary Share Subscription, Northam will hold 100% of the economic rights and 99% of the voting rights in Zambezi. The subscription consideration will be determined with reference to the relevant portion of the Excess divided by the number of Zambezi Ordinary Shares issued in terms of the Northam Zambezi Ordinary Share Subscription, limited by the remaining available authorised Zambezi Ordinary Shares. As Northam will hold 100% of the economic rights in Zambezi before and after the Northam Zambezi Ordinary Share Subscription, the fair value of a Zambezi Ordinary Share is not considered relevant for purposes of opining on the fairness of the Northam Zambezi Ordinary Share Subscription. As such, the Northam Zambezi Ordinary Share Subscription would be considered fair if there is no dilution in the economic rights held by Northam in Zambezi before and after the Northam Zambezi Ordinary Share Subscription.

Valuation conclusion

In undertaking the valuation exercise above, we have determined a valuation range of R247.94 to R268.60 per Northam Share, with a most likely value of R258.27 per Northam Share.

The valuation range above is provided solely in respect of this opinion and should not be used for any other purposes.

Reasonableness of the Share Acquisitions Scheme and Share Acquisitions Scheme Consideration

The Zambezi Pref Share Settlement Price and Repurchase Consideration represent a discount of 41.2% and 37.9% respectively to the closing price of a Northam Share on the JSE of R244.76 on 19 March 2021 the last trading day immediately prior to the Announcement.

Section 114(3) requirements

As required in terms of section 114(3) of the Companies Act (read together with section 48 of the Companies Act), this report deals with the following:

a. state all prescribed information relevant to the value of the securities affected by the proposed arrangement;

The Share Acquisitions Scheme will result in the Company acquiring c.25.6% of the issued listed ordinary share capital which Shares have been valued as indicated above.

b. identify every type and class of holders of the Company's securities affected by the proposed arrangement;

The authorised and issued share capital of Northam as at Tuesday, 18 May 2021, being the last practicable date prior to the finalisation of the Circular ("Last Practicable Date") is set out below:

	Share capital (R'million)
Authorised share capital 2 000,000,000 Northam Shares	1,000
Issued share capital 509,781,212 Northam Shares	13,778
Northam Shares held as treasury shares ⁽¹⁾	(6,556)
Share capital and premium net of treasury shares	7,221

¹ Northam Shares held by Zambezi and which are considered to be treasury shares from an accounting perspective only.

c. describe the material effects that the proposed arrangement will have on the rights and interests of the persons mentioned in paragraph (b);

We are not aware of any material adverse effects of the Share Acquisitions Scheme on Shareholders.

d. evaluate any material adverse effects of the proposed arrangement against

i. the compensation that any of those persons will receive in terms of that arrangement; and

Management stated that none of the parties to the Share Acquisitions Scheme are likely to be compensated for the Share Acquisitions Scheme. We are not aware of any other persons to be entitled to compensation as a result of the Share Acquisitions Scheme, apart from the transaction costs that are normally incurred for transactions of this nature, namely advisors' fees, legal fees, secretarial fees, securities transfer tax, brokers' fees, JSE Limited inspection fees, STRATE settlement fees and independent experts' fees.

ii. any reasonably probable beneficial and significant effect of that arrangement on the business and prospects of the Company;

The financial effects of the Share Acquisitions Scheme are set out in paragraph 36 and Annexure 5 of the Circular.

e. state any material interest of any Director of the Company or Trustee for security holders;

The material interests of the directors of Northam are set out in paragraph 42 of the Circular.

f. state the effect of the proposed arrangement on the interest and person contemplated in paragraph (e);

The material interests of the directors of Northam are set out in paragraph 42 of the Circular and the effect of the Northam Share Acquisition Scheme on those interests and persons are set out in paragraph 35 of the Circular, which we agree with.

g. and include a copy of sections 115 and 164

Extracts of sections 115 and 164 of the Companies Act are set out in Annexure 21 and Annexure 22 respectively of the Circular and are incorporated herein by reference for purposes of section 114(3)(g) of the Companies Act.

Opinion

BDO Corporate Finance has considered the proposed terms and conditions of the Share Acquisitions Scheme and Share Acquisitions Scheme Consideration.

Based upon and subject to the conditions set out herein, BDO Corporate Finance is of the opinion that the Share Acquisitions Scheme and Share Acquisitions Scheme Consideration are fair and reasonable to Northam Shareholders.

BDO Corporate Finance has considered the terms and conditions of the Northam Zambezi Ordinary Share Subscription.

For purposes of paragraph 10.4(f) of the JSE Listings Requirements, BDO Corporate Finance confirms that it is of the opinion that the Northam Zambezi Ordinary Share Subscription is fair insofar as Shareholders are concerned.

Our view is based on market, economic, industry, monetary and other conditions (where applicable) prevailing on, and our analysis of the information made available to us up to, the Last Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion for factors or assumptions in light of any development after the Last Practicable Date that may affect our opinion, factors or assumptions contained herein.

We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Share Acquisitions Scheme will be timeously fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Consent

We hereby consent to the inclusion of this Independent Expert Report, in whole or in part, and references thereto in the Circular and any other announcement or document pertaining to the Share Acquisitions Scheme and the Northam Zambezi Ordinary Share Subscription, in the form and context in which they appear.

Yours faithfully

BDO Corporate Finance Proprietary Limited

Nick Lazanakis

Director

52 Corlett Drive
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2196"

ANNEXURE 4: INDEPENDENT EXPERT REPORT IN RESPECT OF THE NORTHAM SCHEME AND THE EXTENDED BEE TRANSACTION

The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached do not apply to this annexure.

“The Board and the Independent Board
Northam Platinum Limited
Building 4, 1st Floor
Maxwell Office Park
Magwa Crescent West
Waterfall City, Jukskei View, 2090

20 May 2021

Dear Sirs/Mesdames

INDEPENDENT EXPERT REPORT IN RESPECT OF THE ACQUISITION BY NORTHAM PLATINUM HOLDINGS LIMITED OF THE ENTIRE ISSUED ORDINARY SHARE CAPITAL OF NORTHAM PLATINUM LIMITED (“NORTHAM”) EXCLUDING TREASURY SHARES AND THE EXTENDED BEE TRANSACTION

Introduction

In terms of the announcement published by Northam and Northam Platinum Holdings Limited (“Northam Holdings”) on the Stock Exchange News Service operated by the JSE Limited (“JSE”) on Tuesday, 23 March 2021, holders of ordinary shares in the share capital of Northam (“Northam Shares”) (“Northam Shareholders” or “Shareholders”) were advised of, *inter alia*:

- the proposed acceleration of the maturity and wind-up of the empowerment transaction concluded between, *inter alios*, Northam and Zambezi Platinum (RF) Limited (“Zambezi”) in May 2015, comprising, *inter alia*:
 - the offer by Northam to the holders of the cumulative, non-participating preference shares in the share capital of Zambezi (“Zambezi Preference Shares” or “ZPLPs”), to acquire the remaining ZPLPs not already held by Northam, for a cash consideration per ZPLP amounting to the aggregate of R41.00 and the accumulated dividends per ZPLP (“Face Value”) on the date on which the Zambezi Scheme (as defined below) is implemented (“Zambezi Scheme Implementation Date”), plus a 15.99% premium thereon, by way of a scheme of arrangement in terms of section 114 as read with section 115 of the Companies Act (“Scheme”) proposed by the board of directors of Zambezi between Zambezi and the ZPLP holders in terms of section 114(1) as read with section 115 of the Companies Act 71 of 2008 (“Companies Act”) (the “Zambezi Scheme”); and
 - the transfer and acquisition by Northam of Northam Shares held by Zambezi and the Northam Employees’ Trust (the “ESOP”) in accordance with section 48(8)(b) of the Companies Act, by way of a Scheme between Northam and the Shareholders pursuant to the following transactions:
 - the settlement of all outstanding accumulated dividends as at the Zambezi Scheme Implementation Date in respect of all of the ZPLPs together with an amount equal to 11.11% recurring of the Face Value per ZPLP on the Zambezi Scheme Implementation Date (“Revised Accumulated Dividends”) through the transfer by Zambezi to Northam of so many Northam Shares held by Zambezi, at a price of R160.00, as may be equal in value to the amount of the Revised Accumulated Dividends;
 - the repurchase by Northam of a number of Northam Shares from Zambezi at a price of R152.00 each (“Repurchase”), in order to fund payment of, *inter alia*, Zambezi’s taxes and costs arising from the Transaction (as defined below);
 - the repurchase by Northam of a number of Northam Shares received by the ESOP pursuant to a distribution by Zambezi of Northam Shares at a price not exceeding the 30 day volume weighted average price (“30 day VWAP”) of a Northam Share, determined the day immediately preceding the date on which the repurchase is implemented;
 - the redemption of all of the ZPLPs in accordance with the ZPLP terms (as amended), by way of a transfer by Zambezi to Northam of so many Northam Shares (valued at R160.00 per share), as may be equal in value to the issue price of R41.00 per ZPLP and the cash settlement of the unpaid preference dividends in respect of such ZPLPs; and

- the acquisition of any additional Northam Shares which may need to be retained and sold by Zambezi to settle Zambezi's taxes (if applicable),
- (collectively, the "Share Acquisitions Scheme". The Zambezi Scheme and the Share Acquisitions Scheme are collectively referred to as the "Transaction"); and
- the proposed implementation of an extended 15-year BEE transaction for purposes of maintaining ownership by historically disadvantaged persons (as defined in the Mineral and Petroleum Resources Development Act, No. 28 of 2002) ("HDPs") in Northam at up to 26.5% (net of Northam Shares held by subsidiaries in the Northam group ("Treasury Shares")), with an emphasis on participation by employees of the Northam group and host, and affected, communities, comprising, *inter alia*:
 - the offer by Northam Holdings, a newly incorporated company established by Northam, to acquire all of the Northam Shares in issue, excluding Treasury Shares, ("Northam Scheme Shares") from Northam Shareholders ("Northam Scheme Participants") in exchange for ordinary shares in the share capital of Northam Holdings ("Northam Holdings Shares") on a 1:1 basis ("Northam Scheme Consideration"), by way of a Scheme (the "Northam Scheme"), and the simultaneous termination of the listing of all Northam Shares, and the listing of all Northam Holdings Shares, on the Main Board of the JSE; and
 - the issue by Northam and Northam Holdings of Northam Shares and Northam Holdings Shares, respectively, to HDP entities to be formed, in order to secure up to 26.5% ownership by HDPs in Northam (net of Treasury Shares), as follows:
 - companies established to hold and administer the collective interests of (i) the current and future employees of the Northam group (excluding management and employees that participate in the Northam Platinum Share Incentive Plan 2011), ("Employee SPV"); and (ii) the Northam group's current host and affected communities ("Community SPV"), will collectively (directly or indirectly) subscribe for Northam Shares amounting to an aggregate of no more than 23% of the total Northam Shares in issue (net of Treasury Shares). The subscription price per Northam Share will be the higher of (i) the 30 day VWAP of a Northam Share and/or Northam Holdings Share (or a combined 30 day VWAP thereof to the extent necessary) traded on the JSE on the business day prior to the subscription; and (ii) R225.00, (such higher amount being the "Subscription Price"). The aggregate subscription consideration for the Northam Shares will be funded through the subscription by Northam for preference shares ("BEE Prefs") in each of Employee SPV and Community SPV; and
 - a company established to hold and administer the collective interests of HDPs such as, *inter alia*, women's groups and youth groups ("HDP SPV"), will (directly or indirectly) subscribe for a number of Northam Holdings Shares at the Subscription Price such that the collective effective see-through shareholding in Northam by HDP SPV, Employee SPV and Community SPV (collectively, the "BEE SPVs") will amount up to 26.5% in aggregate (net of Treasury Shares). The aggregate subscription consideration for the Northam Holdings Shares will be funded through the subscription by Northam Holdings for BEE Prefs in HDP SPV,

(collectively, the "Extended BEE Transaction". The Transaction and the Extended BEE Transaction are inter-conditional and are collectively referred to as the "Composite Transaction").

The authorised and issued share capital of Northam as at Tuesday, 18 May 2021, being the last practicable date prior to the finalisation of the Circular ("Last Practicable Date") is set out below, which represents the Company's securities affected by the proposed arrangement:

	Share capital (R'million)
Authorised share capital	
2 000,000,000 Northam Shares	1,000
Issued share capital	
509,781,212 Northam Shares	13,778
Northam Shares held as treasury shares ⁽¹⁾	(6,556)
Share capital and premium net of treasury shares	7,221

¹ Northam Shares held by Zambezi and which are considered to be treasury shares from an accounting perspective only.

The material interests of the directors of Northam are set out in paragraph 42 of the Circular and the effect of the Northam Scheme on those interests and persons are set out in this section of the Circular, of which we agree with. The Northam Scheme will affect all Shareholders. The financial effects of the Northam Scheme are set out in paragraph 36 and Annexures 5 and 6 of the Circular.

Extracts of sections 115 and 164 of the Companies Act are set out in Annexure 21 and Annexure 22 respectively of the Circular and are incorporated herein by reference for purposes of section 114(3)(g) of the Companies Act.

Independent Expert report required in terms of the Companies Act

The Northam Scheme is an affected transaction as defined in section 117(1)(c)(iii) of the Companies Act. In terms of section 114(2) of the Companies Act, as read with regulations 90 and 110 of the Companies Regulations, 2011 (“Regulations”), the independent board of directors of Northam constituted in terms of the Companies Act (“Independent Board”) is required to retain an independent expert to provide an independent expert report (in the form of a fair and reasonable opinion) in terms of section 114(3) of the Companies Act and regulations 90 and 110 of the Regulations, with regards to the Northam Scheme and the Northam Scheme Consideration (the “Fair and Reasonable Opinion”).

BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance”) has been appointed as the independent expert by the Independent Board to assess the Northam Scheme and the Northam Scheme Consideration as required in terms of section 114 of the Companies Act and regulations 90 and 110 of the Regulations and provide the Fair and Reasonable Opinion. The Fair and Reasonable Opinion set out herein is provided to the Independent Board for the sole purpose of assisting the Independent Board in forming and expressing an opinion on the Northam Scheme and the Northam Scheme Consideration for the benefit of Shareholders

Independent Expert report required by the JSE Limited

The Extended BEE Transaction entails, *inter alia*, the issue of shares by Northam and Northam Holdings to HDPs *via* a vendor funded structure and the Northam board of directors (“Board”) have sought to obtain written confirmation from an independent expert confirming whether the Extended BEE Transaction is fair insofar as Shareholders are concerned (“the Fairness Opinion”, and the Fair and Reasonable Opinion and Fairness Opinion are together the “Independent Expert Report”).

Responsibility

Compliance with the JSE Listings Requirements is the responsibility of the Board. Compliance with the Companies Act and the Regulations is the responsibility of the Independent Board. Our responsibility is to report to the Independent Board on whether the Northam Scheme and the Northam Scheme Consideration are fair and reasonable to Shareholders and to report to the Board on whether the Extended BEE Transaction is fair in so far as Shareholders are concerned.

Definition of the terms “fair” and “reasonable” applicable in the context of the Northam Scheme

The “fairness” of a transaction is primarily based on quantitative issues. A transaction will generally be considered to be fair to a company’s shareholders if the benefits received, as a result of the transaction, are equal to or greater than the value given up.

An offer may generally be considered to be fair to shareholders if the offer consideration is equal to or greater than the fair value of an offer share, or unfair if the offer consideration is less than the fair value of an offer share. Furthermore, in terms of regulation 110(8) of the Regulations, an offer with a consideration per offeree regulated company security within the fair-value range is generally considered to be fair.

The assessment of reasonableness of an offer is generally based on qualitative considerations surrounding the offer. Hence, even though the consideration to be paid in respect of an offer may be lower than the market value, the offer may be considered reasonable after considering other significant qualitative factors. In terms of regulation 110(9) of the Regulations, an offer is generally said to be reasonable if the offer consideration is greater than the trading price of an offer share as at the time of announcement of the offer consideration, or at some other more appropriate identifiable time.

Definition of the term “fair” applicable in the context of the Extended BEE Transaction

Since the Extended BEE Transaction is contingent on the other elements of the Composite Transaction and is indivisible from the other elements of the Composite Transaction, the Extended BEE Transaction cannot be opined upon without reference to the Composite Transaction in its entirety. The Extended BEE Transaction may thus be said to be fair to shareholders if the fair value of a Northam Holdings Share after the Composite Transaction is equal to or greater than the fair value of a Northam Share before the Composite Transaction.

Details and sources of information

In arriving at our opinions we have relied upon the following principal sources of information:

- The terms and conditions of the Composite Transaction, as set out in the Circular;
- Annual integrated report and audited annual financial statements of Northam for the years ended 30 June 2018, 2019 and 2020;
- Condensed reviewed interim financial results of Northam for the six months ended 31 December 2020;
- Mineral Resources and Mineral Reserves Report in respect of the mineral assets held wholly or partly by Northam as at 30 June 2020 and the summary Mineral Resources and Mineral Reserves Report as at 31 December 2020;
- Competent Persons Report for Northam on its mineral assets as at 31 March 2021, prepared by Mr Vince Agnello (MGSSA, MSAIMM, Pr.SciNat) as Competent Valuator on behalf of The MSA Group Proprietary Limited;
- Base case financial model incorporating cash flow projections for Northam from 1 April 2021 to 30 June 2051 or earlier based on the Life of Mine (“LoM”) per principal operation (being Zondereinde, Booyssendal and Eland (“Assets”)) and on a consolidated basis prepared by management of Northam;
- Consensus Analysts’ Forecast commodity prices for each of the principal commodities produced and sold by Northam;
- Consensus Analysts’ Forecast exchange rates;
- The rationale of the Composite Transaction, as set out in the Circular and based on discussions with executive management of Northam and their professional advisors regarding the rationale for the Composite Transaction;
- Discussions with executive management of Northam or their professional advisors regarding the historical and forecast financial information of the Assets;
- Discussions with executive management of Northam or their professional advisors on prevailing market, economic, legal and other conditions which may affect underlying value; and
- Publicly available information relating to Northam that we deemed to be relevant, including company announcements and media articles.

The information above was secured from:

- Executive management of Northam or Northam’s professional advisors; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Northam.

Procedures

In arriving at our opinions we have undertaken the following procedures and taken into account the following factors:

- Reviewed the terms and conditions of the Composite Transaction;
- Reviewed the financial and other information related to Northam, as detailed above;
- Reviewed and obtained an understanding from executive management of Northam or Northam’s professional advisors as to the forecasts of each Asset for the forecast financial periods commensurate to the Asset’s LoM up to a maximum of 35 years. Considered the forecasts and the basis of the assumptions therein including the prospects of the Assets. This review included an assessment of the reasonableness of the outlook assumed based on discussions with management or their professional advisors and an assessment of the achievability thereof by considering historical information as well as macro-economic and sector-specific data;
- Prepared an estimate of the financial benefit and economic costs of concluding the Extended BEE Transaction;
- Performed a sum of the parts (“SOTP”) valuation of Northam as well as a Northam Share;
- Performed a SOTP valuation of Northam Holdings as well as a Northam Holdings Share;
- Assessed the long-term potential of Northam and the Assets;
- Evaluated the relative risks associated with the Assets and the Mining sector;
- Held discussions with the executive directors and management of Northam and/or their professional advisors as to the long-term strategy and the rationale for the Northam Scheme and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the Mining sector;

- Reviewed certain publicly available information relating to Northam and the Mining sector that we deemed relevant, including company announcements and media articles; and
- Performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the Mining sector generally.

Assumptions

We arrived at our opinions based on the following assumptions that:

- All agreements that are to be entered into in terms of the Composite Transaction will be legally enforceable;
- The Composite Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives of Northam or their professional advisors; and
- Reliance can be placed on the financial information of Northam and the Assets.

Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinions by determining the extent to which representations from management were confirmed by documentary evidence as well as our understanding of Northam and the Assets and the economic environment in which the Northam group operates.

Limiting conditions

This Independent Expert Report is provided to the Board and the Independent Board in connection with and for the purposes of the Northam Scheme and Extended BEE Transaction. The Independent Expert Report does not purport to cater for each individual Shareholder's perspective, but rather that of the general body of Shareholders.

Individual Shareholders' decisions regarding the Northam Scheme and the Extended BEE Transaction may be influenced by such Shareholders' particular circumstances and accordingly individual Shareholders should consult an independent adviser if in any doubt as to the merits or otherwise of the Northam Scheme and the Extended BEE Transaction.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinions. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinions, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

We have also assumed that the Composite Transaction will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Northam and we express no opinion on such consequences.

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

Independence, competence and fees

We confirm that we have no direct or indirect interest in Northam Shares or in the Extended BEE Transaction. We also confirm that we have the necessary qualifications and competence to provide the Fairness Opinion.

We confirm that neither we, nor any person related to us (as contemplated in the JSE Listings Requirements), have any relationship with Northam or with any party involved in the Extended BEE Transaction as contemplated in paragraph 5.12 of Schedule 5 of the JSE Listings Requirements and have not had such relationship within the immediately preceding two years.

We confirm that neither we nor any person related to us (as contemplated in the Companies Act) have a direct or indirect interest in the Northam Shares or the Composite Transaction, nor have had within the immediately preceding two years, any relationship as contemplated in section 114(2)(b) of the Companies Act, and specifically declare, as required by regulations 90(6)(i) and 90(3)(a) of the Regulations, that we are independent in relation to the Composite Transaction and will reasonably be perceived to be independent taking into account other existing relationships and appointments. We also confirm that we have the necessary competence to provide the Independent Expert Report and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our total professional fees of R3,150,000 are not contingent upon the success of the Composite Transaction. Our fees are not payable in Northam Shares.

Valuation approach and results

Northam Share

BDO Corporate Finance performed a valuation of Northam as at 31 March 2021 being the last practicable date for the purposes of the valuation ("Valuation Date") by applying a SOTP approach based on the fair value of each Asset to determine whether the Northam Scheme and Northam Scheme Consideration is fair.

The valuation of the Assets is based on a discounted cash flow ("DCF") analysis. The DCF valuations take into account forecast cash flows from 1 April 2021 onwards.

The valuation methodologies employed in respect of each Asset are detailed below:

Asset	Category	Primary valuation approach	Comments
Zondereinde	Platinum Group Metals	DCF	Operating mine with LoM plan
Booyseindal	Platinum Group Metals	DCF	Operating mine with LoM plan
Eland	Platinum Group Metals	DCF	Operating mine with LoM plan
ZPLPs	Other	DCF	Net present value of expected cash flows
Net cash / debt	Financial assets	Carrying value	Fair value based on carrying value

The key external value driver to the DCF valuation of the Assets is the price assumption for commodities and products produced by the Assets. Key internal value drivers include the discount rate, production rates and the estimated LoM, operating costs, royalties, capital expenditure requirements and taxes.

The key real commodity prices and exchange rate forecasts applied in the DCF valuations for the 4E Platinum Group Metals ("PGMs") commodities produced by the Assets are detailed in the table below:

Assumption	Unit	FY21	FY22	FY23	FY24	FY25	Long term
Platinum	USD/oz	1 031	1 142	1 159	1 137	1 062	1 062
Palladium	USD/oz	2 326	2 122	1 938	1 940	1 695	1 695
Rhodium	USD/oz	17 132	18 726	15 563	14 157	11 776	11 776
Gold	USD/oz	1 843	1 741	1 622	1 573	1 505	1 505

The risk of the Assets is expressed in the discount rate applied to the projected future cash flows. A real weighted average cost of capital ("WACC") of 10.00% (nominal WACC of 15.8%) was determined for Northam. The valuations were re-performed using base case assumptions and applying a range of discount rates based on different risk scenarios, including market risk, financing risk, mining risk and operational risk. The sensitivity analysis was performed by increasing and decreasing the base case discount rate by a maximum of 1.0%. The discount rate sensitivity analysis did not indicate a sufficient effect on the valuation of Northam to alter our opinion in respect of the Northam Scheme and the Northam Scheme Consideration.

Northam Holdings Share

As implementation of the Extended BEE Transaction is inter-conditional on the Transaction, we determined the fair value of a Northam Holding Share as at the Valuation Date on the basis that the Composite Transaction is implemented in full.

The Transaction results in:

- The acquisition by Northam, pursuant to the Zambezi Scheme being implemented, of the remaining ZPLPs not already held by Northam, amounting to 19 932 957 ZPLPs as at the Valuation Date, for a purchase consideration of R98.40 per ZPLP (determined as at the Valuation Date), for an aggregate cash consideration of R1.961 billion;
- The reduction in the fair value of the ZPLP's held by Northam in the amount of R13.773 billion, calculated as 139 972 496 ZPLPs multiplied by R98.40;
- The acquisition by Northam of 35 493 480 Northam Shares held by Zambezi, pursuant to the Repurchase, at a price of R152.00 per Northam Share for an aggregate consideration of R5.395 billion;

- The acquisition by Northam of 746 291 Northam Shares from the ESOP, at a price of R257.38 (the closing price as at the Valuation Date was assumed) per Northam Share, for an aggregate consideration of R192 million cash;
- Cash transaction costs of R253.8 million; and
- The reduction in Northam's issued share capital by 130 439 816 Northam Shares from 509 781 212 Northam Shares in issue to 379 341 396 Northam Shares in issue.

The economic cost of the Extended BEE Transaction comprises two components, i.e.:

- the cost of the embedded option in the Extended BEE Transaction structure; and
- other transaction costs of R110.3 million.

BDO Corporate Finance determined the fair value of the embedded option in the Extended BEE Transaction structure by employing a Monte Carlo methodology. The embedded option in respect of the Extended BEE Transaction has a deemed strike price that is influenced by dividends/distributions from Northam Holdings and Northam, as well as interest rates.

Value drivers of the option pricing methodology include:

- A risk-free rate of 9.729% based on a South African zero-coupon swap rate yield curve approximating the term of the funding period, being 15 years;
- The 30 day volume weighted average price of a Northam Share as at the Valuation Date of R237.28;
- Dividend yield of 4.5%;
- The net present value of trickle dividends in respect of Northam Holdings Shares and Northam Shares;
- Term of vendor funding (15 years);
- The forecast outstanding balance in respect of vendor funding over the life of the funding period based on the forecast prime lending rate (dividends on the preference shares will accrue at a discount to the prevailing prime interest rate) and the forecast dividend yield;
- The effect of the yield enhancing BEE Prefs held by Northam Holdings and Northam in HDP SPV and the relevant BEE SPVs, respectively; and
- The expected volatility of a Northam Holdings Share and Northam Share of 55%.

We note that all the mining rights held by Northam and the Northam group (except for the Zilkaatsnek mining right which is currently in the process of being renewed and one Booyendal mining right) have at least 15 years' validity. In terms of the 2018 Mining Charter, existing mining right holders which have achieved a minimum of 26% BEE shareholding shall be recognised as compliant for the duration of the mining right, subject to certain requirements being met in the event that the BEE shareholdings fall below 26%. In addition, the recognition of such BEE ownership shall not apply to the renewal or transfer of a mining right. Certain provisions of the 2018 Mining Charter have, however, been challenged and are the subject of a review application submitted by the Minerals Council of South Africa. If this application is ultimately successful, the once-empowered-always-empowered principle would apply to existing mining rights.

In light of the above and taking into consideration the current uncertainty in respect of the 2018 Mining Charter, we are of the opinion that it is not possible to reliably quantify the financial benefit to Northam and Northam Holdings of implementing the Extended BEE Transaction. We note however, that the Extended BEE Transaction is inter-conditional on the Transaction and that the value accretive effect of the Transaction exceeds the economic cost of the Extended BEE Transaction as evidenced by the value of a Northam Holdings Share relative to the value of a Northam Share as set out in table below.

The Extended BEE Transaction results in a non-cash charge of R10.547 billion. The key internal value driver is the dividend yield. The key external value driver is the expected volatility of a Northam Share.

In addition, a sensitivity analysis was performed in respect of:

- Dividend yield: by increasing and decreasing the dividend yield by a factor of 0.25%; and
- Volatility: by increasing and decreasing the volatility by a factor of 2.5%.

The sensitivity analysis did not indicate a sufficient effect on the valuation of a Northam Holdings Share to alter our opinion in respect of the Northam Scheme, the Northam Scheme Consideration and the Extended BEE Transaction.

Valuation results

In undertaking the valuation exercise above, we determined the following valuation ranges and implied swap ratios:

Rand per share	Northam Share	Northam Holdings Share	Implied ratio
Low end of range	247.94	253.00	0.98
Core value	258.27	263.54	0.98
High end of range	268.60	274.08	0.98

Based on the above value ranges the minimum number of Northam Holdings Shares to be issued as consideration for each Northam Share would be 0.98 Northam Holdings Shares per Northam Share. The Northam Scheme Consideration of 1 Northam Holdings Shares for each Northam Share is above the suggested range calculated from our valuation, i.e. a premium of 2.0% to the core value per Northam Share.

The valuation range above is provided solely in respect of this opinion and should not be used for any other purposes.

Approach to reasonableness of the Northam Scheme

In opining on the reasonableness of the Northam Scheme, we considered the rationale for the Composite Transaction as detailed in paragraph 3 of the Circular.

Opinion

The Northam Scheme will result in the expropriation of Northam Scheme Shares from Northam Scheme Participants in exchange for the Northam Scheme Consideration. The Northam Scheme Consideration is above the suggested range calculated from our valuation. The rationale for the Northam Scheme is set out in paragraph 3 of the Circular. We are not aware of any material adverse effects of the Northam Scheme.

BDO Corporate Finance has considered the terms and conditions of the Northam Scheme and Extended BEE Transaction.

We are not aware of any factors that are difficult to quantify, or are unquantifiable in forming our opinion in respect of the Extended BEE Transaction, Northam Scheme and Northam Scheme Consideration.

Based upon and subject to the conditions set out herein, BDO Corporate Finance is of the opinion that the Northam Scheme and the Northam Scheme Consideration are fair and reasonable to Shareholders.

Based upon and subject to the conditions set out herein, BDO Corporate Finance is of the opinion that the Extended BEE Transaction is fair in so far as Shareholders are concerned.

Our opinions are necessarily based upon the information available to us up to the Last Practicable Date, including in respect of the financial, market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals and consents required in connection with the Northam Scheme and the Extended BEE Transaction will be timeously fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Consent

We hereby consent to the inclusion of this Independent Expert Report, in whole or in part, and references thereto in the Circular and any other announcement or document pertaining to the Northam Scheme and the Extended BEE Transaction, in the form and context in which they appear.

Yours faithfully

BDO Corporate Finance Proprietary Limited

Nick Lazanakis

Director

52 Corlett Drive

Illovo

2196"

ANNEXURE 5: *PRO FORMA* FINANCIAL INFORMATION OF NORTHAM

The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached, apply to this annexure, unless a word or a term is otherwise defined herein.

The tables below set out the *pro forma* financial information of (i) the Transaction (prior to implementation of the Extended BEE Transaction) and (ii) the Composite Transaction, on Northam.

The *pro forma* financial information has been prepared for illustrative purposes only in order to provide information on how (i) the Transaction (prior to implementation of the Extended BEE Transaction) and (ii) the Composite Transaction may affect the financial performance and position of Northam.

The *pro forma* financial information assumes, *inter alia*, all Transaction Conditions (as contemplated in paragraph 10.2) 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 (i) the Transaction (prior to implementation of the Extended BEE Transaction) and (ii) the Composite Transaction on Northam, had the Composite 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 reflects the reviewed condensed financial statements extracted, without adjustment, and/or derived from Northam's condensed reviewed interim financial results for the 6 months ended 31 December 2020 ("**Northam's Interim Results**"), adjusted for post balance sheet adjustments and the Composite Transaction.

As the (i) Transaction (prior to implementation of the Extended BEE Transaction) and (ii) Composite Transaction is subject to Shareholder support and, as a result of possible movements in the share price of a Northam Share before the General Meeting, the following scenarios have been presented:

Base Case Scenario: The 30 Day VWAP and the closing share price of a Northam Share of R259.07 is calculated as at the Last Practicable Date.

Scenario 1: The 30 Day VWAP and the closing share price of a Northam Share of R310.88 is calculated as 20% higher than the 30 Day VWAP and the closing share price on the Last Practicable Date.

Scenario 2: The 30 Day VWAP and the closing share price of a Northam Share of R207.26 is calculated as 20% lower than the 30 Day VWAP and the closing share price on the Last Practicable Date.

The *pro forma* financial information is the responsibility of the Northam Directors and, is provided for illustrative purposes only and because of its nature, may not fairly represent the financial performance, financial position, changes in equity or cash flows of Northam after the implementation of (i) the Transaction (prior to implementation of the Extended BEE Transaction) and (ii) the Composite Transaction. For the avoidance of doubt, the *pro forma* financial information assumes that the Transaction (including, *inter alia*, the Zambezi Preference Share Redemption) and/or the Composite Transaction is implemented on a single date and does not consider, *inter alia*, the cash flows that have accrued / will accrue to Northam post 31 December 2020 and the actual dates on which the various components of the Composite Transaction are implemented (i.e. the Zambezi Preference Share Redemption and the related tax event that may arise at any time up to 17 May 2025 and the tax payment in step 7 which will take place on or before Northam Group's first provisional or final (as the case may be) tax payment date after implementation of the Net Value Distribution). Accordingly, the *pro forma* financial information should not be used in assessing the solvency and liquidity of the Northam Group (refer to paragraph 10.4 in relation to the solvency and liquidity statement by the Northam Board).

The *pro forma* financial information has been prepared in accordance with IFRS, the Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants, the JSE Listings Requirements, the Regulations and accounting policies that comply with IFRS and which are consistent with those applied in the preparation of the financial statements of Northam (as at 31 December 2020).

The independent reporting accountant's assurance report on the *pro forma* financial information of the Composite Transaction on Northam is included in annexure 8 to the Circular.

PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2020 – BASE CASE SCENARIO

Base Case Scenario	Northam	Northam	Northam	Revised	Net Value	ESOP	Transaction	After	Northam	BEE SPV	Zambezi	After		
	31 December 2020	31 December 2020	31 December 2020	Accumulated Dividends Settlement	Distribution	Repurchase	costs	implementation of the transaction (but prior to implementation of the transaction)	Scheme	Subscriptions	Share Redemption	implementation of the Composite Transaction		
	Reported	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma		
Notes	1	2, 3, 9, 10	11	12 – 14	18	22	23, 25	28	29	30	31 – 33	34, 35	39	40
R'000														
Sales revenue	11 884 898		11 884 898							11 884 898				11 884 898
Cost of sales	(6 693 239)		(6 693 239)							(6 693 239)				(6 693 239)
Operating costs	(801 329)		(801 329)							(801 329)				(801 329)
Concentrates purchased	(108 560)		(108 560)							(108 560)				(108 560)
Refining and other costs	(414 105)		(414 105)							(414 105)				(414 105)
Depreciation and write-offs	1 410 189		1 410 189							1 410 189				1 410 189
Change in metal inventories	5 191 659		5 191 659							5 191 659				5 191 659
Gross profit	1 305		1 305							1 305				1 305
Share of earnings from associate	28 682		28 682							28 682				28 682
Investment income	(331 434)		(331 434)							(331 434)				(331 434)
Finance charges excluding preference share dividends	(85 935)		(85 935)							(85 935)				(85 935)
Net foreign exchange transaction (losses) / gains	57 876		57 876							57 876				57 876
Sundry income	(167 432)		(167 432)							(167 432)				(167 432)
Sundry expenditure	4 694 721		4 694 721							4 694 721				4 694 721
Profit before preference share dividends														
IFRS 2 charges relating to the Composite Transaction	–		–							–		(9 739 078)		(9 739 078)
Transaction costs relating to the Composite Transaction	–		–					(126 869)		(126 869)				(126 869)
Amortisation of liquidity fees paid on preference shares	(8 195)		(8 195)	(72 392)						(8 195)				(8 195)
Preference share dividends	(274 446)		(274 446)							(274 446)				(274 446)
Loss on derecognition of preference share liability	(888 484)	(180 074)	(1 068 558)	(307 099)						(1 375 657)				(1 375 657)
Profit before tax	3 523 596	(180 074)	3 343 522	(379 491)				(126 869)		2 837 162		(9 739 078)		(6 901 916)
Tax	(1 424 565)		(1 424 565)							(1 424 565)				(1 424 565)
Profit for the period	2 099 031	(180 074)	1 918 957	(379 491)				(126 869)		1 412 597		(9 739 078)		(8 326 481)
Other comprehensive income														
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):														
Exchange differences on translation of foreign operations	(15 724)		(15 724)							(15 724)				(15 724)
	(15 724)		(15 724)							(15 724)				(15 724)
Total comprehensive income for the period	2 083 307	(180 074)	1 903 233	(379 491)				(126 869)		1 396 873		(9 739 078)		(8 342 205)

Base Case Scenario	Northam 31 December 2020		Northam 31 December 2020 Adjustments		Northam 31 December 2020 Adjusted		Revised Accumulated Dividends Settlement		Net Value Distribution		ESOP Repurchase		Transaction costs		After implementation of the transaction (but prior to implementation of the Extended BEE Transaction)		Northam Scheme		BEE SPV Subscriptions		Zambezi Preference Share Redemption		After implementation of the Composite Transaction	
	Reported	Pro forma	1	2, 3, 9, 10	11	12 - 14	18	22	23, 25	28	29	30	31 - 33	34, 35	39	40								
Notes																								
R'000																								
EPS and HEPS																								
Earnings per Northam Share (cents)	599.9				548.5											379.9							(2 202.3)	
Diluted earnings per Northam Share (cents)	531.0				485.4											379.9							(2 202.3)	
Headline earnings per Northam Share (cents)	599.9				548.4											379.9							(2 202.3)	
Diluted headline earnings per Northam Share (cents)	531.0				485.4											379.9							(2 202.3)	
Weighted average number of Northam Shares in issue ('000)	349 876				349 876				21 943							371 819	6 269						378 088	
Diluted weighted average number of Northam Shares in issue ('000)	395 305				395 305				(23 486)							371 819	6 269						378 088	
Reconciliation of headline earnings (R'000)																								
Profit for the period	2 099 031				1 918 957											1 412 597							(8 326 481)	
Adjustments:																								
Profit on sale of property, plant and equipment	(100)				(100)											(100)							(100)	
Tax effect on sale of property, plant and equipment	28				28											28							28	
Impairment of property, plant and equipment	-				-											-							-	
Tax effect on impairment of property, plant and equipment	-				-											-							-	
Headline earnings	2 098 959				1 918 885											1 412 525							(8 326 553)	

PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 – BASE CASE SCENARIO

Base Case Scenario	Northam 31 December 2020	Adjustments	Northam 31 December 2020 Adjusted	Zambezi Scheme	Revised Accumulated Dividends Settlement	Repurchase	Net Value Distribution	ESOP Repurchase	Transaction costs	After implementation of the Extended BEE Transaction)	Northam Scheme	BEE SPV Subscriptions	Zambezi Preference Share Redemption	After implementation of the Composite Transaction
	<i>Reported</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>
Notes	1	2 – 8, 10	11	12, 13	15 – 17	19 – 21	23 – 25	26, 27	29	30	31 – 33	34, 35	38 – 39	40
R'000														
Non-current assets	25 656 545		25 656 545							25 656 545				25 656 545
Property, plant and equipment	17 459 187		17 459 187							17 459 187				17 459 187
Mining properties and Mineral Resources	6 620 147		6 620 147							6 620 147				6 620 147
Investment held in escrow	–		–							–				–
Interest in associate	63 356		63 356							63 356				63 356
Land and township development	71 729		71 729							71 729				71 729
Long-term receivables	83 550		83 550							83 550				83 550
Investments held by Northam Platinum Restoration Trust Fund	133 230		133 230							133 230				133 230
Environmental Guarantee	–		–							–				–
investment	62 125		62 125							62 125				62 125
Buttoshope Conservancy Trust	16 416		16 416							16 416				16 416
Long-term prepayments	–		–							–				–
Other financial assets	–		–							–				–
Non-current inventories	1 146 805		1 146 805							1 146 805				1 146 805
Current assets	5 953 739	(60 342)	5 893 397			(384 982)				5 088 415				5 088 415
Inventories	4 701 372		4 701 372							4 701 372				4 701 372
Trade and other receivables	721 232	384 982	1 106 214			(384 982)				721 232				721 232
Cash and cash equivalents	445 552	(445 552)	–							–				–
Tax receivable	85 583	228	85 811							85 811				85 811
Total assets	31 610 284	(60 342)	31 549 942			(384 982)				31 164 960				31 164 960
Equities and liabilities														
Total equity	11 733 622	(198 745)	11 534 877	(436 390)	(1 474 855)	(595 946)	(2 033 603)	(189 639)	(253 738)	6 550 706			(1 135 179)	5 415 527
Stated capital	13 778 114		13 778 114		(2 214 685)	(1 453 793)	(120 604)	(50 936)	(126 869)	9 811 227		29 258 171	(1 680 007)	37 389 391
Treasury shares	(6 556 123)		(6 556 123)		2 214 685	1 453 793	899 691	50 936		(1 937 018)	257 012	(29 258 171)	1 680 007	(29 258 170)
Retained earnings / (accumulated loss)	3 617 586	(198 745)	3 418 841	(436 390)	(1 474 855)	(595 946)	(1 938 242)	(189 639)	(126 869)	(1 343 100)	(257 012)	(9 739 078)	(1 135 179)	(12 474 369)
Foreign currency translation reserve	19 597		19 597							19 597				19 597
Equity settled share-based payment reserve	874 448		874 448			(874 448)				–		9 739 078		9 739 078

Base Case Scenario	Northam 31 December 2020	Adjustments	Northam 31 December 2020 Adjusted	Zambezi Scheme	Revised Accumulated Dividends Settlement	Repurchase	Net Value Distribution	ESOP Repurchase	Transaction costs	After implementation of the Transaction (but prior to implementation of the Extended Transaction)	Northam Scheme	BEE SPV Subscriptions	Zambezi Preference Share Redemption	After implementation of the Composite Transaction
	Reported	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma
Notes	1	2 - 8, 10	11	12, 13	15 - 17	19 - 21	23 - 25	26, 27	29	30	31 - 33	34, 35	38 - 39	40
R'000														
Non-current liabilities	14 102 065	(942 865)	13 159 200	(1 575 850)						11 583 350				11 583 350
Deferred tax liability	2 953 249		2 953 249							2 953 249				2 953 249
Long-term provisions	760 041		760 041							760 041				760 041
Preference share liability	2 518 715	(942 865)	1 575 850	(1 575 850)						-				-
Long-term loans	122 815		122 815							122 815				122 815
Lease liability	71 871		71 871							71 871				71 871
Long-term share-based payment liability	464 139		464 139							464 139				464 139
Domestic medium-term notes	4 931 576		4 931 576							4 931 576				4 931 576
Revolving credit facility	2 279 659		2 279 659							2 279 659				2 279 659
Current liabilities	5 774 597	1 081 268	6 855 865	2 012 240	1 474 855	595 946	1 648 621	189 639	263 738	13 030 904			1 135 179	14 166 083
Current portion of long-term loans	28 472		28 472							28 472				28 472
Current portion of lease liability	13 888		13 888							13 888				13 888
Current portion of domestic medium-term notes	2 043 946		2 043 946							2 043 946				2 043 946
Short-term share-based payment liability	356 868		356 868							356 868				356 868
Tax payable	162 991	1 471	164 462		1 474 855	595 946	1 457 866	805		3 693 934			(3 530 943)	162 991
Bank overdraft	-	1 079 797	1 079 797	2 012 240			70 151	188 834	263 738	3 604 760			4 666 122	8 270 882
Trade and other payables	2 730 492		2 730 492				120 604			2 851 096				2 851 096
Provisional pricing derivatives	5 615		5 615							5 615				5 615
Short-term provisions	432 325		432 325							432 325				432 325
Total equity and liabilities	31 610 284	(60 342)	31 549 942				(384 982)			31 164 960				31 164 960
NAVPS and TNAVPS														
Net asset value per Northam Share (cents)	3 353.7		3 296.8							1 761.8				1 432.3
Tangible net asset value per Northam Share (cents)	3 353.7		3 296.8							1 761.8				1 432.3
Northam Shares in issue ('000)	509 781		509 781		(54 017)	(35 458)	(1 242)	(1 242)		419 064		112 935	(40 976)	491 023
Treasury shares in issue ('000)	159 905		159 905		(54 017)	(35 458)	(21 943)	(1 242)		47 245	(6 269)	112 935	(40 976)	112 935

NOTES TO THE *PRO FORMA* FINANCIAL INFORMATION OF NORTHAM – BASE CASE SCENARIO:

The notes that follow are relevant to the *pro forma financial information* of Northam.

Several components of the Composite Transaction detailed in this Circular are between entities within the consolidated Northam Group. This is on the basis that Northam has or will consolidate the respective entities involved in the Composite Transaction. For this reason, certain components of the Composite Transaction between entities within the consolidated Northam Group will not be presented in the *pro forma* consolidated financial statements of Northam.

Unless otherwise stated, the adjustments are not expected to have a continuing effect on the financial information of Northam.

1. The historical financial information included in the “*Northam 31 December 2020*” column has been extracted, without adjustment, and/or derived from Northam’s Interim Results as published on SENS on 19 March 2021.

Pre-implementation adjustments

2. This column represents adjustments for corporate actions subsequent to 31 December 2020 and up to the Last Practicable Date as set out in notes 3 to 10 below.
3. The acquisition by Northam of 11 402 503 Zambezi Preference Shares since 1 January 2021 until the Last Practicable Date, for an aggregate amount of R1.1 billion, being an aggregate of i) the acquisition premium to the Face Value and costs associated with said acquisition of R180.1 million and ii) the aggregate Face Value of R961.3 million, funded from R445.6 million cash and cash equivalents and R695.8 million bank overdraft.
4. A decrease in the preference share liability of R942.9 million, comprising the Face Value of the Zambezi Preference Shares acquired of R961.3 million and an R18.4 million adjustment for Accumulated Dividends in the statement of financial position of Northam in respect of Zambezi Preference Shares not already held by Northam between 1 January 2021 and the date of the relevant acquisitions.
5. The advance by Northam of a R511.5 million Zambezi Ordinary Shareholder Loan, of which R130.4 million is assumed to be advanced as at the Last Practicable Date and is in respect of the Community Trusts and the ESOP, which entities are consolidated by Northam in accordance with IFRS 10: Consolidated financial statements, resulting in an increase to trade and other receivables of R381.1 million.
6. The recognition of R3.9 million in retained earnings and trade and other receivables in respect of interest owing to Northam by the Relevant Zambezi Shareholders in respect of their R381.1 million Zambezi Ordinary Shareholder Loan.
7. The recognition of R1.5 million in retained earnings and tax payable in respect of tax payable on interest owing to Northam by the Zambezi Ordinary Shareholders.
8. The recognition of R0.2 million in retained earnings and tax receivable in respect of tax receivable on interest payable to Northam by the ESOP.
9. The loss on derecognition of the preference share liability of R180.1 million is the only amount recognised in the statement of profit and loss and other comprehensive income.
10. Apart from the adjustments set out above, there are no other material subsequent events that require adjustment to Northam’s Interim Results.

Northam 31 December 2020 Adjusted

11. The historical financial information included in the “*Northam 31 December 2020 Adjusted*” column represents Northam’s Interim Results and taking into account the adjustments in notes 3 to 10 above.

Zambezi Scheme

12. The acquisition by Northam of the remaining Zambezi Preference Shares not already held by Northam, amounting to 19 932 957 Zambezi Preference Shares as at the Last Practicable Date, for a purchase consideration of R99.23 per Zambezi Preference Share, for an aggregate cash consideration of R2.0 billion, being an aggregate of i) the acquisition premium to the Face Value and costs associated with said acquisition of R307.1 million and ii) the aggregate Face Value of R1.7 billion as at the Last Practicable Date, funded from Northam’s bank overdraft.

13. The derecognition of the entire preference share liability of R1.6 billion as a result of:
 - 13.1 the acquisition by Northam of the remaining Zambezi Preference Shares not held by Northam with a Face Value of R85.54 per Zambezi Preference Share, for an aggregate Face Value of R1.7 billion as at the Last Practicable Date, which Face Value includes a R56.9 million adjustment for Accumulated Dividends in the statement of financial position of Northam in respect of Zambezi Preference Shares not already held by Northam between 1 January 2021 and the Last Practicable Date; and
 - 13.2 the realisation of the balance of the unamortised Lock-in Fee of R72.4 million, which fee was paid by Northam upon inception of the Zambezi BEE Transaction.
14. The loss on derecognition of the preference share liability of R307.1 million and the R72.4 million amortisation of the Lock-in Fee paid are the only amounts recognised in the statement of profit and loss and other comprehensive income.

Revised Accumulated Dividends Settlement

15. The 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 and Premium Amount per Zambezi Preference Share at the Last Practicable Date) through the transfer by Zambezi of 54 016 716 Northam Shares held by it, calculated using the agreed R160.00 per Northam Share.
16. The Northam Shares transferred to Northam were previously classified as treasury shares at R41.00 per Northam Share and an adjustment of R2.2 billion is, therefore, accounted for as a decrease in treasury shares with a corresponding decrease to stated capital upon cancellation of these Northam Shares.
17. The settlement of the Revised Accumulated Dividends through the transfer of Northam Shares is subject to Capital Gains Tax (“CGT”) and STT, at the statutory corporate tax rates, resulting in a tax liability of R1.5 billion, accounted for as an increase in the tax payable balance of R1.5 billion and a corresponding decrease in retained earnings of R1.5 billion.
18. None of the adjustments pursuant to the Revised Accumulated Dividends Settlement are recognised in the statement of profit and loss and other comprehensive income.

Repurchase

19. The acquisition by Northam of 35 458 356 Repurchase Shares held by Zambezi in terms of the Repurchase, at a price of R152.00 per Repurchase Share for an aggregate consideration of R5.4 billion.
20. These Repurchase Shares acquired by Northam are Northam Shares that are classified as treasury shares (in accordance with IFRS) recognised at R41.00 per Northam Share and, therefore, an adjustment of R1.5 billion is recognised in treasury shares with a corresponding amount in stated capital upon cancellation of these Northam Shares.
21. The Repurchase attracts CGT and STT for Zambezi and, accordingly, a total tax liability and corresponding decrease to retained earnings of R595.9 million is recognised.
22. None of the adjustments pursuant to the Repurchase are recognised in the statement of profit and loss and other comprehensive income.

Net Value Distribution

23. Net Value Distribution to Zambezi Ordinary Shareholders which includes:
 - 23.1 the Net Value Cash Distribution of an amount equal to R767.9 million, comprising the following:
 - 23.1.1 an amount of R516.8 million utilised to settle the Zambezi Ordinary Shareholder Loan Outstandings, of which R131.8 million is in respect of the Zambezi Ordinary Shareholder Loan to the Community Trusts and the ESOP, which entities are consolidated by Northam in accordance with IFRS 10: Consolidated financial statements resulting in the settlement of the trade receivables amount of R385.0 million recognised pursuant to notes 5 and 6;
 - 23.1.2 an amount of R70.1 million payable to Zambezi’s advisors in respect of a portion of the Zambezi Transaction Costs resulting in an increase in Northam’s bank overdraft of an aggregate amount of R70.1 million;

- 23.1.3 an amount of R161.9 million in relation to the Zambezi Ordinary Shareholder's Proportionate Lock-in Fee Amount, of which R41.3 million is paid to the Community Trusts and the ESOP and the remaining R120.6 million will be retained by Northam and may subsequently be paid to the Relevant Zambezi Shareholders as set out in paragraph 10.1.4.3.1.2.2, which R120.6 million is recognised in trade and other payables by the Northam Group; and
- 23.1.4 an amount of R19.1 million to be retained by Northam and utilised to settle the STT Liability Amount, arising from the dividend *in specie* as contemplated in note 23.2 below, on behalf of the Zambezi Ordinary Shareholders; and
- 23.2 the declaration by Zambezi of a dividend in specie of an aggregate of 29 454 609 Residual Northam Shares to the Zambezi Ordinary Shareholders, of which 21 943 684 Residual Northam Shares are distributed to the Zambezi Ordinary Shareholders not consolidated by Northam in accordance with IFRS 10: Consolidated financial statements, being the Relevant Zambezi Shareholders. The distribution of such Residual Northam Shares to the Relevant Zambezi Shareholders is expected to have a continuing effect.
- 24. The Net Value Distribution results in the derecognition of the R874.5 million balance in equity settled share-based payment reserve, originally recognised pursuant to the Zambezi BEE Transaction, with the remaining R480.4 million recognised in retained earnings.
- 25. The Net Value Distribution results in the recognition of a CGT and STT liability for Zambezi and the Zambezi Ordinary Shareholders of R1.5 billion, which amount includes the R19.1 million in respect of the STT Liability Amount. The distribution of Residual Northam Shares to the Zambezi Ordinary Shareholders relates to equity balances and the tax consequences are therefore accounted for directly in equity and not through profit or loss.

ESOP Repurchase

- 26. Northam acquires 1 242 331 Residual Northam Shares from the ESOP, at an assumed price of R152.00 per Residual Northam Share, for an aggregate consideration of R188.8 million cash funded from Northam's bank overdraft with the corresponding entry recognised in retained earnings. In addition, an entry of R50.9 million to stated capital and treasury shares is made as a result of the acquisition by Northam of Northam Shares from an entity consolidated by Northam in accordance with *IFRS 10: Consolidated financial statements* calculated as 1 242 331 Residual Northam Shares recognised at R41.00 per Northam Share upon cancellation of these Northam Shares.
- 27. The recognition of a STT liability for Northam of R0.8 million.
- 28. None of the adjustments pursuant to the ESOP Repurchase are recognised in the statement of profit and loss and other comprehensive income.

Transaction costs

- 29. The transaction cost allocation between Northam and Northam Holdings is based on a preliminary assessment by Northam as at the Last Practicable Date and will be confirmed once the transaction costs pursuant to the Composite Transaction are finalised. Transaction costs for Northam for the Composite Transaction of R253.8 million are settled in cash funded from Northam's bank overdraft. One half of these costs, being R126.9 million relate to the issuing of Northam Shares and have, therefore, been capitalised to share capital in terms of *IAS 32 Financial Instruments: Presentation*, with the balance of R126.9 million recorded as an expense and a corresponding decrease to retained earnings.

After implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)

- 30. The financial information included in the "After implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)" column has been prepared based on Northam's Interim Results (refer to note 1 above) and taking into account the adjustments in notes 3 to 10 and notes 12 to 29 above.

Northam Scheme

31. Northam Holdings acquires the Northam Scheme Shares held by the Northam Scheme Participants in exchange, for Northam Holdings Shares, on a 1 for 1 basis which includes 6 268 594 Northam Shares held by the Community Trusts and the ESOP, resulting in said Northam Shares no longer being held by entities controlled by Northam in accordance with *IFRS 10: Consolidated financial statements* and a decrease in the number of treasury shares. An entry to retained earnings and treasury shares in respect of the 6 268 594 Northam Shares, previously recognised as treasury shares, recognised at R41.00 per Northam Share is recorded. The decrease in the number of treasury shares is expected to have a continuing effect.
32. The Northam Scheme does not represent a business combination as defined by *IFRS 3: Business Combinations*. This is because neither party to the Northam Scheme can be identified as an accounting acquirer, and post the implementation thereof there is no change of economic substance or ownership in the Northam Group. Post implementation of the Northam Scheme, the existing Northam Shareholders have the same commercial and economic interest as they have just prior to the implementation of the Northam Scheme. The consolidated financial statements of Northam Holdings will therefore reflect that the Northam Scheme is, from an IFRS perspective, a continuation of the existing Northam Group and any difference in the share capital of Northam and Northam Holdings prior to and post the Northam Scheme reflects as an adjustment to equity.
33. The price assumption used in the Base Case Scenario *pro forma* financial information of Northam is described in the basis of preparation to this Annexure as presented on page 137.

BEE SPV Subscriptions

34. Northam issues 112 935 388 Northam Shares to the BEE SPVs (indirectly through the BEE Security SPVs) at the Subscription Price which is assumed to be R259.07 per BEE SPV Subscription Share, funded through the BEE SPV Pref Subscriptions, which triggers the recognition of an aggregate BEE equity-settled share-based payment charge of R9.7 billion in terms of *IFRS 2: Share-Based Payments*. The fair value of the IFRS 2 award is assumed to be measured at the grant date (day one) and expensed immediately on the basis that there are no vesting conditions. Subsequent forfeitures and reallocations would have no effect on the accounting.
35. The BEE SPV Subscription Shares issued to Employee Security SPV and Community Security SPV are recognised as treasury shares as a result of Employee SPV and Community SPV both being controlled by Northam in accordance with *IFRS 10: Consolidated financial statements*.

Zambezi Preference Share Redemption

36. 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 resulting in corresponding entries to stated capital and treasury shares.
37. The recognition of CGT and STT of R1.1 billion for Zambezi as a result of the redemption of all the Zambezi Preference Shares held by Northam.
38. The settlement of the aggregate CGT and STT of R4.7 billion funded from Northam's bank overdraft.
39. None of the adjustments pursuant to the Zambezi Preference Share Redemption are recognised in the statement of profit and loss and other comprehensive income.

After implementation of the Composite Transaction

40. The financial information included in the "After implementation of the Composite Transaction" column has been prepared based on Northam's Interim Results (refer to note 1 above) and taking into account the adjustments in notes 3 to 10; 12 to 29; and 31 to 39 above.

Scenario 1	Northam 31 December 2020	Northam 31 December 2020	Northam 31 December 2020	Revised Accumulated Dividends Settlement	Net Value Distribution	ESOP Repurchase	Transaction costs	After implementation of the Transaction (but prior to implementation of the Extended Transaction)	Northam Scheme	BEE SPV Subscriptions	Zambezi Preference Share Redemption	After implementation of the Composite Transaction	
	Reported	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	
Notes	1	2, 3, 9, 10	11	18	22	23, 25	28	29	30	31 – 33	34, 35	39	40
R'000													
Other comprehensive income													
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):	(15 724)		(15 724)						(15 724)				(15 724)
Exchange differences on translation of foreign operations	(15 724)		(15 724)						(15 724)				(15 724)
Total comprehensive income for the period	2 083 307	(180 074)	1 903 233	(379 491)				(126 869)	1 396 873	(11 759 444)		(10 362 571)	
EPS and HEPS													
Earnings per Northam Share (cents)	599.9		548.5						381.1				(2 748.6)
Diluted earnings per Northam Share (cents)	531.0		485.4						381.1				(2 748.6)
Headline earnings per Northam Share (cents)	599.9		548.4						381.0				(2 748.6)
Diluted headline earnings per Northam Share (cents)	531.0		485.4						381.0				(2 748.6)
Weighted average number of Northam Shares in issue ('000)	349 876		349 876			20 833			370 709	5 731			376 440
Diluted weighted average number of Northam Shares in issue ('000)	395 305		395 305			(24 596)			370 709	5 731			376 440
Reconciliation of headline earnings (R'000)	2 099 031		1 918 957					1 412 597				(10 346 847)	
Adjustments:													
Profit on sale of property, plant and equipment	(100)		(100)						(100)				(100)
Tax effect on sale of property, plant and equipment	28		28						28				28
Impairment of property, plant and equipment	–		–						–				–
Tax effect on impairment of property, plant and equipment	–		–						–				–
Headline earnings	2 098 959		1 918 885					1 412 525				(10 346 919)	

PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 – SCENARIO 1

Scenario 1	Northam 31 December 2020	Adjustments	Northam 31 December 2020 Adjusted	Zambezi Scheme	Revised Accumulated Dividends Settlement	Repurchase	Net Value Distribution	ESOP Repurchase	Transaction costs	Implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)	Northam Scheme	BEE SPV Subscriptions	Zambezi Preference Share Redemption	After implementation of the Composite Transaction
	<i>Reported</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>
Notes	1	2 – 8, 10	11	12, 13	15 – 17	19 – 21	23 – 25	26, 27	29	30	31 – 33	34, 35	38 – 39	40
R'000														
Non-current assets	25 656 545		25 656 545							25 656 545				25 656 545
Property, plant and equipment	17 459 187		17 459 187							17 459 187				17 459 187
Mining properties and Mineral Resources	6 620 147		6 620 147							6 620 147				6 620 147
Investment held in escrow	–		–							–				–
Interest in associate	63 356		63 356							63 356				63 356
Land and township development	71 729		71 729							71 729				71 729
Long-term receivables	83 550		83 550							83 550				83 550
Investments held by Northam Platinum Restoration Trust Fund	133 230		133 230							133 230				133 230
Environmental Guarantee investment	62 125		62 125							62 125				62 125
Buttoshope Conservancy Trust	16 416		16 416							16 416				16 416
Long-term prepayments	–		–							–				–
Other financial assets	–		–							–				–
Non-current inventories	1 146 805		1 146 805							1 146 805				1 146 805
Current assets	5 953 739	(60 343)	5 893 396				(384 982)			5 508 414				5 508 414
Inventories	4 701 372		4 701 372							4 701 372				4 701 372
Trade and other receivables	721 232	384 982	1 106 214				(384 982)			721 232				721 232
Cash and cash equivalents	445 552	(445 552)	–							–				–
Tax receivable	85 583	227	85 810							85 810				85 810
Total assets	31 610 284	(60 343)	31 549 941				(384 982)			31 164 959				31 164 959
Equities and liabilities														
Total equity	11 733 622	(198 745)	11 534 877	(436 390)	(1 481 851)	(561 453)	(2 288 020)	(213 879)	(253 758)	6 299 546			(1 140 487)	5 159 059
Stated capital	13 778 114		13 778 114		(2 214 685)	(1 514 882)	(120 604)	(57 397)	(126 869)	9 743 677			(1 680 007)	43 020 028
Treasury shares	(6 556 123)		(6 556 123)		2 214 685	1 514 882	854 180	57 397		(1 914 979)	234 973	(34 956 358)	1 680 007	(34 956 357)
Retained earnings / (accumulated loss)	3 617 586	(198 745)	3 418 841	(436 390)	(1 481 851)	(561 453)	(2 147 148)	(213 879)	(126 869)	(1 548 749)	(234 973)	(11 759 444)	(1 140 487)	(14 683 653)
Foreign currency translation reserve	19 597		19 597							19 597				19 597
Equity settled share-based payment reserve	874 448		874 448				(874 448)			–		11 759 444		11 759 444

Scenario 1	Northam 31 December 2020	Adjustments	Northam 31 December 2020 Adjusted	Zambezi Scheme	Revised Accumulated Dividends Settlement	Net Value Distribution	ESOP Repurchase	Transaction costs	After implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)	Northam Scheme	BEE SPV Subscriptions	Zambezi Preference Share Redemption	After implementation of the Composite Transaction	
	Reported	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	
Notes	1	2 - 8, 10	11	12, 13	15 - 17	19 - 21	23 - 25	26, 27	29	30	31 - 33	34, 35	38 - 39	40
R'000														
Non-current liabilities	14 102 065	(942 865)	13 159 200	(1 575 850)										11 583 350
Deferred tax liability	2 953 249		2 953 249											2 953 249
Long-term provisions	760 041		760 041											760 041
Preference share liability	2 518 715	(942 865)	1 575 850	(1 575 850)										-
Long-term loans	122 815		122 815											122 815
Lease liability	71 871		71 871											71 871
Long-term share-based payment liability	464 139		464 139											464 139
Domestic medium-term notes	4 931 576		4 931 576											4 931 576
Revolving credit facility	2 279 659		2 279 659											2 279 659
Current liabilities	5 774 597	1 081 267	6 855 864	2 012 240	1 481 851	561 453	1 903 038	213 879	253 738	13 282 063		1 140 487		14 422 550
Current portion of long-term loans	28 472		28 472							28 472				28 472
Current portion of lease liability	13 888		13 888							13 888				13 888
Current portion of domestic medium-term notes	2 043 946		2 043 946							2 043 946				2 043 946
Short-term share-based payment liability	356 868		356 868							356 868				356 868
Tax payable	162 991	1 470	164 461		1 481 851	561 453	1 712 283	1 088		3 921 136		(3 758 147)		162 989
Bank overdraft	-	1 079 797	1 079 797	2 012 240			70 151	212 791	253 738	3 628 717		4 898 634		8 527 351
Trade and other payables	2 730 492		2 730 492				120 604			2 851 096				2 851 096
Provisional pricing derivatives	5 615		5 615							5 615				5 615
Short-term provisions	432 325		432 325							432 325				432 325
Total equity and liabilities	31 610 284	(60 343)	31 549 941				(384 982)			31 164 959				31 164 959
NAVPS and TNVPS														
Net asset value per Northam Share (cents)	3 353.7		3 296.8							1 699.3				1 370.5
Tangible net asset value per Northam Share (cents)	3 353.7		3 296.8							1 699.3				1 370.5
Northam Shares in issue ('000)	509 781		509 781		(54 017)	(36 948)	(1 400)			417 416		112 444	(40 976)	488 884
Treasury shares in issue ('000)	159 905		159 905		(54 017)	(36 948)	(20 833)	(1 400)		46 707		112 444	(40 976)	112 444

NOTES TO THE *PRO FORMA* FINANCIAL INFORMATION OF NORTHAM – SCENARIO 1:

The notes that follow are relevant to the *pro forma* financial information of Northam.

Several components of the Composite Transaction detailed in this Circular are between entities within the consolidated Northam Group. This is on the basis that Northam has or will consolidate the respective entities involved in the Composite Transaction. For this reason, certain components of the Composite Transaction between entities within the consolidated Northam Group will not be presented in the *pro forma* consolidated financial statements of Northam.

Unless otherwise stated, the adjustments are not expected to have a continuing effect on the financial information of Northam.

1. The historical financial information included in the “*Northam 31 December 2020*” column has been extracted, without adjustment, and/or derived from Northam’s Interim Results as published on SENS on 19 March 2021.

Pre-implementation adjustments

2. This column represents adjustments for corporate actions subsequent to 31 December 2020 and up to the Last Practicable Date as set out in notes 3 to 10 below.
3. The acquisition by Northam of 11 402 503 Zambezi Preference Shares since 1 January 2021 until the Last Practicable Date, for an aggregate amount of R1.1 billion, being an aggregate of i) the acquisition premium to the Face Value and costs associated with said acquisition of R180.1 million and ii) the aggregate Face Value of R961.3 million, funded from R445.6 million cash and cash equivalents and R695.8 million bank overdraft.
4. A decrease in the preference share liability of R942.9 million, comprising the Face Value of the Zambezi Preference Shares acquired of R961.3 million and an R18.4 million adjustment for Accumulated Dividends in the statement of financial position of Northam in respect of Zambezi Preference Shares not already held by Northam between 1 January 2021 and the date of the relevant acquisitions.
5. The advance by Northam of a R511.5 million Zambezi Ordinary Shareholder Loan, of which R130.4 million is assumed to be advanced as at the Last Practicable Date and is in respect of the Community Trusts and the ESOP, which entities are consolidated by Northam in accordance with *IFRS 10: Consolidated financial statements*, resulting in an increase to trade and other receivables of R381.1 million.
6. The recognition of R3.9 million in retained earnings and trade and other receivables in respect of interest owing to Northam by the Relevant Zambezi Shareholders in respect of their R381.1 million Zambezi Ordinary Shareholder Loan.
7. The recognition of R1.5 million in retained earnings and tax payable in respect of tax payable on interest owing to Northam by the Zambezi Ordinary Shareholders.
8. The recognition of R0.2 million in retained earnings and tax receivable in respect of tax receivable on interest payable to Northam by the ESOP.
9. The loss on derecognition of the preference share liability of R180.1 million is the only amount recognised in the statement of profit and loss and other comprehensive income.
10. Apart from the adjustments set out above, there are no other material subsequent events that require adjustment to Northam’s Interim Results.

Northam 31 December 2020 Adjusted

11. The historical financial information included in the “*Northam 31 December 2020 Adjusted*” column represents Northam’s Interim Results and taking into account the adjustments in notes 3 to 10 above.

Zambezi Scheme

12. The acquisition by Northam of the remaining Zambezi Preference Shares not already held by Northam, amounting to 19 932 957 Zambezi Preference Shares as at the Last Practicable Date, for a purchase consideration of R99.23 per Zambezi Preference Share, for an aggregate cash consideration of R2.0 billion, being an aggregate of i) the acquisition premium to the Face Value and costs associated with said acquisition of R307.1 million and ii) the aggregate Face Value of R1.7 billion as at the Last Practicable Date, funded from Northam’s bank overdraft.

13. The derecognition of the entire preference share liability of R1.6 billion as a result of:
 - 13.1 the acquisition by Northam of the remaining Zambezi Preference Shares not held by Northam with a Face Value of R85.54 per Zambezi Preference Share, for an aggregate Face Value of R1.7 billion as at the Last Practicable Date, which Face Value includes a R56.9 million adjustment for Accumulated Dividends in the statement of financial position of Northam in respect of Zambezi Preference Shares not already held by Northam between 1 January 2021 and the Last Practicable Date; and
 - 13.2 the realisation of the balance of the unamortised Lock-in Fee of R72.4 million, which fee was paid by Northam upon inception of the Zambezi BEE Transaction.
14. The loss on derecognition of the preference share liability of R307.1 million and the R72.4 million amortisation of the Lock-in Fee paid are the only amounts recognised in the statement of profit and loss and other comprehensive income.

Revised Accumulated Dividends Settlement

15. The 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 and Premium Amount per Zambezi Preference Share at the Last Practicable Date) through the transfer by Zambezi of 54 016 716 Northam Shares held by it, calculated using the agreed R160.00 per Northam Share.
16. The Northam Shares transferred to Northam were previously classified as treasury shares at R41.00 per Northam Share and an adjustment of R2.2 billion is, therefore, accounted for as a decrease in treasury shares with a corresponding decrease to stated capital upon cancellation of these Northam Shares.
17. The settlement of the Revised Accumulated Dividends through the transfer of Northam Shares is subject to CGT and STT, at the statutory corporate tax rates, resulting in a tax liability of R1.5 billion, accounted for as an increase in the tax payable balance of R1.5 billion and a corresponding decrease in retained earnings of R1.5 billion.
18. None of the adjustments pursuant to the Revised Accumulated Dividends Settlement are recognised in the statement of profit and loss and other comprehensive income.

Repurchase

19. The acquisition by Northam of 36 948 338 Repurchase Shares held by Zambezi in terms of the Repurchase, at a price of R152.00 per Repurchase Share for an aggregate consideration of R5.6 billion.
20. These Repurchase Shares acquired by Northam are Northam Shares that are classified as treasury shares (in accordance with IFRS) recognised at R41.00 per Northam Share and, therefore, an adjustment of R1.5 billion is recognised in treasury shares with a corresponding amount in stated capital upon cancellation of these Northam Shares.
21. The Repurchase attracts CGT and STT for Zambezi and, accordingly, a total tax liability and corresponding decrease to retained earnings of R561.5 million is recognised.
22. None of the adjustments pursuant to the Repurchase are recognised in the statement of profit and loss and other comprehensive income.

Net Value Distribution

23. Net Value Distribution to Zambezi Ordinary Shareholders which includes:
 - 23.1 the Net Value Cash Distribution of an amount equal to R770.5 million, comprising the following:
 - 23.1.1 an amount of R516.8 million utilised to settle the Zambezi Ordinary Shareholder Loan Outstandings, of which R131.8 million is in respect of the Zambezi Ordinary Shareholder Loan to the Community Trusts and the ESOP, which entities are consolidated by Northam in accordance with IFRS 10: Consolidated financial statements resulting in the settlement of the trade receivables amount of R385.0 million recognised pursuant to notes 5 and 6;
 - 23.1.2 an amount of R70.1 million payable to Zambezi's advisors in respect of a portion of the Zambezi Transaction Costs resulting in an increase in Northam's bank overdraft of an aggregate amount of R70.1 million;

- 23.1.3 an amount of R161.9 million in relation to the Zambezi Ordinary Shareholder's Proportionate Lock-in Fee Amount, of which R41.3 million is paid to the Community Trusts and the ESOP and the remaining R120.6 million will be retained by Northam and may subsequently be paid to the Relevant Zambezi Shareholders as set out in paragraph 10.1.4.3.1.2.2, which R120.6 million is recognised in trade and other payables by the Northam Group; and
 - 23.1.4 an amount of R21.7 million to be retained by Northam and utilised to settle the STT Liability Amount, arising from the dividend *in specie* as contemplated in note 23.2 below, on behalf of the Zambezi Ordinary Shareholders; and
 - 23.2 the declaration by Zambezi of a dividend *in specie* of an aggregate of 27 964 627 Residual Northam Shares to the Zambezi Ordinary Shareholders, of which 20 833 648 Residual Northam Shares are distributed to the Zambezi Ordinary Shareholders not consolidated by Northam in accordance with IFRS 10: Consolidated financial statements, being the Relevant Zambezi Shareholders. The distribution of such Residual Northam Shares to the Relevant Zambezi Shareholders is expected to have a continuing effect.
- 24. The Net Value Distribution results in the derecognition of the R874.5 million balance in equity settled share-based payment reserve, originally recognised pursuant to the Zambezi BEE Transaction, with the remaining R434.9 million recognised in retained earnings.
 - 25. The Net Value Distribution results in the recognition of a CGT and STT liability for Zambezi and the Zambezi Ordinary Shareholders of R1.7 billion, which amount includes the R21.7 million in respect of the STT Liability Amount. The distribution of Residual Northam Shares to the Zambezi Ordinary Shareholders relates to equity balances and the tax consequences are therefore accounted for directly in equity and not through profit or loss.

ESOP Repurchase

- 26. Northam acquires 1 399 939 Residual Northam Shares from the ESOP, at an assumed price of R152.00 per Residual Northam Share, for an aggregate consideration of R212.8 million cash funded from Northam's bank overdraft with the corresponding entry recognised in retained earnings. In addition, an entry of R57.4 million to stated capital and treasury shares is made as a result of the acquisition by Northam of Northam Shares from an entity consolidated by Northam in accordance with *IFRS 10: Consolidated financial statements* calculated as 1 399 939 Residual Northam Shares recognised at R41.00 per Northam Share upon cancellation of these Northam Shares.
- 27. The recognition of a STT liability for Northam of R1.1 million.
- 28. None of the adjustments pursuant to the ESOP Repurchase are recognised in the statement of profit and loss and other comprehensive income.

Transaction costs

- 29. The transaction cost allocation between Northam and Northam Holdings is based on a preliminary assessment by Northam as at the Last Practicable Date and will be confirmed once the transaction costs pursuant to the Composite Transaction are finalised. Transaction costs for Northam for the Composite Transaction of R253.8 million are settled in cash funded from Northam's bank overdraft. One half of these costs, being R126.9 million relate to the issuing of Northam Shares and have, therefore, been capitalised to share capital in terms of *IAS 32 Financial Instruments: Presentation*, with the balance of R126.9 million recorded as an expense and a corresponding decrease to retained earnings.

After implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)

- 30. The financial information included in the "After implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)" column has been prepared based on Northam's Interim Results (refer to note 1 above) and taking into account the adjustments in notes 3 to 10 and notes 12 to 29 above.

Northam Scheme

31. Northam Holdings acquires the Northam Scheme Shares held by the Northam Scheme Participants in exchange, for Northam Holdings Shares, on a 1 for 1 basis which includes 5 731 040 Northam Shares held by the Community Trusts and the ESOP, resulting in said Northam Shares no longer being held by entities controlled by Northam in accordance with *IFRS 10: Consolidated financial statements* and a decrease in the number of treasury shares. An entry to retained earnings and treasury shares in respect of the 5 731 040 Northam Shares, previously recognised as treasury shares, recognised at R41.00 per Northam Share is recorded. The decrease in the number of treasury shares is expected to have a continuing effect.
32. The Northam Scheme does not represent a business combination as defined by *IFRS 3: Business Combinations*. This is because neither party to the Northam Scheme can be identified as an accounting acquirer, and post the implementation thereof there is no change of economic substance or ownership in the Northam Group. Post implementation of the Northam Scheme, the existing Northam Shareholders have the same commercial and economic interest as they have just prior to the implementation of the Northam Scheme. The consolidated financial statements of Northam Holdings will therefore reflect that the Northam Scheme is, from an IFRS perspective, a continuation of the existing Northam Group and any difference in the share capital of Northam and Northam Holdings prior to and post the Northam Scheme reflects as an adjustment to equity.
33. The price assumption used in the Scenario 1 *pro forma* financial information of Northam is described in the basis of preparation to this Annexure as presented on page 137.

BEE SPV Subscriptions

34. Northam issues 112 443 251 Northam Shares to the BEE SPVs (indirectly through the BEE Security SPVs) at the Subscription Price which is assumed to be R310.88 per BEE SPV Subscription Share, funded through the BEE SPV Pref Subscriptions, which triggers the recognition of an aggregate BEE equity-settled share-based payment charge of R11.8 billion in terms of *IFRS 2: Share-Based Payments*. The fair value of the IFRS 2 award is assumed to be measured at the grant date (day one) and expensed immediately on the basis that there are no vesting conditions. Subsequent forfeitures and reallocations would have no effect on the accounting.
35. The BEE SPV Subscription Shares issued to Employee Security SPV and Community Security SPV are recognised as treasury shares as a result of Employee SPV and Community SPV both being controlled by Northam in accordance with *IFRS 10: Consolidated financial statements*.

Zambezi Preference Share Redemption

36. 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 resulting in corresponding entries to stated capital and treasury shares.
37. The recognition of CGT and STT of R1.1 billion for Zambezi as a result of the redemption of all the Zambezi Preference Shares held by Northam.
38. The settlement of the aggregate CGT and STT of R4.9 billion funded from Northam's bank overdraft.
39. None of the adjustments pursuant to the Zambezi Preference Share Redemption are recognised in the statement of profit and loss and other comprehensive income.

After implementation of the Composite Transaction

40. The financial information included in the "After implementation of the Composite Transaction" column has been prepared based on Northam's Interim Results (refer to note 1 above) and taking into account the adjustments in notes 3 to 10; 12 to 29; and 31 to 39 above.

PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2020 – SCENARIO 2

Scenario 2	Northam	Northam	Revised		Net Value		ESOP		After		After implementation of the Transaction Composite Transaction			
	31 December 2020	31 December 2020 Adjusted	Zambezi Scheme	Accumulated Dividends Settlement	Repurchase Distribution	Repurchase	Transaction costs	Implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)	Northam Scheme	BEE SPV Subscriptions		Zambezi Preference Share Redemption		
Notes	Reported	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma		
R'000	1	2, 3, 9, 10	11	12 – 14	18	22	23, 25	28	29	30	31 – 33	34, 35	39	40
Sales revenue	11 884 898		11 884 898							11 884 898				11 884 898
Cost of sales	(6 693 239)		(6 693 239)							(6 693 239)				(6 693 239)
Operating costs	(6 779 434)		(6 779 434)							(6 779 434)				(6 779 434)
Concentrates purchased	(801 329)		(801 329)							(801 329)				(801 329)
Refining and other costs	(108 560)		(108 560)							(108 560)				(108 560)
Depreciation and write-offs	(414 105)		(414 105)							(414 105)				(414 105)
Change in metal inventories	1 410 189		1 410 189							1 410 189				1 410 189
Gross profit	5 191 659		5 191 659							5 191 659				5 191 659
Share of earnings from associate	1 305		1 305							1 305				1 305
Investment income	28 682		28 682							28 682				28 682
Finance charges excluding preference share dividends	(331 434)		(331 434)							(331 434)				(331 434)
Net foreign exchange transaction (losses) / gains	(85 935)		(85 935)							(85 935)				(85 935)
Sundry income	57 876		57 876							57 876				57 876
Sundry expenditure	(167 432)		(167 432)							(167 432)				(167 432)
Profit before preference share dividends	4 694 721		4 694 721							4 694 721				4 694 721
IFRS 2 charges relating to the Composite Transaction	–		–							–				(8 535 095)
Transaction costs relating to the Composite Transaction	–		–						(126 869)	(126 869)				(126 869)
Amortisation of liquidity fees paid on preference shares	(8 195)		(8 195)											
Preference share dividends	(274 446)		(274 446)											(80 587)
Loss on derecognition of preference share liability	(888 484)		(1 068 558)											(274 446)
Profit before tax	3 523 596		3 343 522							3 343 522				(8 535 095)
Tax	(1 424 565)		(1 424 565)							(1 424 565)				(1 424 565)
Profit for the period	2 099 031		1 918 957							1 918 957				(8 535 095)

Scenario 2	Northam 31 December 2020	Northam 31 December 2020 Adjustments	Northam 31 December 2020 Adjusted	Zambezi Scheme	Revised Accumulated Dividends Settlement	Repurchase	Net Value Distribution	ESOP Repurchase	Transaction costs	After implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)	Northam Scheme	BEE SPV Subscriptions	Zambezi Preference Share Redemption	After implementation of the Composite Transaction
	Reported	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma
Notes	1	2, 3, 9, 10	11	12 - 14	18	22	23, 25	28	29	30	31 - 33	34, 35	39	40
R'000														
Other comprehensive income														
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):	(15 724)		(15 724)							(15 724)				(15 724)
Exchange differences on translation of foreign operations	(15 724)		(15 724)							(15 724)				(15 724)
Total comprehensive income for the period	2 083 307	(180 074)	1 903 233	(379 491)	-	-	-	-	(126 869)	1 396 873	-	(8 535 095)	-	(7 138 222)
EPS and HEPS														
Earnings per Northam Share (cents)	599.9		548.5							378.6				(1 874.4)
Diluted earnings per Northam Share (cents)	531.0		485.4							378.6				(1 874.4)
Headline earnings per Northam Share (cents)	599.9		548.4							378.6				(1 874.4)
Diluted headline earnings per Northam Share (cents)	531.0		485.4							378.6				(1 874.4)
Weighted average number of Northam Shares in issue ('000)	349 876		349 876				23 228			373 104	6 881			379 985
Diluted weighted average number of Northam Shares in issue ('000)	395 305		395 305				(22 201)			373 104	6 881			379 985
Reconciliation of headline earnings (R'000)	2 099 031		1 918 957							1 412 597				(7 122 498)
Profit for the period														
Adjustments:										(100)				(100)
Profit on sale of property, plant and equipment														
Tax effect on sale of property, plant and equipment	28		28							28				28
Impairment of property, plant and equipment	-		-							-				-
Tax effect on impairment of property, plant and equipment	-		-							-				-
Headline earnings	2 098 959		1 918 885							1 412 525				(7 122 570)

PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 – SCENARIO 2

Scenario 2	Northam 31 December 2020	Adjustments	Northam 31 December 2020 Adjusted	Zambezi Scheme	Revised Accumulated Dividends Settlement	Repurchase	Net Value Distribution	ESOP Repurchase	ESOP Transaction costs	Extended BEE Transaction)	Northam Scheme	BEE SPV Subscriptions	Zambezi Preference Share Redemption	After implementation of the Composite Transaction
	<i>Reported</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>	<i>Pro forma</i>
Notes	1	2 – 8, 10	11	12, 13	15 – 17	19 – 21	23 – 25	26, 27	29	30	31 – 33	34, 35	38 – 39	40
R'000														
Non-current assets	25 656 545		25 656 545											25 656 545
Property, plant and equipment	17 459 187		17 459 187											17 459 187
Mining properties and Mineral Resources	6 620 147		6 620 147											6 620 147
Investment held in escrow	–		–											–
Interest in associate	63 356		63 356											63 356
Land and township development	71 729		71 729											71 729
Long-term receivables	83 550		83 550											83 550
Investments held by Northam Platinum Restoration Trust Fund	133 230		133 230											133 230
Environmental Guarantee Investment	62 125		62 125											62 125
Buttonshope Conservancy Trust	16 416		16 416											16 416
Long-term prepayments	–		–											–
Other financial assets	–		–											–
Non-current inventories	1 146 805		1 146 805											1 146 805
Current assets	5 953 739	(60 343)	5 893 396				(384 982)							5 508 414
Inventories	4 701 372		4 701 372											4 701 372
Trade and other receivables	721 232	384 982	1 106 214				(384 982)							721 232
Cash and cash equivalents	445 552	(445 552)	–											–
Tax receivable	85 583	227	85 810											85 810
Total assets	31 610 284	(60 343)	31 549 941				(384 982)							31 164 959
Equities and liabilities														
Total equity	11 733 622	(198 745)	11 534 877	(436 390)	(1 467 858)	(621 333)	(1 753 040)	(163 044)	(253 738)	6 839 474			(1 129 872)	5 709 602
Stated capital	13 778 114		13 778 114		(2 214 685)	(1 383 123)	(120 604)	(43 829)	(126 869)	9 889 004			25 537 953	33 746 950
Treasury shares	(6 556 123)		(6 556 123)		2 214 685	1 383 123	952 340	43 829		(1 962 146)	282 139	(25 537 953)	1 680 007	(25 537 953)
Retained earnings / (accumulated loss)	3 617 586	(198 745)	3 418 841	(436 390)	(1 467 858)	(621 333)	(1 710 328)	(163 044)	(126 869)	(1 106 981)	(282 139)	(8 535 095)	(1 129 872)	(11 054 087)
Foreign currency translation reserve	19 597		19 597							19 597				19 597
Equity settled share-based payment reserve	874 448		874 448				(874 448)			–		8 535 095		8 535 095

Scenario 2	Northam 31 December 2020	Northam 31 December 2020 Adjustments	Northam 31 December 2020 Adjusted	Zambezi Scheme	Revised Accumulated Dividends Settlement	Repurchase	Net Value Distribution	ESOP Repurchase	Transaction costs	Implementation of the Transaction (but prior to implementation of the Extended Transaction)	Northam Scheme	BEE SPV Subscriptions	Zambezi Preference Share Redemption	After implementation of the Composite Transaction
	Reported	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma
Notes	1	2 – 8, 10	11	12, 13	15 – 17	19 – 21	23 – 25	26, 27	29	30	31 – 33	34, 35	38 – 39	40
R'000														
Non-current liabilities	14 102 065	(942 865)	13 159 200	(1 575 850)										11 583 350
Deferred tax liability	2 953 249		2 953 249											2 953 249
Long-term provisions	760 041		760 041											760 041
Preference share liability	2 518 715	(942 865)	1 575 850	(1 575 850)										–
Long-term loans	122 815		122 815											122 815
Lease liability	71 871		71 871											71 871
Long-term share-based payment liability	464 139		464 139											464 139
Domestic medium-term notes	4 931 576		4 931 576											4 931 576
Revolving credit facility	2 279 659		2 279 659											2 279 659
Current liabilities	5 774 597	1 081 267	6 855 864	2 012 240	1 467 858	621 333	1 368 058	163 044	253 738				1 129 872	13 872 007
Current portion of long-term loans	28 472		28 472											28 472
Current portion of lease liability	13 888		13 888											13 888
Current portion of domestic medium-term notes	2 043 946		2 043 946											2 043 946
Short-term share-based payment liability	356 868		356 868											356 868
Tax payable	162 991	1 471	1 64 462		1 467 858	621 333	1 177 303	554					(3 268 520)	162 990
Bank overdraft	–	1 079 796	1 079 796	2 012 240			70 151	162 490	253 738				4 398 392	7 976 807
Trade and other payables	2 730 492		2 730 492				120 604							2 851 096
Provisional pricing derivatives	5 615		5 615											5 615
Short-term provisions	432 325		432 325											432 325
Total equity and liabilities	31 610 284	(60 343)	31 549 941	2 012 240			(384 982)							31 164 959
NAVPS and TNAVPS														
Net asset value per Northam Share (cents)	3 353.7		3 296.8											1 502.6
Tangible net asset value per Northam Share (cents)	3 353.7		3 296.8											1 502.6
Northam Shares in issue ('000)	509 781		509 781		(54 017)	(33 734)		(1 069)				113 502	(40 976)	493 487
Treasury shares in issue ('000)	159 905		159 905		(54 017)	(33 734)	(23 228)	(1 069)			(6 881)	113 502	(40 976)	113 502

NOTES TO THE *PRO FORMA* FINANCIAL INFORMATION OF NORTHAM – SCENARIO 2:

The notes that follow are relevant to the *pro forma* financial information of Northam.

Several components of the Composite Transaction detailed in this Circular are between entities within the consolidated Northam Group. This is on the basis that Northam has or will consolidate the respective entities involved in the Composite Transaction. For this reason, certain components of the Composite Transaction between entities within the consolidated Northam Group will not be presented in the *pro forma* consolidated financial statements of Northam.

Unless otherwise stated, the adjustments are not expected to have a continuing effect on the financial information of Northam.

1. The historical financial information included in the “*Northam 31 December 2020*” column has been extracted, without adjustment, and/or derived from Northam’s Interim Results as published on SENS on 19 March 2021.

Pre-implementation adjustments

2. This column represents adjustments for corporate actions subsequent to 31 December 2020 and up to the Last Practicable Date as set out in notes 3 to 10 below.
3. The acquisition by Northam of 11 402 503 Zambezi Preference Shares since 1 January 2021 until the Last Practicable Date, for an aggregate amount of R1.1 billion, being an aggregate of i) the acquisition premium to the Face Value and costs associated with said acquisition of R180.1 million and ii) the aggregate Face Value of R961.3 million, funded from R445.6 million cash and cash equivalents and R695.8 million bank overdraft.
4. A decrease in the preference share liability of R942.9 million, comprising the Face Value of the Zambezi Preference Shares acquired of R961.3 million and an R18.4 million adjustment for Accumulated Dividends in the statement of financial position of Northam in respect of Zambezi Preference Shares not already held by Northam between 1 January 2021 and the date of the relevant acquisitions.
5. The advance by Northam of a R511.5 million Zambezi Ordinary Shareholder Loan, of which R130.4 million is assumed to be advanced as at the Last Practicable Date and is in respect of the Community Trusts and the ESOP, which entities are consolidated by Northam in accordance with *IFRS 10: Consolidated financial statements*, resulting in an increase to trade and other receivables of R381.1 million.
6. The recognition of R3.9 million in retained earnings and trade and other receivables in respect of interest owing to Northam by the Relevant Zambezi Shareholders in respect of their R381.1 million Zambezi Ordinary Shareholder Loan.
7. The recognition of R1.5 million in retained earnings and tax payable in respect of tax payable on interest owing to Northam by the Zambezi Ordinary Shareholders.
8. The recognition of R0.2 million in retained earnings and tax receivable in respect of tax receivable on interest payable to Northam by the ESOP.
9. The loss on derecognition of the preference share liability of R180.1 million is the only amount recognised in the statement of profit and loss and other comprehensive income.
10. Apart from the adjustments set out above, there are no other material subsequent events that require adjustment to Northam’s Interim Results.

Northam 31 December 2020 Adjusted

11. The historical financial information included in the “*Northam 31 December 2020 Adjusted*” column represents Northam’s Interim Results and taking into account the adjustments in notes 3 to 10 above.

Zambezi Scheme

12. The acquisition by Northam of the remaining Zambezi Preference Shares not already held by Northam, amounting to 19 932 957 Zambezi Preference Shares as at the Last Practicable Date, for a purchase consideration of R99.23 per Zambezi Preference Share, for an aggregate cash consideration of R2.0 billion, being an aggregate of i) the acquisition premium to the Face Value and costs associated with said acquisition of R307.1 million and ii) the aggregate Face Value of R1.7 billion as at the Last Practicable Date, funded from Northam’s bank overdraft.

13. The derecognition of the entire preference share liability of R1.6 billion as a result of:
 - 13.1 the acquisition by Northam of the remaining Zambezi Preference Shares not held by Northam with a Face Value of R85.54 per Zambezi Preference Share, for an aggregate Face Value of R1.7 billion as at the Last Practicable Date, which Face Value includes a R56.9 million adjustment for Accumulated Dividends in the statement of financial position of Northam in respect of Zambezi Preference Shares not already held by Northam between 1 January 2021 and the Last Practicable Date; and
 - 13.2 the realisation of the balance of the unamortised Lock-in Fee of R72.4 million, which fee was paid by Northam upon inception of the Zambezi BEE Transaction.
14. The loss on derecognition of the preference share liability of R307.1 million and the R72.4 million amortisation of the Lock-in Fee paid are the only amounts recognised in the statement of profit and loss and other comprehensive income.

Revised Accumulated Dividends Settlement

15. The 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 and Premium Amount per Zambezi Preference Share at the Last Practicable Date) through the transfer by Zambezi of 54 016 716 Northam Shares held by it, calculated using the agreed R160.00 per Northam Share.
16. The Northam Shares transferred to Northam were previously classified as treasury shares at R41.00 per Northam Share and an adjustment of R2.2 billion is, therefore, accounted for as a decrease in treasury shares with a corresponding decrease to stated capital upon cancellation of these Northam Shares.
17. The settlement of the Revised Accumulated Dividends through the transfer of Northam Shares is subject to CGT and STT, at the statutory corporate tax rates, resulting in a tax liability of R1.5 billion, accounted for as an increase in the tax payable balance of R1.5 billion and a corresponding decrease in retained earnings of R1.5 billion.
18. None of the adjustments pursuant to the Revised Accumulated Dividends Settlement are recognised in the statement of profit and loss and other comprehensive income.

Repurchase

19. The acquisition by Northam of 33 734 710 Repurchase Shares held by Zambezi in terms of the Repurchase, at a price of R152.00 per Repurchase Share for an aggregate consideration of R5.1 billion.
20. These Repurchase Shares acquired by Northam are Northam Shares that are classified as treasury shares (in accordance with IFRS) recognised at R41.00 per Northam Share and, therefore, an adjustment of R1.4 billion is recognised in treasury shares with a corresponding amount in stated capital upon cancellation of these Northam Shares.
21. The Repurchase attracts CGT and STT for Zambezi and, accordingly, a total tax liability and corresponding decrease to retained earnings of R621.3 million is recognised.
22. None of the adjustments pursuant to the Repurchase are recognised in the statement of profit and loss and other comprehensive income.

Net Value Distribution

23. Net Value Distribution to Zambezi Ordinary Shareholders which includes:
 - 23.1 the Net Value Cash Distribution of an amount equal to R764.9 million, comprising the following:
 - 23.1.1 an amount of R516.8 million utilised to settle the Zambezi Ordinary Shareholder Loan Outstandings, of which R131.8 million is in respect of the Zambezi Ordinary Shareholder Loan to the Community Trusts and the ESOP, which entities are consolidated by Northam in accordance with IFRS 10: Consolidated financial statements resulting in the settlement of the trade receivables amount of R385.0 million recognised pursuant to notes 5 and 6;
 - 23.1.2 an amount of R70.1 million payable to Zambezi's advisors in respect of a portion of the Zambezi Transaction Costs resulting in an increase in Northam's bank overdraft of an aggregate amount of R70.1 million;

- 23.1.3 an amount of R161.9 million in relation to the Zambezi Ordinary Shareholder's Proportionate Lock-in Fee Amount, of which R41.3 million is paid to the Community Trusts and the ESOP and the remaining R120.6 million will be retained by Northam and may subsequently be paid to the Relevant Zambezi Shareholders as set out in paragraph 10.1.4.3.1.2.2, which R120.6 million is recognised in trade and other payables by the Northam Group; and
- 23.1.4 an amount of R16.1 million to be retained by Northam and utilised to settle the STT Liability Amount, arising from the dividend *in specie* as contemplated in note 23.2 below, on behalf of the Zambezi Ordinary Shareholders; and
- 23.2 the declaration by Zambezi of a dividend in specie of an aggregate of 31 178 255 Residual Northam Shares to the Zambezi Ordinary Shareholders, of which 23 227 800 Residual Northam Shares are distributed to the Zambezi Ordinary Shareholders not consolidated by Northam in accordance with IFRS 10: Consolidated financial statements, being the Relevant Zambezi Shareholders. The distribution of such Residual Northam Shares to the Relevant Zambezi Shareholders is expected to have a continuing effect.
- 24. The Net Value Distribution results in the derecognition of the R874.5 million balance in equity settled share-based payment reserve, originally recognised pursuant to the Zambezi BEE Transaction, with the remaining R533.0 million recognised in retained earnings.
- 25. The Net Value Distribution results in the recognition of a CGT and STT liability for Zambezi and the Zambezi Ordinary Shareholders of R1.2 billion, which amount includes the R16.1 million in respect of the STT Liability Amount. The distribution of Residual Northam Shares to the Zambezi Ordinary Shareholders relates to equity balances and the tax consequences are therefore accounted for directly in equity and not through profit or loss.

ESOP Repurchase

- 26. Northam acquires 1 069 010 Residual Northam Shares from the ESOP, at an assumed price of R152.00 per Residual Northam Share, for an aggregate consideration of R162.5 million cash funded from Northam's bank overdraft with the corresponding entry recognised in retained earnings. In addition, an entry of R43.8 million to stated capital and treasury shares is made as a result of the acquisition by Northam of Northam Shares from an entity consolidated by Northam in accordance with *IFRS 10: Consolidated financial statements* calculated as 1 069 010 Residual Northam Shares recognised at R41.00 per Northam Share upon cancellation of these Northam Shares.
- 27. The recognition of a STT liability for Northam of R0.6 million.
- 28. None of the adjustments pursuant to the ESOP Repurchase are recognised in the statement of profit and loss and other comprehensive income.

Transaction costs

- 29. The transaction cost allocation between Northam and Northam Holdings is based on a preliminary assessment by Northam as at the Last Practicable Date and will be confirmed once the transaction costs pursuant to the Composite Transaction are finalised. Transaction costs for Northam for the Composite Transaction of R253.8 million are settled in cash funded from Northam's bank overdraft. One half of these costs, being R126.9 million relate to the issuing of Northam Shares and have, therefore, been capitalised to share capital in terms of *IAS 32 Financial Instruments: Presentation*, with the balance of R126.9 million recorded as an expense and a corresponding decrease to retained earnings.

After implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)

- 30. The financial information included in the "After implementation of the Transaction (but prior to implementation of the Extended BEE Transaction)" column has been prepared based on Northam's Interim Results (refer to note 1 above) and taking into account the adjustments in notes 3 to 10 and notes 12 to 29 above.

Northam Scheme

31. Northam Holdings acquires the Northam Scheme Shares held by the Northam Scheme Participants in exchange, for Northam Holdings Shares, on a 1 for 1 basis which includes 6 881 445 Northam Shares held by the Community Trusts and the ESOP, resulting in said Northam Shares no longer being held by entities controlled by Northam in accordance with *IFRS 10: Consolidated financial statements* and a decrease in the number of treasury shares. An entry to retained earnings and treasury shares in respect of the 6 881 445 Northam Shares, previously recognised as treasury shares, recognised at R41.00 per Northam Share is recorded. The decrease in the number of treasury shares is expected to have a continuing effect.
32. The Northam Scheme does not represent a business combination as defined by *IFRS 3: Business Combinations*. This is because neither party to the Northam Scheme can be identified as an accounting acquirer, and post the implementation thereof there is no change of economic substance or ownership in the Northam Group. Post implementation of the Northam Scheme, the existing Northam Shareholders have the same commercial and economic interest as they have just prior to the implementation of the Northam Scheme. The consolidated financial statements of Northam Holdings will therefore reflect that the Northam Scheme is, from an IFRS perspective, a continuation of the existing Northam Group and any difference in the share capital of Northam and Northam Holdings prior to and post the Northam Scheme reflects as an adjustment to equity.
33. The price assumption used in the Scenario 2 *pro forma* financial information of Northam is described in the basis of preparation to this Annexure as presented on page 137.

BEE SPV Subscriptions

34. Northam issues 113 502 015 Northam Shares to the BEE SPVs (indirectly through the BEE Security SPVs) at the Subscription Price which is assumed to be R225.00 per BEE SPV Subscription Share, funded through the BEE SPV Pref Subscriptions, which triggers the recognition of an aggregate BEE equity-settled share-based payment charge of R8.5 billion in terms of *IFRS 2: Share-Based Payments*. The fair value of the IFRS 2 award is assumed to be measured at the grant date (day one) and expensed immediately on the basis that there are no vesting conditions. Subsequent forfeitures and reallocations would have no effect on the accounting.
35. The BEE SPV Subscription Shares issued to Employee Security SPV and Community Security SPV are recognised as treasury shares as a result of Employee SPV and Community SPV both being controlled by Northam in accordance with *IFRS 10: Consolidated financial statements*.

Zambezi Preference Share Redemption

36. 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 resulting in corresponding entries to stated capital and treasury shares.
37. The recognition of CGT and STT of R1.1 billion for Zambezi as a result of the redemption of all the Zambezi Preference Shares held by Northam.
38. The settlement of the aggregate CGT and STT of R4.4 billion funded from Northam's bank overdraft.
39. None of the adjustments pursuant to the Zambezi Preference Share Redemption are recognised in the statement of profit and loss and other comprehensive income.

After implementation of the Composite Transaction

40. The financial information included in the "After implementation of the Composite Transaction" column has been prepared based on Northam's Interim Results (refer to note 1 above) and taking into account the adjustments in notes 3 to 10; 12 to 29; and 31 to 39 above.

ANNEXURE 6: *PRO FORMA* FINANCIAL INFORMATION OF NORTHAM HOLDINGS

The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached, apply to this annexure, unless otherwise stated or the context so requires.

The tables below set out the *pro forma* financial information of the Composite Transaction on Northam Holdings.

The *pro forma* financial information has been prepared for illustrative purposes only in order to provide information on how the Composite Transaction may affect the financial performance and position of Northam Holdings.

The *pro forma* financial information assumes, *inter alia*, all Transaction Conditions (as contemplated in paragraph 10.2) 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 Composite Transaction on Northam Holdings, had the Composite Transaction been implemented on Northam Holdings' incorporation date for purposes of the *pro forma* statement of profit or loss and other comprehensive income and on such incorporation date for purposes of the *pro forma* statement of financial position.

The *pro forma* financial information is based on the historical financial information of Northam Holdings as at incorporation, being 2 December 2020, which is included in annexure 16.

As the Composite Transaction is subject to Shareholder support and, as a result of possible movements in the share price of a Northam Share before the General Meeting, the following scenarios have been presented:

- **Base Case Scenario:** The 30 Day VWAP and the closing share price of a Northam Share of R259.07 is calculated as at the Last Practicable Date.
- **Scenario 1:** The 30 Day VWAP and the closing share price of a Northam Share of R310.88 is calculated as 20% higher than the 30 Day VWAP and the closing share price on the Last Practicable Date.
- **Scenario 2:** The 30 Day VWAP and the closing share price of a Northam Share of R207.26 is calculated as 20% lower than the 30 Day VWAP and the closing share price on the Last Practicable Date.

The *pro forma* financial information is the responsibility of the Northam Holdings Directors and, is provided for illustrative purposes only and because of its nature, may not fairly represent the financial performance, financial position, changes in equity or cash flows of Northam Holdings after the implementation of the Composite Transaction. For the avoidance of doubt, the *pro forma* financial information assumes that the Transaction (including, *inter alia*, the Zambezi Preference Share Redemption) and/or Composite Transaction is implemented on a single date and does not consider, *inter alia*, the cash flows that have accrued / will accrue to Northam Holdings post 31 December 2020 and the actual dates on which the various components of the Composite Transaction are implemented (i.e. the Zambezi Preference Share Redemption and the related tax event that may arise at any time up to 17 May 2025 and the tax payment in step 7 which will take place on or before Northam Group's first provisional or final (as the case may be) tax payment date after implementation of the Net Value Distribution). Accordingly, the *pro forma* financial information should not be used in assessing the solvency and liquidity of the Northam Group (refer to Section 3, paragraph 1.2 of the Northam Holdings Prospectus in relation to the working capital statement by the Northam Holdings Board).

The *pro forma* financial information has been compiled in accordance with IFRS, the Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants, the JSE Listings Requirements, the Regulations and the accounting policies that comply with IFRS and which are consistent with those applied in preparation of the audited financial statements of Northam Holdings as at incorporation.

The independent reporting accountant's assurance report on the *pro forma* financial information of the Composite Transaction on Northam Holdings is included in annexure 9 to the Circular.

PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT INCORPORATION – BASE CASE SCENARIO

Base Case Scenario	At incorporation		Northam Scheme		BEE SPV Subscriptions		HDP SPV Subscription		Zambezi Preference Share Redemption		Transaction costs		After implementation of the Composite Transaction	
	Reported	1	Pro forma	2 – 6	Pro forma	7	Pro forma	8, 9	Pro forma	10 – 13	Pro forma	14	Pro forma	15
Notes														
R'000														
Sales revenue	-	-	11 884 898											11 884 898
Cost of sales	-	-	(6 693 239)											(6 693 239)
Operating costs	-	-	(6 779 434)											(6 779 434)
Concentrates purchased	-	-	(801 329)											(801 329)
Refining and other costs	-	-	(108 560)											(108 560)
Depreciation and write-offs	-	-	(414 105)											(414 105)
Change in metal inventories	-	-	1 410 189											1 410 189
Gross profit	-	-	5 191 659											5 191 659
Share of earnings from associate	-	-	1 305											1 305
Investment income	-	-	28 682											28 682
Finance charges excluding preference share dividends	-	-	(331 434)											(331 434)
Net foreign exchange transaction (losses) / gains	-	-	(85 935)											(85 935)
Sundry income	-	-	57 876											57 876
Sundry expenditure	-	-	(167 432)											(167 432)
Profit before preference share dividends	-	-	4 694 721											4 694 721
IFRS 2 charges relating to the Composite Transaction	-	-				(9 739 078)		(1 570 301)						(11 309 379)
Transaction costs relating to the Composite Transaction	-	-												(126 869)
Amortisation of liquidity fees paid on preference shares	-	-												(80 587)
Preference share dividends	-	-												(274 446)
Loss on derecognition of preference share liability	-	-												(1 375 657)
Profit before tax	-	-	2 837 162			(9 739 078)		(1 570 301)						(1 375 657)
Tax	-	-	(1 424 565)											(8 472 217)
Profit for the period	-	-	1 412 597			(9 739 078)		(1 570 301)						(9 896 782)

Base Case Scenario	At incorporation		Northam Scheme Subscriptions				BEE SPV Subscriptions		HDP SPV Subscription		Zambezi Preference Share Redemption		Transaction costs		After implementation of the Composite Transaction	
	Reported	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma
Notes	1	2 – 6	7	8, 9	10 – 13	14	15									
R'000																
Other comprehensive income																
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):	-	(15 724)														(15 724)
Exchange differences on translation of foreign operations	-	(15 724)														(15 724)
Total comprehensive income for the period	-	1 396 873	(9 739 078)	(1 570 301)												(9 912 506)
EPS and HEPS																
Earnings per Northam Holdings Share (cents)	-	379.9														(2 661.7)
Diluted earnings per Northam Holdings Share (cents)	-	379.9														(2 661.7)
Headline earnings per Northam Holdings Share (cents)	-	379.9														(2 661.7)
Diluted headline earnings per Northam Holdings Share (cents)	-	379.9														(2 661.7)
Weighted average number of Northam Holdings Shares in issue ('000)	-	371 819														371 819
Diluted weighted average number of Northam Holdings Shares in issue ('000)	-	371 819														371 819
Reconciliation of headline earnings (R'000)																
Profit for the period	-	1 412 597														(9 896 782)
Adjustments:	-															
Profit on sale of property, plant and equipment	-	(100)														(100)
Tax effect on sale of property, plant and equipment	-	28														28
Impairment of property, plant and equipment	-	-														-
Tax effect on impairment of property, plant and equipment	-	-														-
Headline earnings	-	1 412 525														(9 896 854)

PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT INCORPORATION – BASE CASE SCENARIO

Base Case Scenario	At incorporation		Northam Scheme Subscriptions		BEE SPV Subscriptions		HDP SPV Subscription		Zambezi Preference Share Redemption		Transaction costs		After implementation of the Composite Transaction	
	Reported	1	Pro forma	2 – 6	Pro forma	7	Pro forma	8, 9	Pro forma	10 – 12	Pro forma	14	Pro forma	15
Notes														
R'000														
Non-current assets				25 656 545										25 656 545
Property, plant and equipment	–	–	–	17 459 187	–	–	–	–	–	–	–	–	–	17 459 187
Mining properties and Mineral Resources	–	–	–	6 620 147	–	–	–	–	–	–	–	–	–	6 620 147
Investment held in escrow	–	–	–	–	63 356	–	–	–	–	–	–	–	–	–
Interest in associate	–	–	–	–	71 729	–	–	–	–	–	–	–	–	63 356
Land and township development	–	–	–	–	83 550	–	–	–	–	–	–	–	–	71 729
Long-term receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	83 550
Investments held by Northam Platinum Restoration Trust Fund	–	–	–	–	133 230	–	–	–	–	–	–	–	–	133 230
Environmental Guarantee investment	–	–	–	–	62 125	–	–	–	–	–	–	–	–	62 125
Buttonshope Conservancy Trust	–	–	–	–	16 416	–	–	–	–	–	–	–	–	16 416
Long-term prepayments	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other financial assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Non-current inventories	–	–	–	–	1 146 805	–	–	–	–	–	–	–	–	1 146 805
Current assets				5 508 415								16 548		5 524 963
Inventories	–	–	–	4 701 372	–	–	–	–	–	–	–	16 548	–	4 701 372
Trade and other receivables	–	–	–	721 232	–	–	–	–	–	–	–	–	–	737 780
Cash and cash equivalents	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Tax receivable	–	–	–	–	85 811	–	–	–	–	–	–	–	–	85 811
Total assets				31 164 960								16 548		31 181 508
Equities and liabilities														
Total equity				6 550 706								(110 321)		5 305 206
Stated capital	–	–	–	8 131 221	–	–	–	–	–	–	–	–	–	12 685 246
Treasury shares	–	–	–	(257 012)	–	–	–	–	–	–	–	–	–	(4 921 358)
Retained earnings / (accumulated loss)	–	–	–	(1 343 100)	–	–	–	–	–	–	–	–	–	(13 787 658)
Foreign currency translation reserve	–	–	–	19 597	–	–	–	–	–	–	–	–	–	19 597
Equity settled share-based payment reserve	–	–	–	–	–	–	–	–	–	–	–	–	–	–
														11 309 379

Base Case Scenario	At incorporation		Northam Scheme Subscriptions		BEE SPV Subscriptions		HDP SPV Subscription		Zambezi Preference Share Redemption		Transaction costs		After implementation of the Composite Transaction	
	Reported	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma
Notes	1	2-6	7	8,9	10-12	14	15							
R'000														
Non-current liabilities		11 583 350											11 583 350	
Deferred tax liability	-	2 953 249											2 953 249	
Long-term provisions	-	760 041											760 041	
Preference share liability	-	-											-	
Long-term loans	-	122 815											122 815	
Lease liability	-	71 871											71 871	
Long-term share-based payment liability	-	464 139											464 139	
Domestic medium-term notes	-	4 931 576											4 931 576	
Revolving credit facility	-	2 279 659											2 279 659	
Current liabilities		13 030 904			1 135 179						126 869		14 292 952	
Current portion of long-term loans	-	28 472											28 472	
Current portion of lease liability	-	13 888											13 888	
Current portion of domestic medium-term notes	-	2 043 946											2 043 946	
Short-term share-based payment liability	-	356 868											356 868	
Tax payable	-	3 693 934			(3 530 943)								162 991	
Bank overdraft	-	3 604 760			4 666 122						126 869		8 397 751	
Trade and other payables	-	2 851 096											2 851 096	
Provisional pricing derivatives	-	5 615											5 615	
Short-term provisions	-	432 325											432 325	
Total equity and liabilities		31 164 960									16 548		31 181 508	
NAVPS and TNAVPS														
Net asset value per Northam Holdings Share (cents)	-	1 761.8											1 426.8	
Tangible net asset value per Northam Holdings Share (cents)	-	1 761.8											1 426.8	
Northam Holdings Shares in issue ('000)	-	378 088			18 004								396 092	
Treasury shares in issue ('000)	-	6 269			18 004								24 273	

NOTES TO THE *PRO FORMA* FINANCIAL INFORMATION OF NORTHAM HOLDINGS – BASE CASE SCENARIO:

The notes that follow are relevant to the *pro forma* financial information of Northam Holdings.

Unless otherwise stated, the adjustments are not expected to have a continuing effect on the financial information of Northam Holdings.

1. The financial information included in the “*At incorporation*” column has been extracted from the historical financial information of Northam Holdings as at incorporation, being 2 December 2020 and adjusted for the issue of 1 Northam Holdings Share to Northam for R1 on 1 March 2021.

Northam Scheme

2. Community SPV, Employee SPV and HDP SPV are consolidated at a Northam Holdings group level in accordance with *IFRS 10: Consolidated Financial Statements*.
3. Northam Holdings acquires 378 088 037 Northam Scheme Shares from the Northam Scheme Participants in exchange for 378 088 037 Northam Holdings Shares on a 1 for 1 basis.
4. Upon implementation of the Northam Scheme, Northam becomes a Subsidiary of Northam Holdings and Northam’s consolidated statement of financial position as well as the consolidated statement of profit or loss and other comprehensive income will be consolidated by Northam Holdings.
5. The Northam Scheme does not represent a business combination as defined by *IFRS 3: Business Combinations*. This is because neither party to the Northam Scheme can be identified as an accounting acquirer, and post the implementation thereof there is no change of economic substance or ownership in the Northam Group. Post implementation of the Northam Scheme, the existing Northam Shareholders have the same commercial and economic interest as they have just prior to the implementation of the Northam Scheme. The consolidated financial statements of Northam Holdings will therefore reflect that the Northam Scheme is, from an IFRS perspective, a continuation of the existing Northam Group and any difference in the share capital of Northam and Northam Holdings prior to and post the Northam Scheme reflects as an adjustment to equity.
6. The price assumption used in the Base Case Scenario *pro forma* financial information of Northam Holdings is described in the basis of preparation to this Annexure as presented on page 162.

BEE SPV Subscriptions

7. Northam issues 112 935 388 BEE SPV Subscription Shares to the BEE Security SPVs at the Subscription Price which is assumed to be R259.07 per BEE SPV Subscription Share, funded through the BEE SPV Pref Subscriptions, which triggers the recognition of an aggregate BEE equity-settled share-based payment charge of R9.7 billion in terms of *IFRS 2: Share-Based Payments*. The fair value of the IFRS 2 award is assumed to be measured at the grant date (day one) and expensed immediately on the basis that there are no vesting conditions. Subsequent forfeitures and reallocations would have no effect on the accounting.

HDP SPV Subscription

8. Northam Holdings issues 18 004 193 HDP SPV Subscription Shares to HDP Security SPV, at the Subscription Price which is assumed to be R259.07 per HDP SPV Subscription Share, funded through the HDP SPV Pref Subscription, which triggers the recognition of an aggregate BEE equity-settled share-based payment charge of R1.6 billion in terms of *IFRS 2: Share-Based Payments*. The fair value of the IFRS 2 award is assumed to be measured at the grant date (day one) and expensed immediately on the basis that there are no vesting conditions. Subsequent forfeitures and reallocations would have no effect on the accounting.
9. The HDP SPV Subscription Shares issued to HDP Security SPV are recognised as treasury shares as a result of HDP Security SPV being controlled by Northam Holdings in accordance with *IFRS 10: Consolidated financial statements*.

Zambezi Preference Share Redemption

10. 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 resulting in corresponding entries to stated capital and treasury shares.

11. The recognition of Capital Gains Tax (“CGT”) and STT of R1.1 billion for Zambezi as a result of the redemption of all the Zambezi Preference Shares held by Northam.
12. The settlement of the aggregate CGT and STT of R4.7 billion funded from Northam Holdings’ bank overdraft.
13. None of the adjustments pursuant to the Zambezi Preference Share Redemption are recognised in the statement of profit and loss and other comprehensive income.

Transaction Costs

14. The transaction cost allocation between Northam and Northam Holdings is based on a preliminary assessment by Northam as at the Last Practicable Date and will be confirmed once the transaction costs pursuant to the Composite Transaction are finalised. Transaction costs for Northam Holdings, estimated at R126.9 million (inclusive of VAT), are settled in cash funded from Northam Holdings’ bank overdraft, of which R16.5 million is a VAT receivable recognised in trade and other receivables for Northam Holdings. The transaction costs relate to the issue of Northam Holdings Shares and have therefore been deducted from share capital in terms of *IAS 32 Financial Instruments: Presentation* and therefore not recognised in the statement of profit and loss and other comprehensive income. The *pro forma* financial information has been prepared on the assumption that transaction costs are not deductible for income tax purposes. Northam Holdings will further assess this assumption post implementation of the Northam Scheme.

After implementation of the Composite Transaction

15. The financial information in the “*After implementation of the Composite Transaction*” column has been prepared based on Northam Holdings financial information as at incorporation, being 2 December 2020 and adjusted for the issue of 1 Northam Holdings Share to Northam for R1 on 1 March 2021 (refer to note 1 above) and taking into account the adjustments in notes 2 to 14 above.

PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT INCORPORATION – SCENARIO 1

Scenario 1	At incorporation	Northam Scheme				BEE SPV Subscriptions		HDP SPV Subscription		Zambezi Preference Share Redemption		Transaction costs		After implementation of the Composite Transaction
		Pro forma		Pro forma		Pro forma		Pro forma		Pro forma		Pro forma		
		2 – 6	7	8, 9	10 – 13	14	15							
Notes	Reported	1												
R'000														
Sales revenue	-	11 884 898											11 884 898	
Cost of sales	-	(6 693 239)											(6 693 239)	
Operating costs	-	(6 779 434)											(6 779 434)	
Concentrates purchased	-	(801 329)											(801 329)	
Refining and other costs	-	(108 560)											(108 560)	
Depreciation and write-offs	-	(414 105)											(414 105)	
Change in metal inventories	-	1 410 189											1 410 189	
Gross profit	-	5 191 659											5 191 659	
Share of earnings from associate	-	1 305											1 305	
Investment income	-	28 682											28 682	
Finance charges excluding preference share dividends	-	(331 434)											(331 434)	
Net foreign exchange transaction (losses) / gains	-	(85 935)											(85 935)	
Sundry income	-	57 876											57 876	
Sundry expenditure	-	(167 432)											(167 432)	
Profit before preference share dividends	-	4 694 721											4 694 721	
IFRS 2 charges relating to the Composite Transaction	-		(11 759 444)										(11 759 444)	
Transaction costs relating to the Composite Transaction	-	(126 869)											(126 869)	
Amortisation of liquidity fees paid on preference shares	-	(80 587)											(80 587)	
Preference share dividends	-	(274 446)											(274 446)	
Loss on derecognition of preference share liability	-	(1 375 657)											(1 375 657)	
Profit before tax	-	2 837 162											(1 938 088)	
Tax	-	(1 424 565)											(1 424 565)	
Profit for the period	-	1 412 597											(1 938 088)	

Scenario 1	At incorporation	Northam Scheme Subscriptions				BEE SPV Subscriptions		HDP SPV Subscription		Zambezi Preference Share Redemption		Transaction costs		After implementation of the Composite Transaction
		Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma		
Notes	1	2-6	7	8,9	10-13	14	15							
R'000														
Other comprehensive income														
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):	-	(15 724)											(15 724)	
Exchange differences on translation of foreign operations	-	(15 724)											(15 724)	
Total comprehensive income for the period	-	1 396 873	(11 759 444)	(1 938 088)	-								(12 300 659)	
EPS and HEPS														
Earnings per Northam Holdings Share (cents)	-	381.1											(3 313.9)	
Diluted earnings per Northam Holdings Share (cents)	-	381.1											(3 313.9)	
Headline earnings per Northam Holdings Share (cents)	-	381.0											(3 313.9)	
Diluted headline earnings per Northam Holdings Share (cents)	-	381.0											(3 313.9)	
Weighted average number of Northam Holdings Shares in issue ('000)	-	370 709											370 709	
Diluted weighted average number of Northam Holdings Shares in issue ('000)	-	370 709											370 709	
Reconciliation of headline earnings (R'000)														
Profit for the period	-	1 412 597											(12 284 935)	
Adjustments:														
Profit on sale of property, plant and equipment	-	(100)											(100)	
Tax effect on sale of property, plant and equipment	-	28											28	
Impairment of property, plant and equipment	-	-											-	
Tax effect on impairment of property, plant and equipment	-	-											-	
Headline earnings	-	1 412 525											(12 285 007)	

PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT INCORPORATION – SCENARIO 1

Scenario 1	At incorporation		Northam Scheme Subscriptions		BEE SPV Subscriptions		HDP SPV Subscriptions		Zambezi Preference Share Redemption		Transaction costs		After implementation of the Composite Transaction	
	Reported	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma
Notes	1	2 – 6	7	8, 9	10 – 12	13	14	15						
R'000														
Non-current assets		25 656 545												25 656 545
Property, plant and equipment	–	17 459 187												17 459 187
Mining properties and Mineral Resources	–	6 620 147												6 620 147
Investment held in escrow	–	–												–
Interest in associate	–	63 356												63 356
Land and township development	–	71 729												71 729
Long-term receivables	–	83 550												83 550
Investments held by Northam Platinum Restoration Trust Fund	–	133 230												133 230
Environmental Guarantee investment	–	62 125												62 125
Buttonshepe Conservancy Trust	–	16 416												16 416
Long-term prepayments	–	–												–
Other financial assets	–	–												–
Non-current inventories	–	1 146 805												1 146 805
Current assets	–	5 508 414										16 548		5 524 962
Inventories	–	4 701 372										16 548		4 701 372
Trade and other receivables	–	721 232												737 780
Cash and cash equivalents	–	–												–
Tax receivable	–	85 810												85 810
Total assets	–	31 164 959										16 548		31 181 507
Equities and liabilities														
Total equity	–	6 299 546										(110 321)		5 048 738
Stated capital	–	8 063 671										(110 321)		13 526 103
Treasury shares	–	(234 973)												(5 807 726)
Retained earnings / (accumulated loss)	–	(1 548 749)												(16 386 768)
Foreign currency translation reserve	–	19 597												19 597
Equity settled share-based payment reserve	–	–												13 697 532

Scenario 1	At incorporation	Northam Scheme Subscriptions					BEE SPV Subscriptions		HDP SPV Subscription		Zambezi Preference Share Redemption		Transaction costs		After implementation of the Composite Transaction
		Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma		
Notes	Reported	1	2 – 6	7	8, 9	10 – 12	14	15							
R'000															
Non-current liabilities			11 583 350											11 583 350	
Deferred tax liability	-		2 953 249											2 953 249	
Long-term provisions	-		760 041											760 041	
Preference share liability	-													-	
Long-term loans	-		122 815											122 815	
Lease liability	-		71 871											71 871	
Long-term share-based payment liability	-		464 139											464 139	
Domestic medium-term notes	-		4 931 576											4 931 576	
Revolving credit facility	-		2 279 659											2 279 659	
Current liabilities			13 282 063								1 140 487		126 869	14 549 419	
Current portion of long-term loans	-		28 472											28 472	
Current portion of lease liability	-		13 888											13 888	
Current portion of domestic medium-term notes	-		2 043 946											2 043 946	
Short-term share-based payment liability	-		356 868											356 868	
Tax payable	-		3 921 137							(3 758 147)				162 990	
Bank overdraft	-		3 628 717							4 898 634			126 869	8 654 220	
Trade and other payables	-		2 851 096											2 851 096	
Provisional pricing derivatives	-		5 615											5 615	
Short-term provisions	-		432 325											432 325	
Total equity and liabilities			31 164 959										16 548	31 181 507	
NAVPS and TNAVPS															
Net asset value per Northam Holdings Share (cents)	-		1 699.3											1 361.9	
Tangible net asset value per Northam Holdings Share (cents)	-		1 699.3											1 361.9	
Northam Holdings Shares in issue ('000)	-		376 440						17 926					394 366	
Treasury shares in issue ('000)	-		5 731						17 926					23 657	

NOTES TO THE *PRO FORMA* FINANCIAL INFORMATION OF NORTHAM HOLDINGS – SCENARIO 1:

The notes that follow are relevant to the *pro forma* financial information of Northam Holdings.

Unless otherwise stated, the adjustments are not expected to have a continuing effect on the financial information of Northam Holdings.

1. The financial information included in the “*At incorporation*” column has been extracted from the historical financial information of Northam Holdings as at incorporation, being 2 December 2020 and adjusted for the issue of 1 Northam Holdings Share to Northam for R1 on 1 March 2021.

Northam Scheme

2. Community SPV, Employee SPV and HDP SPV are consolidated at a Northam Holdings group level in accordance with *IFRS 10: Consolidated Financial Statements*.
3. Northam Holdings acquires 376 440 447 Northam Scheme Shares from the Northam Scheme Participants in exchange for 376 440 447 Northam Holdings Shares on a 1 for 1 basis.
4. Upon implementation of the Northam Scheme, Northam becomes a Subsidiary of Northam Holdings and Northam’s consolidated statement of financial position as well as the consolidated statement of profit or loss and other comprehensive income will be consolidated by Northam Holdings.
5. The Northam Scheme does not represent a business combination as defined by *IFRS 3: Business Combinations*. This is because neither party to the Northam Scheme can be identified as an accounting acquirer, and post the implementation thereof there is no change of economic substance or ownership in the Northam Group. Post implementation of the Northam Scheme, the existing Northam Shareholders have the same commercial and economic interest as they have just prior to the implementation of the Northam Scheme. The consolidated financial statements of Northam Holdings will therefore reflect that the Northam Scheme is, from an IFRS perspective, a continuation of the existing Northam Group and any difference in the share capital of Northam and Northam Holdings prior to and post the Northam Scheme reflects as an adjustment to equity.
6. The price assumption used in the Scenario 1 *pro forma* financial information of Northam Holdings is described in the basis of preparation to this Annexure as presented on page 162.

BEE SPV Subscriptions

7. Northam issues 112 443 251 BEE SPV Subscription Shares to the BEE Security SPVs at the Subscription Price which is assumed to be R310.88 per BEE SPV Subscription Share, funded through the BEE SPV Pref Subscriptions, which triggers the recognition of an aggregate BEE equity-settled share-based payment charge of R11.8 billion in terms of *IFRS 2: Share-Based Payments*. The fair value of the IFRS 2 award is assumed to be measured at the grant date (day one) and expensed immediately on the basis that there are no vesting conditions. Subsequent forfeitures and reallocations would have no effect on the accounting.

HDP SPV Subscription

8. Northam Holdings issues 17 925 736 HDP SPV Subscription Shares to HDP Security SPV, at the Subscription Price which is assumed to be R310.88 per HDP SPV Subscription Share, funded through the HDP SPV Pref Subscription, which triggers the recognition of an aggregate BEE equity-settled share-based payment charge of R1.9 billion in terms of *IFRS 2: Share-Based Payments*. The fair value of the IFRS 2 award is assumed to be measured at the grant date (day one) and expensed immediately on the basis that there are no vesting conditions. Subsequent forfeitures and reallocations would have no effect on the accounting.
9. The HDP SPV Subscription Shares issued to HDP Security SPV are recognised as treasury shares as a result of HDP Security SPV being controlled by Northam Holdings in accordance with *IFRS 10: Consolidated financial statements*.

Zambezi Preference Share Redemption

10. 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 resulting in corresponding entries to stated capital and treasury shares.

11. The recognition of CGT and STT of R1.1 billion for Zambezi as a result of the redemption of all the Zambezi Preference Shares held by Northam.
12. The settlement of the aggregate CGT and STT of R4.9 billion funded from Northam Holdings' bank overdraft.
13. None of the adjustments pursuant to the Zambezi Preference Share Redemption are recognised in the statement of profit and loss and other comprehensive income.

Transaction Costs

14. The transaction cost allocation between Northam and Northam Holdings is based on a preliminary assessment by Northam as at the Last Practicable Date and will be confirmed once the transaction costs pursuant to the Composite Transaction are finalised. Transaction costs for Northam Holdings, estimated at R126.9 million (inclusive of VAT), are settled in cash funded from Northam Holdings' bank overdraft, of which R16.5 million is a VAT receivable recognised in trade and other receivables for Northam Holdings. The transaction costs relate to the issue of Northam Holdings Shares and have therefore been deducted from share capital in terms of *IAS 32 Financial Instruments: Presentation* and therefore not recognised in the statement of profit and loss and other comprehensive income. The *pro forma* financial information has been prepared on the assumption that transaction costs are not deductible for income tax purposes. Northam Holdings will further assess this assumption post implementation of the Northam Scheme.

After implementation of the Composite Transaction

15. The financial information in the "*After implementation of the Composite Transaction*" column has been prepared based on Northam Holdings financial information as at incorporation, being 2 December 2020 and adjusted for the issue of 1 Northam Holdings Share to Northam for R1 on 1 March 2021 (refer to note 1 above) and taking into account the adjustments in notes 2 to 14 above.

PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT INCORPORATION – SCENARIO 2

Scenario 2	At incorporation	Northam Scheme		BEE SPV Subscriptions		HDP SPV Subscription		Zambezi Preference Share Redemption		Transaction costs		After implementation of the Composite Transaction
		Pro forma	2 – 6	Pro forma	7	Pro forma	8, 9	Pro forma	10 – 13	Pro forma	14	
Notes	Reported	1										
R'000												
Sales revenue	-	11 884 898										11 884 898
Cost of sales	-	(6 693 239)										(6 693 239)
Operating costs	-	(6 779 434)										(6 779 434)
Concentrates purchased	-	(801 329)										(801 329)
Refining and other costs	-	(108 560)										(108 560)
Depreciation and write-offs	-	(414 105)										(414 105)
Change in metal inventories	-	1 410 189										1 410 189
Gross profit	-	5 191 659										5 191 659
Share of earnings from associate	-	1 305										1 305
Investment income	-	28 682										28 682
Finance charges excluding preference share dividends	-	(331 434)										(331 434)
Net foreign exchange transaction (losses) / gains	-	(85 935)										(85 935)
Sundry income	-	57 876										57 876
Sundry expenditure	-	(167 432)										(167 432)
Profit before preference share dividends	-	4 694 721										4 694 721
IFRS 2 charges relating to the Composite Transaction	-				(8 535 095)		(1 390 628)					(9 925 723)
Transaction costs relating to the Composite Transaction	-											(126 869)
Amortisation of liquidity fees paid on preference shares	-											(80 587)
Preference share dividends	-											(274 446)
Loss on derecognition of preference share liability	-											(1 375 657)
Profit before tax	-	2 837 162										(8 535 095)
Tax	-	(1 424 565)										(1 390 628)
Profit for the period	-	1 412 597										(8 535 095)
												(1 390 628)
												(1 375 657)
												(7 088 561)
												(1 424 565)
												(8 513 126)

Scenario 2	At incorporation	Northam Scheme				BEE SPV		HDP SPV		Zambezi Preference Share		After implementation of the Composite Transaction	
		Reported	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma
Notes	1	2 – 6	7	8, 9	10 – 13	14	15						
R'000													
Other comprehensive income													
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):	–	(15 724)										(15 724)	
Exchange differences on translation of foreign operations	–	(15 724)										(15 724)	
Total comprehensive income for the period	–	1 396 873	(8 535 095)	(1 390 628)								(8 528 850)	
EPS and HEPS													
Earnings per Northam Holdings Share (cents)	–	378.6										(2 281.7)	
Diluted earnings per Northam Holdings Share (cents)	–	378.6										(2 281.7)	
Headline earnings per Northam Holdings Share (cents)	–	378.6										(2 281.7)	
Diluted headline earnings per Northam Holdings Share (cents)	–	378.6										(2 281.7)	
Weighted average number of Northam Holdings Shares in issue ('000)	–	373 104										373 104	
Diluted weighted average number of Northam Holdings Shares in issue ('000)	–	373 104										373 104	
Reconciliation of headline earnings (R'000)													
Profit for the period	–	1 412 597										(8 513 126)	
Adjustments:													
Profit on sale of property, plant and equipment	–	(100)										(100)	
Tax effect on sale of property, plant and equipment	–	28										28	
Impairment of property, plant and equipment	–	–										–	
Tax effect on impairment of property, plant and equipment	–	–										–	
Headline earnings	–	1 412 525										(8 513 198)	

PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT INCORPORATION – SCENARIO 2

Scenario 2	At incorporation		Northam Scheme Subscriptions		BEE SPV Subscriptions		HDP SPV Subscription		Zambezi Preference Share Redemption		Transaction costs		After implementation of the Composite Transaction	
	Reported	1	Pro forma	2 – 6	Pro forma	7	Pro forma	8, 9	Pro forma	10 – 12	Pro forma	14	Pro forma	15
Notes														
R'000														
Non-current assets				25 656 545										25 656 545
Property, plant and equipment	-	-	-	17 459 187	-	-	-	-	-	-	-	-	-	17 459 187
Mining properties and Mineral Resources	-	-	-	6 620 147	-	-	-	-	-	-	-	-	-	6 620 147
Investment held in escrow	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest in associate	-	-	-	63 356	-	-	-	-	-	-	-	-	-	63 356
Land and township development	-	-	-	71 729	-	-	-	-	-	-	-	-	-	71 729
Long-term receivables	-	-	-	83 550	-	-	-	-	-	-	-	-	-	83 550
Investments held by Northam Platinum Restoration Trust Fund	-	-	-	133 230	-	-	-	-	-	-	-	-	-	133 230
Environmental Guarantee investment	-	-	-	62 125	-	-	-	-	-	-	-	-	-	62 125
Buttonshope Conservancy Trust	-	-	-	16 416	-	-	-	-	-	-	-	-	-	16 416
Long-term prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-current inventories	-	-	-	1 146 805	-	-	-	-	-	-	-	-	-	1 146 805
Current assets				5 508 414								16 548		5 524 962
Inventories	-	-	-	4 701 372	-	-	-	-	-	-	-	16 548	-	4 701 372
Trade and other receivables	-	-	-	721 232	-	-	-	-	-	-	-	-	-	721 232
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax receivable	-	-	-	85 810	-	-	-	-	-	-	-	-	-	85 810
Total assets				31 164 959								16 548		31 181 507
Equities and liabilities														
Total equity				6 839 474								(110 321)		5 599 281
Stated capital	-	-	-	8 208 997	-	-	-	-	-	-	-	4 071 268	-	12 169 944
Treasury shares	-	-	-	(282 139)	-	-	-	-	-	-	-	(4 071 268)	-	(4 353 407)
Retained earnings / (accumulated loss)	-	-	-	(1 106 981)	-	-	-	-	-	-	-	(1 390 628)	-	(12 162 576)
Foreign currency translation reserve	-	-	-	19 597	-	-	-	-	-	-	-	(8 535 095)	-	19 597
Equity settled share-based payment reserve	-	-	-	-	-	-	-	-	-	-	-	1 390 628	-	9 925 723

Scenario 2	At incorporation		Northam Scheme Subscriptions				BEE SPV Subscriptions		HDP SPV Subscription		Zambezi Preference Share Redemption		Transaction costs		After implementation of the Composite Transaction
	Reported	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma
Notes	1	2-6	7	8,9	10-12	14	15								
R'000															
Non-current liabilities		11 583 350													11 583 350
Deferred tax liability	-	2 953 249													2 953 249
Long-term provisions	-	760 041													760 041
Preference share liability	-														-
Long-term loans	-	122 815													122 815
Lease liability	-	71 871													71 871
Long-term share-based payment liability	-	464 139													464 139
Domestic medium-term notes	-	4 931 576													4 931 576
Revolving credit facility	-	2 279 659													2 279 659
Current liabilities		12 742 136													13 998 877
Current portion of long-term loans	-	28 472													28 472
Current portion of lease liability	-	13 888													13 888
Current portion of domestic medium-term notes	-	2 043 946													2 043 946
Short-term share-based payment liability	-	356 868													356 868
Tax payable	-	3 431 510								(3 268 520)					162 990
Bank overdraft	-	3 578 415								4 398 392					8 103 676
Trade and other payables	-	2 851 096													2 851 096
Provisional pricing derivatives	-	5 615													5 615
Short-term provisions	-	432 325													432 325
Total equity and liabilities		31 164 959													31 181 507
NAVPS and TNAVPS															
Net asset value per Northam Holdings Share (cents)	-	1 833.1													1 500.7
Tangible net asset value per Northam Holdings Share (cents)	-	1 833.1													1 500.7
Northam Holdings Shares in issue ('000)	-	379 985								18 095					398 080
Treasury shares in issue ('000)	-	6 881								18 095					24 976

NOTES TO THE *PRO FORMA* FINANCIAL INFORMATION OF NORTHAM HOLDINGS – SCENARIO 2:

The notes that follow are relevant to the *pro forma* financial information of Northam Holdings.

Unless otherwise stated, the adjustments are not expected to have a continuing effect on the financial information of Northam Holdings.

1. The financial information included in the “*At incorporation*” column has been extracted from the historical financial information of Northam Holdings as at incorporation, being 2 December 2020 and adjusted for the issue of 1 Northam Holdings Share to Northam for R1 on 1 March 2021.

Northam Scheme

2. Community SPV, Employee SPV and HDP SPV are consolidated at a Northam Holdings group level in accordance with *IFRS 10: Consolidated Financial Statements*.
3. Northam Holdings acquires 379 985 004 Northam Scheme Shares from the Northam Scheme Participants in exchange for 379 985 004 Northam Holdings Shares on a 1 for 1 basis.
4. Upon implementation of the Northam Scheme, Northam becomes a Subsidiary of Northam Holdings and Northam’s consolidated statement of financial position as well as the consolidated statement of profit or loss and other comprehensive income will be consolidated by Northam Holdings.
5. The Northam Scheme does not represent a business combination as defined by *IFRS 3: Business Combinations*. This is because neither party to the Northam Scheme can be identified as an accounting acquirer, and post the implementation thereof there is no change of economic substance or ownership in the Northam Group. Post implementation of the Northam Scheme, the existing Northam Shareholders have the same commercial and economic interest as they have just prior to the implementation of the Northam Scheme. The consolidated financial statements of Northam Holdings will therefore reflect that the Northam Scheme is, from an IFRS perspective, a continuation of the existing Northam Group and any difference in the share capital of Northam and Northam Holdings prior to and post the Northam Scheme reflects as an adjustment to equity.
6. The price assumption used in the Scenario 2 *pro forma* financial information of Northam Holdings is described in the basis of preparation to this Annexure as presented on page 162.

BEE SPV Subscriptions

7. Northam issues 113 502 015 BEE SPV Subscription Shares to the BEE Security SPVs at the Subscription Price which is assumed to be R225.00 per BEE SPV Subscription Share, funded through the BEE SPV Pref Subscriptions, which triggers the recognition of an aggregate BEE equity-settled share-based payment charge of R8.5 billion in terms of *IFRS 2: Share-Based Payments*. The fair value of the IFRS 2 award is assumed to be measured at the grant date (day one) and expensed immediately on the basis that there are no vesting conditions. Subsequent forfeitures and reallocations would have no effect on the accounting.

HDP SPV Subscription

8. Northam Holdings issues 18 094 524 HDP SPV Subscription Shares to HDP Security SPV, at the Subscription Price which is assumed to be R225.00 per HDP SPV Subscription Share, funded through the HDP SPV Pref Subscription, which triggers the recognition of an aggregate BEE equity-settled share-based payment charge of R1.4 billion in terms of *IFRS 2: Share-Based Payments*. The fair value of the IFRS 2 award is assumed to be measured at the grant date (day one) and expensed immediately on the basis that there are no vesting conditions. Subsequent forfeitures and reallocations would have no effect on the accounting.
9. The HDP SPV Subscription Shares issued to HDP Security SPV are recognised as treasury shares as a result of HDP Security SPV being controlled by Northam Holdings in accordance with *IFRS 10: Consolidated financial statements*.

Zambezi Preference Share Redemption

10. 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 resulting in corresponding entries to stated capital and treasury shares.

11. The recognition of CGT and STT of R1.1 billion for Zambezi as a result of the redemption of all the Zambezi Preference Shares held by Northam.
12. The settlement of the aggregate CGT and STT of R4.4 billion funded from Northam Holdings' bank overdraft.
13. None of the adjustments pursuant to the Zambezi Preference Share Redemption are recognised in the statement of profit and loss and other comprehensive income.

Transaction Costs

14. The transaction cost allocation between Northam and Northam Holdings is based on a preliminary assessment by Northam as at the Last Practicable Date and will be confirmed once the transaction costs pursuant to the Composite Transaction are finalised. Transaction costs for Northam Holdings, estimated at R126.9 million (inclusive of VAT), are settled in cash funded from Northam Holdings' bank overdraft, of which R16.5 million is a VAT receivable recognised in trade and other receivables for Northam Holdings. The transaction costs relate to the issue of Northam Holdings Shares and have therefore been deducted from share capital in terms of *IAS 32 Financial Instruments: Presentation* and therefore not recognised in the statement of profit and loss and other comprehensive income. The *pro forma* financial information has been prepared on the assumption that transaction costs are not deductible for income tax purposes. Northam Holdings will further assess this assumption post implementation of the Northam Scheme.

After implementation of the Composite Transaction

15. The financial information in the "After implementation of the Composite Transaction" column has been prepared based on Northam Holdings financial information as at incorporation, being 2 December 2020 and adjusted for the issue of 1 Northam Holdings Share to Northam for R1 on 1 March 2021 (refer to note 1 above) and taking into account the adjustments in notes 2 to 14 above.

ANNEXURE 7: INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION ON A NORTHAM SCHEME PARTICIPANT

The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached, apply to this annexure, unless otherwise stated or the context so requires.

“Independent Reporting Accountant’s Assurance Report on the Compilation of *Pro Forma* Financial Information Included in a Circular

To the Directors of Northam Platinum Limited and Northam Platinum Holdings 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 the Transaction (prior to implementation of the Extended BEE Transaction) of Northam Platinum Limited and its subsidiaries (collectively, “**Northam**”) and the Composite Transaction on a Northam Scheme Participant, by the Directors.

The *pro forma* financial information, as set out in paragraph 36 on pages 88 to 93 of the Circular to which this annexure is attached, consists of the *pro forma* basic and diluted earnings per share, headline earnings and diluted headline earnings per share, net asset value and net tangible asset value per share, weighted average number of shares in issue, diluted number of shares in issue, number of shares in issue, treasury shares in issue, shares in issue adjusted for treasury shares and related notes (collectively the “**Pro forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the *Pro forma* Financial Information is described in paragraph 36 on pages 88 and 89 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 41 to 43 of the Circular, on the Northam and Northam Holdings’ financial position as at 31 December 2020, and the Northam and Northam Holdings’ financial performance for the period then ended, as if the corporate action or event had taken place at incorporation date, being 2 December 2020 in respect of Northam Holdings, and as at 31 December 2020 for Northam, and for the period ended 31 December 2020 in respect of Northam Holdings and Northam. As part of this process, information about the Northam and Northam Holdings’ financial position, and financial performance has been extracted by the Directors from Annexures 5 and 6 to the Circular.

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 paragraph 36 on pages 88 to 93 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 paragraph 36 on pages 88 and 89 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 paragraph 36 on pages 88 and 89 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 Northam and Northam Holdings 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 2 December 2020 or 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 Northam and Northam Holdings, 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 paragraph 36 on pages 88 and 89 of the Circular.

Ernst & Young Inc.

Director: Ebrahim Dhorat CA(SA)

Registered Auditor

Reporting Accountant

Johannesburg

20 May 2021”

ANNEXURE 8: INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF NORTHAM

*The definitions and interpretations commencing on page 15 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 Northam Platinum 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 Northam Platinum Limited and its subsidiaries (collectively, “**Northam**”), by the Directors.

The *pro forma* financial information, as set out in Annexure 5 on pages 138 to 161 of the Circular to which this annexure is attached (“**Circular**”), consists of the *pro forma* statements of financial position as at 31 December 2020, the *pro forma* statements 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 forma* Financial Information are specified in the JSE Limited Listings Requirements (“**JSE Listings Requirements**”) and described in Annexure 5 on page 137 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 41 to 43 of the Circular, on Northam’s financial position as at 31 December 2020, and Northam’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 Northam’s financial position, and financial performance has been extracted by the Directors from Northam’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 specified in the JSE Listings Requirements and described in Annexure 5 on page 137 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 specified in the JSE Listings Requirements and described in Annexure 5 on page 137 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 specified in the JSE Listings Requirements.

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 Northam 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 Northam, 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 specified in the JSE Listings Requirements and described in Annexure 5 on page 137 of the Circular.

Ernst & Young Inc.

Director: Ebrahim Dhorat CA(SA)

Registered Auditor

Reporting Accountant

Johannesburg

20 May 2021”

ANNEXURE 9: INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF NORTHAM HOLDINGS

The definitions and interpretations commencing on page 15 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 Northam Platinum Holdings 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 Northam Platinum Holdings Limited (“**Northam Holdings**”), by the Directors.

The *pro forma* financial information, as set out in Annexure 6 on pages 162 to 180 of the Circular to which this annexure is attached (“**Circular**”), consists of the *pro forma* statements of financial position as at incorporation date, being 2 December 2020, the *pro forma* statements 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 forma* Financial Information are specified in the JSE Limited Listings Requirements (“**JSE Listings Requirements**”) and described in Annexure 6 on page 162 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 41 to 43 of the Circular, on Northam Holdings’ financial position as at incorporation date, being 2 December 2020, and Northam Holdings’ financial performance for the period ended 31 December 2020, as if the corporate action or event had taken place at incorporation date, being 2 December 2020 and for the period ended 31 December 2020. As part of this process, information about Northam Holdings’ financial position has been extracted by the Directors from the Northam Holdings’ financial statements as at incorporation date, being 2 December 2020, on which an auditor’s report was issued on 23 April 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 specified in the JSE Listings Requirements and described in Annexure 6 on page 162 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 specified in the JSE Listings Requirements and described in Annexure 6 on page 162 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 specified in the JSE Listings Requirements.

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 Northam Holdings 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 2 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 Northam Holdings, 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 specified in the JSE Listings Requirements and described in Annexure 6 on page 162 of the Circular.

Ernst & Young Inc.

Director: Ebrahim Dhorat CA(SA)

Registered Auditor

Reporting Accountant

Johannesburg

20 May 2021”

ANNEXURE 10: EXTRACTS FROM NORTHAM HOLDINGS MOI

*The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached **do not** apply to this annexure.*

This annexure sets out extracts from the memorandum of incorporation of Northam Platinum Holdings Limited ("**Northam Holdings MOI**"). In each case the numbering and wording below matches that of the applicable provisions in the Northam Holdings MOI. The Northam Holdings MOI is available on request at the registered address of Northam Platinum Holdings Limited, as set out in the "*Corporate Information and Advisors*" section of the circular to which this annexure is attached.

1. INTERPRETATION

In this MOI, article headings are used for convenience only and shall not be used in its interpretation and, unless the context clearly indicates a contrary intention:

- 1.1 an expression that denotes:
 - 1.1.1 any gender, includes the other genders;
 - 1.1.2 a natural Person, includes an artificial or juristic Person and *vice versa*; and
 - 1.1.3 the singular, includes the plural and *vice versa*;
- 1.2 the following expressions shall bear the meanings assigned to them below and cognate expressions shall bear corresponding meanings:
 - 1.2.1 "**Adoption Date**" means the date upon which this MOI is adopted by the ordinary shareholders by way of a special resolution passed in accordance with section 16(1)(c)(ii) of the Companies Act;
 - 1.2.2 "**Alternate Director**" shall bear the meaning ascribed thereto in article 35.1.1;
 - 1.2.3 "**Board**" means the board of Directors of the Company from time to time;
 - 1.2.4 "**Business Day**" means any day other than a Saturday, Sunday or gazetted, national public holiday in South Africa;
 - 1.2.5 "**Certificated Securities**" means Securities issued by the Company that are not Uncertificated Securities;
 - 1.2.6 "**Commission**" means the Companies and Intellectual Property Commission established by section 185 of the Companies Act;
 - 1.2.7 "**Companies Act**" means the Companies Act, No. 71 of 2008, as amended, including all schedules to such act and all regulations promulgated thereunder and for the time being in force (including, as at the date of adoption of this MOI, the Regulations);
 - 1.2.8 "**Company**" means Northam Platinum Holdings Limited with registration number 2020/905346/06 as defined on the front page of this MOI;
 - 1.2.9 "**CSD**" means the Central Securities Depository as defined in section 1 of the Financial Markets Act;
 - 1.2.10 "**CSDP**" means a depository institution accepted by a CSD as a "**participant**" in terms of the Financial Markets Act and the JSE Exchange;
 - 1.2.11 "**Director**" means a director of the Company, from time to time;
 - 1.2.12 "**Dispose**" means to cede, donate, dispose of, distribute, exchange, give, make over, sell, transfer, unbundle or otherwise alienate, or any agreement, arrangement or obligation to do any of the foregoing, and "**Disposal**" shall be construed accordingly;
 - 1.2.13 "**Electronic Communication**" means an electronic communication as defined in section 1 of the Electronic Communications and Transactions Act, No. 25 of 2002;
 - 1.2.14 "**Encumbrance**" means a mortgage, charge, pledge, loan, option, restriction, right of first refusal, right of pre-emption, third party right or interest or other encumbrance or security

- interest of any kind, or another type of agreement having a similar effect, and “**Encumber**” and “**Encumbered**” shall be construed accordingly;
- 1.2.15 “**Financial Markets Act**” means the Financial Markets Act, No. 19 of 2012, as amended, including all schedules to such act and all regulations and standards promulgated thereunder and for the time being in force;
- 1.2.16 “**JSE**” means the JSE Limited, registration number 2005/022939/06, a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
- 1.2.17 “**JSE Exchange**” means the exchange operated by the JSE;
- 1.2.18 “**JSE Listings Requirements**” means to the extent applicable, the JSE Limited Listings Requirements, as amended from time to time;
- 1.2.19 “**Legal Representative**” means any Person who has submitted proof (which is satisfactory to the Board) of his appointment (and, to the extent required by the Board, the continuation of that appointment) as:
- 1.2.19.1 an executor of the estate of a deceased Shareholder, or a curator, guardian or trustee of a Shareholder whose estate has been sequestered or who is otherwise under any disability;
- 1.2.19.2 the liquidator of any Shareholder that is a body corporate in the course of being wound up; or
- 1.2.19.3 the business rescue practitioner of any Shareholder which is a company undergoing business rescue proceedings;
- 1.2.20 “**Listing Date**” means the date on which the Ordinary Shares are listed on the JSE Exchange;
- 1.2.21 “**MOI**” means this memorandum of incorporation of the Company, being this document (and including any Schedules hereto), as amended or replaced from time to time;
- 1.2.22 “**Ordinary Share**” means an ordinary share in the Company;
- 1.2.23 “**Ordinary Shareholder**” means a shareholder to the extent that it is entered into the Securities Register as the registered holder of an Ordinary Share;
- 1.2.24 “**Person**” or “**Entity**” includes any natural or juristic person, association, business, close corporation, company, concern, enterprise, firm, partnership, joint venture, trust, undertaking, voluntary association, body corporate, and any similar entity;
- 1.2.25 “**Regulations**” means the Companies Regulations, 2011, as amended and any other regulations made from time to time in terms of the Companies Act for so long as they remain of force and effect;
- 1.2.26 “**Securities**” means, collectively:
- 1.2.26.1 shares (including the Ordinary Shares), debentures, notes, bonds, units or other instruments, irrespective of their form or title (including any options thereon and rights thereto) issued or authorised to be issued by the Company; and
- 1.2.26.2 anything falling within the meaning of the definition of “**securities**” as defined in section 1 of the Financial Markets Act issued or authorised to be issued by the Company;
- 1.2.27 “**Securities Register**” means the register of issued Securities of the Company required to be established in terms of section 50(1) of the Companies Act;
- 1.2.28 “**Security Holder**” shall bear the meaning ascribed thereto in article 21.1;
- 1.2.29 “**SENS**” means the Stock Exchange News Service established and operated by the JSE;
- 1.2.30 “**Share**” means one of the units into which the proprietary interest in the Company is divided;
- 1.2.31 “**Shareholder**” or “**Registered Holder**” means a holder of a Share or other Security who is entered as such in the Securities Register, including a Legal Representative;
- 1.2.32 “**Shareholders Meeting**” means a meeting at which Shareholders are entitled to exercise voting rights on one or more proposed resolutions;

- 1.2.33 “**Sign**” includes the reproduction of a signature by lithography, printing, or any kind of stamp or any other mechanical or electronic process, and “**Signed**” and “**Signature**” have a corresponding meaning;
- 1.2.34 “**South Africa**” means the Republic of South Africa;
- 1.2.35 “**Transfer Office**” means the registered office from time to time of the Company’s transfer secretary, or such other office as may be communicated by the Company to the Shareholders from time to time;
- 1.2.36 “**Uncertificated Securities**” means any Securities which are “**uncertificated securities**” defined as such in section 1 of the Financial Markets Act; and
- 1.2.37 “**Uncertificated Securities Register**” means the record of Uncertificated Securities administered and maintained by a CSDP or a CSD, as determined in accordance with the rules of the CSD, and which forms part of the Securities Register;
- 1.3 any reference to “**law**” means law, legislation, statutes, subordinate legislation, regulations, ordinances, treaties, protocols, codes, standards, rules, by-laws, directives, orders, guidelines, notices, promulgations, requirements, orders, judgments, decisions, instructions, injunctions, awards and other decrees of any governmental authority and all codes of practice, statutory guidance and policy notes, which have force of law or which it would be an offence not to obey, and the common law, as amended, supplemented, replaced, re-enacted, restated or re-interpreted from time to time;
- 1.4 any reference to a statute, regulation or the JSE Listings Requirements means that statute or regulation or the JSE Listings Requirements, as amended, supplemented, replaced or re-enacted from time to time, including all schedules thereto, and all regulations promulgated thereunder and for the time being in force;
- 1.5 if any provision in a definition is a substantive provision conferring a right or imposing an obligation on any Person then, notwithstanding that it is only in a definition, effect shall be given to that provision as if it were a substantive provision in the body of this MOI;
- 1.6 the use of the words “**including**”, “**includes**” or “**include**”, followed by a specific example/s, shall not be construed (notwithstanding that in some instances this may have been specifically provided for, but not in others) as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of that general wording or those specific example/s;
- 1.7 where any term is defined within a particular article other than this article 1, that term shall bear the meaning ascribed to it in that article wherever it is used in this MOI;
- 1.8 any word or expression which is defined in the Companies Act or in the JSE Listings Requirements and which is not defined in this MOI shall have the meaning assigned thereto in the Companies Act or the JSE Listings Requirements, as the case may be, as in force on the Adoption Date (but only if and to the extent defined in the Companies Act or in the JSE Listings Requirements in the same context as that in which it is used in this MOI), provided that if a word or expression is defined in both the Companies Act and the JSE Listings Requirements on the Adoption Date, and there is a conflict between such definitions, the definitions contained in the Companies Act on the Adoption Date shall prevail;
- 1.9 any reference to “**present**” in respect of a meeting shall be construed in accordance with the definition of “*present at a meeting*” in the Companies Act;
- 1.10 a reference to a “**section**” refers to the corresponding section of the Companies Act;
- 1.11 when any number of days is prescribed in this MOI, same shall be reckoned exclusive of the first and inclusive of the last day unless the last day falls on a Saturday, Sunday or gazetted, national public holiday, in which case the last day shall be the next Business Day; and
- 1.12 the headings of articles in this MOI are for information purposes only and shall not be used in the interpretation of this MOI.

PART B – STATUS AND POWERS OF THE COMPANY

5. STATUS AS A PUBLIC COMPANY

- 5.1 The Securities issued by the Company are fully paid up and freely transferable, subject to compliance with the procedural requirements for transfer contained in article 15.
- 5.2 The Company is incorporated in accordance with and governed by –
 - 5.2.1 the unalterable provisions of the Companies Act (subject to any higher standards, greater restrictions, longer periods of time or more onerous requirements set out in this MOI in accordance with the provisions of section 15(2)(a)(iii) of the Companies Act); and
 - 5.2.2 the alterable provisions of the Companies Act, subject to the limitations, restrictions, qualification, extension or other alterations set out in this MOI in accordance with the provisions of the Companies Act.
- 5.3 The Company is entitled to offer its Securities to the public, subject to compliance with this MOI, the Companies Act and the JSE Listings Requirements (to the extent applicable).
- 5.4 The Company is, accordingly, classified as a public company in terms of section 8(2) of the Companies Act.

6. POWERS OF THE COMPANY

- 6.1 The Company has, subject to section 19(1)(b)(i) of the Companies Act, all of the legal powers and capacity of an individual.
- 6.2 There is no provision of this MOI which constitutes a restrictive condition as contemplated in section 15(2)(b) of the Companies Act.
- 6.3 To the extent that the Companies Act or the JSE Listings Requirements require a company to be expressly authorised by its memorandum of incorporation to do anything, the Company is, by this provision, conferred with the requisite authority to do so, subject to any express limitations set out in this MOI.
- 6.4 With effect from the Listing Date, no special resolution contemplated in sections 20(2) or 20(6) of the Companies Act to ratify any action which is contrary to the JSE Listings Requirements shall be proposed to the Shareholders unless otherwise agreed to by the JSE.

PART C – SECURITIES OF THE COMPANY AND CAPITALISATION ISSUES

8. AUTHORISED SECURITIES

The numbers and classes of Shares which the Company is authorised to issue are set out in Schedule 1 to this MOI.

9. RIGHTS OF THE ORDINARY SHARES

Each Ordinary Share ranks *pari passu* (as defined in the JSE Listings Requirements) with each other Ordinary Share in respect of all rights, and each Ordinary Shareholder is entitled –

- 9.1 to be entered into the Securities Register as the Registered Holder of that Ordinary Share;
- 9.2 (save where its entitlement is removed by an express provision of this MOI, or by law or the JSE Listings Requirements) to exercise voting rights (whether in person, by proxy or by authorised representative) on all resolutions proposed at all meetings of the Shareholders of the Company (other than those resolutions, if any, in relation to which, in terms of the express provisions of this MOI or the terms of law or the JSE Listings Requirements, only Registered Holders of one or more other classes of Shares are entitled to exercise voting rights), as follows:
 - 9.2.1 one vote per Ordinary Share (on a matter decided by a poll), or
 - 9.2.2 one vote in total in respect of all its Ordinary Shares (on a matter decided by a show of hands); and

- 9.3 to participate equally with every other Ordinary Share in any Distribution taking the form of a transfer by the Company of money or other property (other than its own Shares or other Securities) of the Company, excluding any payment *in lieu* of a capitalisation Share and any consideration payable by the Company for any of its own Shares or other Securities or for any shares or other securities of another company within the same group as contemplated in paragraphs (ii) and (iii) of the definitions of distribution in the Companies Act, to Ordinary Shareholders, whether during the existence of the Company or upon its dissolution.

10. VARIATION OF AUTHORISED SHARES

- 10.1 Notwithstanding the provisions of section 36(3) of the Companies Act, the Board shall not have the power to:
- 10.1.1 increase or decrease the number of authorised Shares of any class;
 - 10.1.2 reclassify any classified Shares that have been authorised but not issued;
 - 10.1.3 classify any unclassified Shares that have been authorised but not issued; or
 - 10.1.4 determine the preferences, rights, limitations or other terms of any class of Shares, which powers shall only be capable of being exercised by the Shareholders (by way of special resolution of the Shareholders).
- 10.2 The Shareholders may, by amendment to the MOI by way of a special resolution and in accordance with the JSE Listings Requirements:
- 10.2.1 increase or decrease the number of authorised Shares of any class of the Shares;
 - 10.2.2 reclassify any classified Shares that have been authorised but not issued;
 - 10.2.3 classify any unclassified Shares that have been authorised but not issued;
 - 10.2.4 determine or vary the preferences, rights, limitations or other terms of any Shares;
 - 10.2.5 create any class of Shares;
 - 10.2.6 convert one class of Shares into one or more other classes of Shares;
 - 10.2.7 consolidate or subdivide any class of Shares;
 - 10.2.8 vary any preferences, rights, limitations or other terms of Ordinary Shares; or
 - 10.2.9 vary any preferences rights, limitations or other terms of any class of Shares already in issue, other than Ordinary Shares, but no such variation shall be implemented unless:
 - 10.2.9.1 it has been approved by a special resolution upon which only the holders of that class of Shares shall be entitled to exercise voting rights in accordance with the preferences, rights, limitations and other terms attaching to that class; and
 - 10.2.9.2 if it has also been approved by a special resolution on which both of the following shall be entitled to exercise voting rights:
 - 10.2.9.2.1 the holders of that class of Shares in accordance with the preferences, rights, limitations and other terms attaching to that class; and
 - 10.2.9.2.2 the Ordinary Shareholders.
- 10.3 The preferences, rights, limitations or any other terms of any class of Securities may not be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7) of the Companies Act and the powers of the Board are limited accordingly.

11. ISSUE OF SECURITIES

- 11.1 Securities of any class listed on the JSE Exchange may only be issued if they are fully paid up. Classes of Securities listed on the JSE Exchange shall be freely transferable.
- 11.2 The Company may only issue Securities within the classes and to the extent that those Securities have been authorised by or in terms of this MOI.

- 11.3 For the avoidance of doubt, the Company may issue Securities (or be a party to a Disposal by a third party of Securities) to a Person in terms of an agreement between, *inter alia*, the Company and that person in which that person undertakes:
- 11.3.1 to not Dispose of, or Encumber, all or any of those Securities for a specified or ascertainable period of time; or
 - 11.3.2 that such Person may only Dispose of and/or Encumber all or any of those Securities in certain specific or ascertainable circumstances.
- 11.4 With effect from the Listing Date, all issues of equity Securities for cash, and all issues of options and convertible Securities for cash, must be in compliance with the JSE Listings Requirements.
- 11.5 Subject to the provisions of articles 11.6 and 11.7, and the JSE Listings Requirements, the Board may only issue unissued equity Securities if such Securities have first been offered on the same terms and conditions to existing holders of that class of Securities *pro-rata* in proportion to their existing holdings of that class of Securities.
- 11.6 The pre-emptive right stipulated in article 11.5 shall not apply if, and to the extent that, the Shareholders authorise the Directors to issue equity Securities, options and/or convertible Securities (i) on specific terms set out in the authorisation, or (ii) in such manner and on such terms as the Directors in their discretion think fit, provided that such authorisation/s/transaction/s has/have been approved by the JSE (if JSE approval is required) and comply/ies with the JSE Listings Requirements.
- 11.7 The pre-emptive right stipulated in article 11.5 shall not apply to any issue of equity Securities in consideration for the subscription or acquisition by the Company of any securities in another company or any other non-cash asset or property, provided that such transaction/s has/have been approved by the JSE (if JSE approval is required) and comply/ies with the JSE Listings Requirements.

13. REGISTER AND CERTIFICATES

- 13.1 Subject to the relevant JSE Listings Requirements where applicable, the Securities shall be issued in certificated or uncertificated form.
- 13.2 The Company shall establish or cause to be established, and shall maintain, a Securities Register in accordance with the Companies Act and, to the extent that the form of and the manner of maintaining the Securities Register is not prescribed, the Board shall determine the form and manner thereof.
- 13.3 The Company shall enter into its Securities Register the transfer of any Certificated Securities and shall include in such entry the information required by section 51(5) of the Companies Act.
- 13.4 The certificates evidencing any Certificated Securities of the Company shall comply with the requirements set out in section 51(1) of the Companies Act and shall otherwise be in such form as may be determined by the Board.
- 13.5 If any certificate is defaced, lost or destroyed, it may be replaced on payment of such fee, if any, and on such terms as the Board may determine from time to time.
- 13.6 The conversion of Certificated Securities to Uncertificated Securities or of Uncertificated Securities to Certificated Securities shall occur in accordance with the Regulations, any applicable provisions of the Financial Markets Act and any applicable requirements or rules of the JSE and the relevant CSDP or CSD.

14. UNCERTIFICATED SECURITIES

- 14.1 Without derogating from article 13.2, the Company shall not issue certificates evidencing or purporting to evidence, title to Uncertificated Securities of the Company.
- 14.2 Any Person who wishes to withdraw its Uncertificated Securities held by a CSDP and to obtain a certificate in respect of all or part of those Securities, shall notify the CSDP thereof, in which case:
- 14.2.1 the CSDP shall notify the Company to provide such a certificate and shall remove the details of the Uncertificated Security so withdrawn from the Uncertificated Securities Register maintained by the CSDP;
 - 14.2.2 the Company shall, immediately on receipt of such notice from a CSDP, enter the relevant Person's name and details in respect of its holding into the Securities Register and indicate on such Securities Register that the Securities so withdrawn are no longer held in uncertificated form;

- 14.2.3 the Company shall, within 14 days of receipt of the notice referred to in article 14.2.1, prepare and deliver to the relevant Person a certificate in respect of the Securities so withdrawn, and notify the CSD that the Securities are no longer held in uncertificated form; and
 - 14.2.4 transfer of registered ownership of Securities so withdrawn shall not be capable of being effected through a CSD while they remain in certificated form.
- 14.3 The Company shall enter in its Securities Register, in respect of every class of Securities, the total number of Securities held in uncertificated form.

15. TRANSFER OF SECURITIES

- 15.1 Save in the case of a transfer which is effected by operation of law and overrides the requirements of this MOI, no Person may transfer the registered ownership of any Securities in the Company to any other Person without first complying with the requirements for transfer as set out in this MOI.
- 15.2 Subject to the requirements of the Companies Act, the instrument of transfer of a Certificated Security shall be in the usual form or such other form as the Directors may approve and shall be Signed by the transferor and the transferee (to the extent required by law).
- 15.3 Transfer of registered ownership in any Uncertificated Securities shall be effected in accordance with the provisions of section 53 of the Companies Act, and:
 - 15.3.1 shall be effected upon the debiting and crediting, respectively, of both the account in the Uncertificated Securities Register from which the transfer is effected and the account in the Uncertificated Securities Register to which transfer is to be made, in accordance with the rules of the CSD; and
 - 15.3.2 a transferee shall, upon the entering of its name in an Uncertificated Securities Register, become and be recognised as a Shareholder in respect of the Uncertificated Securities registered in its name.
- 15.4 Only a CSDP may effect transfer of Uncertificated Securities in an Uncertificated Securities Register maintained by it. A CSDP shall transfer Uncertificated Securities in the Uncertificated Securities Register administered and maintained by it only on receipt of an instruction to transfer sent and properly authenticated in terms of the rules of the CSD or by order of court.
- 15.5 The transfer of registered ownership of any Certificated Securities, shall not be entered into the Securities Register unless:
 - 15.5.1 the transfer is evidenced by a proper instrument of transfer which has been delivered to the Transfer Office together with:
 - 15.5.1.1 such proof as the Board may require of the authority of the signatory/ies to that instrument of transfer; and
 - 15.5.1.2 the certificate in respect of the Securities being transferred; or
 - 15.5.2 the transfer was effected by operation of law.
- 15.6 Subject to the provisions of this MOI, every instrument of transfer of a Certificated Security shall be left at the Transfer Office accompanied by the certificate of the Security to be transferred and/or such other evidence as the Company may require to prove the title of the transferor or its right to transfer the Securities. Any authority to Sign transfer deeds granted by a Shareholder for the purpose of transferring Securities which may be lodged, produced or exhibited with or to the Company at the Transfer Office shall be taken and deemed to continue and remain in full force and effect, and the Company may allow the same to be acted upon, until written notice of revocation thereof is lodged at the Transfer Office. Even after the giving and lodging of such notice, the Company may give effect to any instrument Signed under the authority to Sign and certified by any officer of the Company as being in order before the giving and lodging of such notice.
- 15.7 Securities shall not be subject to any lien in favour of the Company.
- 15.8 For the avoidance of doubt, the Company may take, and exercise its rights and obligations under, a pledge and cession in *securitatem debiti* over specified Securities in terms of an agreement between, *inter alia*, the Company and another Person.

16. CAPITALISATION SHARES

16.1 The Board shall have the power or the authority to:

16.1.1 approve the issuing of any authorised Shares as capitalisation shares;

16.1.2 issue Shares of one class as capitalisation shares in respect of the Shares of another class;
or

16.1.3 resolve to permit the Shareholders to elect to receive a cash payment *in lieu* of a capitalisation share,

if such transaction(s) has/have been approved by the JSE (should the JSE's approval be required) and provided the applicable provisions of the Companies Act (including section 47 thereof) and the applicable provisions of the JSE Listings Requirements have been complied with.

16.2 The Board may not resolve to offer a cash payment *in lieu* of awarding a capitalisation share, as contemplated in section 47(2) of the Companies Act, unless the Board:

16.2.1 has considered the solvency and liquidity test as required by section 46 of the Companies Act, on the assumption that every such Shareholder would elect to receive cash; and

16.2.2 is satisfied that the Company would satisfy the solvency and liquidity test immediately upon the completion of the distribution.

16.3 If, on any capitalisation issue, Shareholders would, but for the provisions of this article 16.3, become entitled to fractions of Shares, the Board shall, subject to any contrary provisions in the resolutions authorising the capitalisation issue, be entitled to round off the number of capitalisation shares, as permitted in terms of the JSE Listings Requirements.

17. ACQUISITION OF SECURITIES ISSUED BY THE COMPANY

Subject to the provisions of the Companies Act and the JSE Listings Requirements, the Company may acquire any Securities issued by the Company on the basis that:

17.1 all or a portion of the price payable on such acquisition may be paid out of the funds of or available to the Company, including whether or not such payment results in a reduction of the share capital, stated capital, reserves, any capital redemption reserve fund and/or any other account of the Company; and

17.2 the Securities so acquired shall be restored to the status of unissued Securities and the authorised capital of the Company shall remain unaltered.

18. DEBT INSTRUMENTS

18.1 The Board may authorise the Company to issue secured or unsecured debt instruments as set out in section 43(2) of the Companies Act, provided that the debt instruments may not grant special privileges as contemplated in section 43(3) of the Companies Act.

18.2 The foregoing provision of this article 18 shall not prevent the Company from redeeming debt instruments held by a Person simultaneously with the issue of Shares or other Securities to that Person or its nominee.

18.3 The authority of the Board to authorise the Company to issue secured or unsecured debt instruments, as set out in section 43(2) of the Companies Act, is accordingly limited or restricted by this MOI.

19. BENEFICIAL INTERESTS

Securities issued by the Company may be held by, and registered in the name of, one Person for the beneficial interest of another Person, as set out in section 56(1) of the Companies Act, but no Person other than the Registered Holder of a Security shall (save to the extent expressly provided for otherwise in this MOI) be entitled to exercise any of the rights associated with that Security and the Company shall not recognise any Person other than the Registered Holder of a Security as the holder of that Security save to the extent it is required to so recognise any such Person by the Companies Act.

PART D – SHAREHOLDERS RIGHTS AND PROCEEDINGS

31. SHAREHOLDERS RESOLUTION

- 31.1 At a Shareholders Meeting, a resolution put to the vote shall be decided by a show of hands unless a poll is demanded (on or before the declaration of the result of a show of hands) by:
- 31.1.1 the chairperson of the Shareholders Meeting;
 - 31.1.2 not less than five Shareholders present at the Shareholders Meeting having the entitlement to exercise voting rights on that resolution; or
 - 31.1.3 a Shareholder or Shareholders present at the Shareholders Meeting having the entitlement to exercise at least 10% of the total voting rights of all Shareholders having the entitlement to exercise voting rights on that resolution.
- 31.2 At any Shareholders Meeting, any person who is present at the Shareholders Meeting, whether as a Shareholder or as a proxy for, or authorised representative of, a Shareholder, shall be entitled to exercise the following voting rights –
- 31.2.1 an Ordinary Shareholder shall be entitled to:
 - 31.2.1.1 one vote in total in respect of all his Ordinary Shares on a show of hands; and
 - 31.2.1.2 exercise one vote per Ordinary Share on a poll;
 - 31.2.2 a Registered Holder of any special class of Shares created for the purposes of black economic empowerment shall be entitled to exercise such voting rights (if any) as it is permitted to exercise under the preferences, rights, limitations or other terms of that special class of Shares; and
 - 31.2.3 a Shareholder other than those referred to in articles 31.2.1 and 31.2.2 shall not be entitled to exercise voting rights, except as provided for in article 31.3.
- 31.3 The Registered Holders of a class of Shares, other than Ordinary Shares and any special class of Shares created for the purposes of black economic empowerment, shall not be entitled to exercise voting rights on any resolution at Shareholders Meetings, save:
- 31.3.1 as permitted to do so from time to time in terms of the provisions of this MOI pursuant to article 31.4;
 - 31.3.2 insofar as the right to do so is conferred on them in terms of section 37(3) of the Companies Act; or
 - 31.3.3 as otherwise permitted to do so from time to time in terms of a provision in this MOI which has been approved by the JSE.
- 31.4 The Company may, in terms of the preferences, rights, limitations or other terms attaching to a class of preference shares in this MOI, grant Registered Holders of that class of preference shares the entitlement to exercise voting rights on resolutions at Shareholders Meetings, as follows:
- 31.4.1 during any special period contemplated in this article 31.4.1 during which any dividend or other distribution or any part of any dividend or other distribution on such class of preference shares or any redemption payment thereon remains in arrears and unpaid. The special period contemplated in this article 31.4.1 shall be the period commencing on a day specified in this MOI, not being more than six months after the due date of the dividend or other distribution or redemption payment in question or, where no due date is specified, after the end of the financial year of the Company in respect of which such dividend or other distribution accrued or such redemption payment became due;
 - 31.4.2 in regard to any resolution proposed for the winding up of the Company or the reduction of its share capital, stated capital, capital redemption reserve fund or any other reduction in capital; and/or
 - 31.4.3 as otherwise permitted from time to time in terms of a provision in this MOI which has been approved by the JSE.

31.5 In instances where the Registered Holders of a class of shares (“**Participating Shares**”), other than Ordinary Shares and any special class of Shares created for the purposes of black economic empowerment, are entitled to exercise voting rights on any resolution at a Shareholders Meeting):

31.5.1 the votes of the Participating Shares shall not carry any special rights or privileges; and

31.5.2 a Registered Holder of Participating Shares shall be entitled to one vote for every Participating Share held (on a matter to be decided by a poll) or one vote in total in respect of all its Participating Shares (on a matter to be decided by a show of hands),

provided that the total votes attaching to the Participating Shares at a Shareholders Meeting shall not be more than 24.99% of the total votes (including the votes of the Ordinary Shareholders) exercisable at that meeting (with any cumulative fraction of a vote in respect of any Participating Shares held by a Shareholder rounded down to the nearest whole number).

31.6 In order for:

31.6.1 an ordinary resolution to be approved, it must be supported by a majority of the voting rights exercised on the ordinary resolution, as contemplated in section 65(7) of the Companies Act;

31.6.2 a special resolution to be approved, it must be supported by at least 75% of the voting rights exercised on the special resolution, as provided in section 65(9) of the Companies Act; and

31.6.3 an ordinary resolution or special resolution required by the JSE Listings Requirements to be approved, it must meet the voting threshold, if any, imposed by the JSE Listings Requirements,

provided that this article 31 shall not detract from the Shareholders’ ability to adopt resolutions by written vote as referred to in article 32.

31.7 As at the Adoption Date, the JSE Listings Requirements state that a “special resolution may, for purposes of the JSE Listings Requirements, be passed only with the support of at least 75% of the votes cast by all equity securities holders present in person, or represented by proxy, at the general meeting/annual general meeting convened to approve such resolution”.

31.8 If any Shareholder abstains from voting in respect of any resolution, that 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 of that resolution.

31.9 Except for those matters which require the approval or authority of a special resolution in terms of this MOI, section 65(11) of the Companies Act, any other section of the Companies Act or any provision of the regulations to the Companies Act, no other matters which the Company may undertake requires the approval or authority by way of a “*special resolution*” (as defined in the Companies Act) of the Shareholders.

32. WRITTEN RESOLUTIONS BY SHAREHOLDERS

32.1 A resolution relating to the following matters that could be voted on at a Shareholders Meeting may instead be adopted by written vote of the Shareholders, as contemplated in section 60 of the Companies Act, 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:

32.1.1 a change of the Company’s name;

32.1.2 odd lot offers;

32.1.3 an increase or decrease in the number of authorised Shares of any class of the Shares;

32.1.4 amendments to this MOI; and/or

32.1.5 any other matter if the JSE approves the consideration of that matter by way of a written vote of the Shareholders as contemplated in section 60 of the Companies Act.

32.2 Unless the contrary is stated in the resolution, any such resolution shall be deemed to have been adopted on the date on which the Company received the written vote of the Shareholder or the proxy or authorised representative of the Shareholder whose vote resulted in the resolution being supported by sufficient votes for its adoption.

33. **AUTHORITY OF THE BOARD OF DIRECTORS**

- 33.1 The business and affairs of the Company shall be managed by or under the direction of the Board, which shall have the authority to exercise all of the powers and perform all of the functions of the Company, except to the extent that the Companies Act or this MOI provides otherwise.
- 33.2 The Board may delegate to any one or more Persons all such powers, and delegate to any one or more Persons the doing of all such acts, including the right to sub-delegate, as the Board determines in its discretion.

34. **APPOINTMENT OF DIRECTORS**

- 34.1 With effect from the Listing Date, the Board shall comprise not less than four Directors.
- 34.2 All of the Directors shall be elected by an ordinary resolution of the Shareholders. There shall be no *ex officio* directors, as contemplated in section 66(4)(a)(ii) of the Companies Act, and no person shall have the right to effect the direct appointment or removal of one or more Directors as contemplated in section 66(4)(a)(i) of the Companies Act.
- 34.3 The provisions of section 68(2) of the Companies Act shall apply to the election of Directors, provided that any Shareholder will have the right to nominate Directors and provided further that, with effect from the Listing Date, a Director may not be elected by written vote of the Shareholders, as contemplated in section 60 of the Companies Act.
- 34.4 Notwithstanding anything in this MOI to the contrary, the Board may appoint a Person who satisfies the requirements for election as a Director to fill any vacancy or to serve as a Director of the Company (or to the extent permitted in law, serve as an additional Director) on a temporary basis until the earlier of the date of the next annual general meeting of the Company and the date on which the vacancy has been filled by election in terms of article 34.2. During that period any Person so appointed has all of the powers, functions and duties, and is subject to all of the liabilities, of any other Director of the Company. The authority of the Board in this regard is not limited or restricted by this MOI.
- 34.5 The Directors shall retire from office in accordance with the following provisions of this article 34.5:
- 34.5.1 at each annual general meeting Directors comprising one third of the aggregate number of Directors (excluding executive Directors) or, if their number is not three or a multiple thereof, then the number nearest to but not less than one third of the aggregate number of Directors (excluding executive Directors) shall retire from office;
- 34.5.2 the Directors to retire in terms of article 34.5.1 shall exclude executive Directors and shall be those who have been longest in office since their last election, provided that if more than one of them were elected Directors on the same day and at the same time, those to retire shall be determined by lot unless those Directors agree otherwise between themselves;
- 34.5.3 if, after the retirement of Directors in terms of article 34.5.1, there would remain in office any Director (excluding any executive Director) who would have held office for three years since his last election, he shall also retire, in addition to the Directors retiring in terms of article 34.5.1, at such annual general meeting;
- 34.5.4 any Director appointed as such by the Directors after the conclusion of the Company's preceding annual general meeting shall, in addition to the Directors retiring in terms of article 34.5.1 and article 34.5.3, retire from office at the conclusion of the annual general meeting held immediately after his appointment;
- 34.5.5 a retiring Director shall be eligible for re-election and, if re-elected, shall be deemed for all purposes other than articles 34.5.1 to 34.5.4 not to have vacated his office;
- 34.5.6 the annual general meeting at which a Director retires may elect another person to fill the vacated office, and if it is not so filled, the retiring Director shall, if he has offered himself for re-election, be deemed to have been re-elected unless the annual general meeting expressly resolves not to fill such vacated office or not to re-elect such retiring Director and provided that the Company shall not be entitled to fill the vacancy in accordance with article 32;

- 34.5.7 no person other than a retiring Director shall be eligible for election as a Director at any annual general meeting unless the Directors recommend otherwise, or unless during the period of 30 days following the end of the financial year of the Company which immediately precedes such annual general meeting a Shareholder, who will be entitled to attend and exercise voting rights at such annual general meeting, shall have lodged at the registered office of the Company written notice proposing such person as a Director, together with the consent of that person to be elected as a Director; and
- 34.5.8 a retiring Director shall continue to act as Director throughout the annual general meeting at which he retires and his retirement shall become effective only at the end of such meeting.
- 34.6 The Board shall provide the Shareholders with a recommendation in the notice of the annual general meeting at which the re-election of a retiring Director is proposed, as to the re-election of that retiring Director, taking into account that Director's past performance and contribution. Sufficient time shall be allowed between the date of such notice and the date of the annual general meeting at which the re-election of the Director is to be proposed to allow nominations to reach the Company's registered office from any part of South Africa.
- 34.7 The Company may not permit a Person to serve as Director if that Person is ineligible or disqualified in terms of the Companies Act.
- 34.8 Life directorships and directorships for an indefinite period are not permissible.
- 34.9 In addition to the grounds of ineligibility and disqualification of Directors as contained in section 69 of the Companies Act, a Director shall cease to be eligible to continue to act as a Director if he absents himself from three consecutive meetings of the Board without the leave of the Board, and the Board resolves that his office shall be vacated; provided that this article 34.9 shall not apply to a Director who is represented by an Alternate Director who does not so absent himself.
- 34.10 This MOI does not impose any minimum shareholding or other qualifications to be met by the Directors of the Company in addition to the ineligibility and disqualification provisions of the Companies Act and article 34.9.
- 34.11 Section 70 of the Companies Act shall apply to any vacancy on the Board which may arise from time to time.
- 34.12 If the minimum requirement in article 34.1 ceases to be met, the remaining Directors must as soon as possible, and in any event not later than three months from the date that that minimum requirement ceases to be met, meet the minimum requirement by, *inter alia*, acting in terms of article 34.3 or holding a Shareholders Meeting for the purpose of filling the vacancies or appointing additional Directors, and the failure by the Company to meet those minimum requirements during the said three month period does not limit or negate the authority of the Board or invalidate anything done by the Board.
- 34.13 If the Board continues not to meet the minimum requirement in article 34.1 after the expiry of the three month period contemplated in article 34.12, it may, for as long after the expiry of that three month period as it fails to meet those requirements, act only for the purpose of meeting the minimum requirements or in the preservation and necessary formal administration of the Company, but not for any other purpose.
- 34.14 A Director may hold any other office or place of profit under the Company (except that of auditor), any subsidiary of the Company, any company controlled by the Company, any company promoted by the Company, or any company in which the Company may be interested, whether as Shareholder or otherwise, in conjunction with the office of Director, and in this event, his appointment 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 must be determined or agreed to by a disinterested quorum of the Directors.
- 34.15 Except insofar as otherwise decided by the Board, a Director of the Company who holds an office or place of profit contemplated in article 34.14 shall not be required to account to the Company for any remuneration or other benefits received by him by reason of such office or place of profit.

35. **ALTERNATE DIRECTORS**

- 35.1 Each Director may, by notice to the Company at any time:
 - 35.1.1 nominate any one or more than one person in the alternative (including any of his co-directors) to be his alternate director ("**Alternate Director**"); and
 - 35.1.2 terminate any such appointment.
- 35.2 The appointment of an Alternate Director shall terminate:
 - 35.2.1 when the Director to whom he is an Alternate Director ceases to be a Director; or
 - 35.2.2 upon the removal of that Alternate Director from his office as such.
- 35.3 An Alternate Director shall, subject to this MOI:
 - 35.3.1 in the place and stead of the Director to whom he is an Alternate Director, act as a Director and generally exercise all the rights of a Director, but only:
 - 35.3.1.1 at any meeting of the Board during the absence of that Director from such meeting; or
 - 35.3.1.2 otherwise than at a meeting of the Board, during the incapacity of that Director or to the extent authorised by that Director in writing,and if more than one Alternate Director to a Director is present at a meeting or able to act in the place of that Director and that Director has not indicated in writing who should act in his place, then those Alternate Directors may agree as to which of them should act in the place of that Director and in the absence of such agreement between them, the Alternate Director to act in the place of that Director shall be determined by lot; and
 - 35.3.2 in all respects be subject to the terms and conditions existing with reference to the appointment, rights and duties and the holding of office of the Director to whom he is an Alternate Director, but shall not have any claim of any nature whatsoever against the Company for any remuneration of any nature whatsoever.

40. **EXECUTIVE DIRECTORS**

- 40.1 Without limiting article 34.14, the Board may appoint, from time to time, one or more of the Directors as executive directors, who shall be employees of the Company or its Subsidiary, on such terms and conditions of employment as to remuneration and otherwise as may be determined from time to time by a disinterested quorum of the Board, and may from time to time remove or dismiss such Persons from office as an executive Director and appoint another or others in his or their place or places.
- 40.2 Any Director appointed in terms of article 40.1:
 - 40.2.1 shall not (subject to the provisions of the contract under which he is appointed) whilst he continues to hold that position or office, be subject to retirement by rotation;
 - 40.2.2 shall not, during the currency of such appointment, be taken into account in determining the rotation of retirement of Directors; and
 - 40.2.3 shall be subject to the same provisions as to the removal as the other Directors of the Company.

41. **PAYMENTS TO DIRECTORS**

- 41.1 The Company may pay remuneration to its Directors for their services as such and, without detracting from the foregoing, may pay any additional remuneration as referred to in article 41.3; and the authority of the Board in this regard is not restricted or limited by this MOI; provided that such remuneration must be approved by a special resolution passed by the Shareholders within the previous two years. For the avoidance of doubt, it is recorded that this article 41 does not apply to remuneration paid to executive Directors for their services as employees of the Company or its Subsidiary which is governed by article 40.1.

41.2 Each Director shall be paid all travelling, subsistence and other expenses properly and necessarily incurred by him in the execution of his duties as a Director; provided that such expenses shall first have been authorised or subsequently ratified by an executive Director.

41.3 Any Director who:

41.3.1 performs extra services;

41.3.2 serves on any executive or other committee;

41.3.3 devotes special attention to the business of the Company;

41.3.4 travels or resides outside South Africa for the purpose of the Company; or

41.3.5 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,

may be paid such extra remuneration or allowances (either in addition to or in substitution for any other remuneration to which he may be entitled as a Director), as a disinterested quorum of the Board may from time to time determine.

42. **BORROWING POWERS**

42.1 The:

42.1.1 borrowing powers of the Company; and

42.1.2 powers of the Company to Encumber its undertaking and property or any part thereof and to issue debt instruments (whether secured or unsecured), whether outright or as security for any debt, liability or obligation of the Company or of any third party, shall be unlimited (subject to compliance with section 43 of the Companies Act to the extent applicable) and shall be exercised by the Directors.

PART F – GENERAL PROVISIONS

45. **FINANCIAL ASSISTANCE**

45.1 **Financial assistance for subscription for or purchase of securities**

The Board may, as contemplated in section 44 of the Companies Act and subject to the requirements of that section, authorise the Company to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise, to any Person for the purpose of, or in connection with, the subscription for 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. The authority of the Board in this regard is accordingly not limited or restricted by this MOI.

45.2 **Financial assistance to Directors, Prescribed Officers and related and inter-related companies**

45.2.1 The Board may, as contemplated in section 45 of the Companies Act and subject to the requirements of that section, authorise the Company to provide direct or indirect financial assistance to a Director or prescribed officer of the Company, or of a related or inter-related company, 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. The authority of the Board in this regard is accordingly not limited or restricted by this MOI.

45.2.2 To the extent permissible in law and without limitation, the obligation to provide notice to Shareholders contemplated in section 45(5) of the Companies Act may, at the Board's election, be discharged by way of an announcement on SENS.

46. DISTRIBUTIONS

- 46.1 Subject to the provisions of the Companies Act and this MOI, the Board may declare any Distribution. With effect from the Listing Date, all Distributions shall comply with the JSE Listings Requirements. The Company may not make it a condition to a distribution that all or part of the amount of that Distribution may be called up again by the Company in its discretion.
- 46.2 Distributions (in the form of a dividend or otherwise) are to be declared by the Board in accordance with the Companies Act.
- 46.3 The Company shall transmit any Distribution or amount payable in respect of a Share by electronic bank transfer to such bank account as the Registered Holder thereof may have notified the Company in writing for this purpose, and the Company shall not be responsible for any loss in transmission. In the case of joint holders, the bank account of the first named in the Securities Register (or sub-register, as the case may be) in respect of such joint holdings, the details of which bank account were furnished to the Company by such person, and the electronic transfer of the Distribution or amount payable into such bank account shall be a good discharge by the Company in respect thereof. For the purposes of this article 46.3, no notice of change of bank account or instructions as to payment being made into any other bank account which is received by the Company after the date on which a holder must be registered in order to qualify for a Distribution or other amount payable or 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 Shareholder who is a South African resident shall only be entitled to supply a Rand denominated bank account of a bank registered to operate such account in South Africa. In the event that a Shareholder has failed to furnish the Company with a valid bank account as envisaged in this article 46.3, the Distribution or other amount payable shall be deemed unclaimed distributions in accordance with article 46.5.
- 46.4 The Company shall not be responsible for a Shareholder's loss arising from any fraudulent, diverted or incorrect electronic funds transfer of Distributions or other amounts payable to a Shareholder unless such loss was due to the Company's gross negligence or wilful default.
- 46.5 Any Distribution or other money payable on or in respect of a Share:
- 46.5.1 which is unclaimed, may be retained by the Company and held in trust indefinitely until lawfully claimed by such Shareholder/s or until the Shareholder's claim therefor prescribes in terms of article 46.5.2;
- 46.5.2 which is unclaimed for a period of three years from the date on which they were declared may be declared forfeited by the Board for the benefit of the Company. The Directors shall be entitled at any time to annul such forfeiture upon such conditions (if any) as the Board deems fit;
- 46.5.3 which is retained and unclaimed for three years, should the Company be wound-up or deregistered, after the payment date of the Distribution or money in question, shall be forfeited and revert to the Company or its assigns and may be dealt with by the Directors or such assigns as they deem fit; and
- 46.5.4 shall not bear interest against the Company and the Board shall, for the purpose of facilitating the winding-up or deregistration of the Company before the date of any such forfeit, be entitled to delegate to any bank, registered as such in accordance with the laws of South Africa, the liability for payment of any such Distribution or other money, payment of which has not been forfeited in terms of the foregoing.
- 46.6 Distributions (in the form of a dividend or otherwise) shall be paid to Shareholders registered as at a relevant record date subsequent to the date of declaration or, if applicable, date of confirmation of the Distribution, whichever is the later date.

SCHEDULE 1

AUTHORISED SHARES

The Company is authorised to issue 2 000 000 000 Ordinary Shares, having no par value and having the rights and limitations set out in the MOI to which this Schedule is attached.

ANNEXURE 11: PROPOSED SALIENT TERMS OF THE A PREFERENCE SHARES

The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached, apply to this annexure, unless otherwise stated or the context so requires.

Term	Description
Subscription consideration	<p>HDP SPV:</p> <p>The subscription consideration payable by Northam Holdings for the A Preference Shares and B Preference Shares issued by HDP SPV will in aggregate be equal to the Subscription Price multiplied by the number of HDP SPV Subscription Shares subscribed for by HDP Security SPV.</p> <p>BEE SPVs:</p> <p>The subscription consideration payable by Northam for the A Preference Shares and B Preference Shares issued by each BEE SPV will in aggregate be equal to the Subscription Price multiplied by the number of BEE SPV Subscription Shares subscribed for by the relevant BEE Security SPV.</p>
Dividend	No less than 80% of the Prime Rate, compounded monthly.
Redemption Price	The A Preference Shares will be redeemed at their issue price.
Redemption date	<p>Voluntary redemption:</p> <p>Subject to certain requirements, the issuer of the A Preference Shares may voluntarily redeem the A Preference Shares on any date after the A Preference Shares have been issued.</p> <p>Mandatory redemption:</p> <p>If, on any date occurring on or after 3 years and 1 day after the issue date, the issuer has available cash, as set out below in terms of the “<i>Application of Northam Holdings / Northam dividends</i>”, after the issuer has settled all accrued and unpaid Dividends as at that date, the issuer will be obliged to redeem the A Preference Shares from the proceeds of such available cash.</p> <p>Final redemption:</p> <p>The issuer of the A Preference Shares will be obliged to redeem all the A Preference Shares on the earlier of –</p> <ul style="list-style-type: none"> • the 15th anniversary of the issue date of the A Preference Shares; • if an event of default (referred to as a trigger event in preference share funding transactions) occurs and such event is not remedied, the date on which Northam or Northam Holdings (as applicable) may require the A Preference Shares to be redeemed; or • subject to certain requirements, the date on which Northam or Northam Holdings (as applicable) elects to require the A Preference Shares to be redeemed, provided that such date is no earlier than 5 years and 1 day after the issue date, <p>(the “Final Redemption Date”).</p> <p>Redemption requirement:</p> <p>Redemption of any A Preference Shares will be subject to the issuer first settling all accrued and unpaid Dividends in respect of all the unredeemed A Preference Shares.</p>

Term	Description
Settlement of Dividends and the Redemption Price	<p>Cash settlement:</p> <p>The issuer of the A Preference Shares will be entitled to settle Dividends and the Redemption Price in cash (i) utilising the Distributions received from Northam Holdings (pursuant to HDP SPV's shareholding in HDP Security SPV) or Northam (pursuant to the BEE SPV's shareholding in the relevant BEE Security SPV) (as applicable), or (ii) utilising the proceeds of a refinancing, provided that Northam Holdings or Northam (as applicable) has consented to such refinancing.</p> <p>Settlement utilising Northam Shares / Northam Holdings Shares:</p> <p>HDP SPV:</p> <ul style="list-style-type: none"> • HDP SPV will be entitled to settle the Dividends and the Redemption Price in respect of the A Preference Shares issued by it on the relevant Final Redemption Date through a transfer by HDP SPV of Northam Holdings Shares to Northam Holdings, which HDP SPV will acquire pursuant to a Distribution of Northam Holdings Shares by HDP Security SPV to HDP SPV. • For purposes of determining the number of Northam Holdings Shares to be transferred by HDP SPV to Northam Holdings, each Northam Holdings Share shall be valued at the 30 Day VWAP of a Northam Holdings Share on the settlement date. • Settlement utilising Northam Holdings Shares will not be permitted prior to the Final Redemption Date. <p>BEE SPVs:</p> <ul style="list-style-type: none"> • Each BEE SPV will be entitled to settle the Dividends and the Redemption Price in respect of the A Preference Shares issued by it on the relevant Final Redemption Date through a transfer by such BEE SPV of Northam Shares to Northam, which that BEE SPV will acquire pursuant to a Distribution of Northam Shares by the relevant BEE Security SPV to that BEE SPV. • For purposes of determining the number of Northam Shares to be transferred by the BEE SPVs to Northam, each Northam Share shall be valued at the 30 Day VWAP of a Northam Holdings Share on the settlement date, adjusted for the enterprise value of Northam Holdings attributable to each of its Subsidiaries. The valuation methodology shall be set out in the A Preference Share Terms. • Settlement utilising Northam Shares will not be permitted prior to the Final Redemption Date.
Application of Northam Holdings / Northam dividends	<p>HDP SPV:</p> <p>For so long as the A Preference Shares issued by HDP SPV remain outstanding, all Distributions received by HDP SPV (pursuant to HDP SPV's shareholding in HDP Security SPV) from Northam Holdings shall be applied as follows:</p> <ul style="list-style-type: none"> • firstly to provide for and pay HDP SPV's taxes; • thereafter to provide for and pay permitted operational expenses (including any associated funding from the Northam Group) which are not settled pursuant to the relevant HDP SPV Administration Services Agreement; • thereafter, no less than 5% of the available funds will be Distributed to the ordinary shareholders of HDP SPV in order to ensure value transfer to the ordinary shareholders of HDP SPV during the Empowerment Term; and • the balance of the available funds will be utilised to settle the Dividends and, if applicable, the Redemption Price in respect of the A Preference Shares issued by HDP SPV.

Term	Description
	<p>BEE SPVs:</p> <p>For so long as the A Preference Shares issued by each BEE SPV remain outstanding, all Distributions received by a BEE SPV (pursuant to the BEE SPV's shareholding in the relevant BEE Security SPV) from Northam shall be applied as follows:</p> <ul style="list-style-type: none"> • firstly to provide for and pay the BEE SPV's taxes; • thereafter to provide for and pay permitted operational expenses (including any associated funding from the Northam Group) which are not settled pursuant to the relevant BEE SPV Administration Services Agreement; • thereafter, no less than 5% of the available funds will be Distributed to the ordinary shareholders of the BEE SPV in order to ensure value transfer to the ordinary shareholders of the BEE SPVs during the Empowerment Term; and • the balance of the available funds will be utilised to settle the Dividends and, if applicable, the Redemption Price in respect of the A Preference Shares issued by the BEE SPVs.
Ranking	First ranking i.e. prior to, <i>inter alia</i> , the Annual BEE SPV Advances (if applicable) and the B Preference Shares.
Guarantees and Security	<p>HDP SPV:</p> <p>The A Preference Shares issued by HDP SPV will, at a minimum, be guaranteed and secured as follows:</p> <ul style="list-style-type: none"> • HDP Security SPV will enter into a guarantee agreement with Northam Holdings, in terms of which HDP Security SPV will guarantee the payment of all amounts which HDP SPV is required to make in respect of the A Preference Shares and B Preference Shares issued by HDP SPV in accordance with the A Preference Share Terms and B Preference Share Terms (the "HDP Security SPV Guarantee"); • HDP Security SPV will enter into a pledge and cession agreement in terms of which HDP Security SPV will pledge and cede, in <i>securitatem debiti</i>, the HDP SPV Subscription Shares to and in favour of Northam Holdings as security for the due and punctual performance of its obligations under the HDP Security SPV Guarantee (the "HDP Security SPV Pledge and Cession"); and • HDP SPV will enter into a pledge and cession agreement in terms of which HDP SPV will pledge and cede, in <i>securitatem debiti</i>, all of its shares in and claims against HDP Security SPV and bank accounts to and in favour of Northam Holdings as security for the due and punctual performance of its obligations in respect of the A Preference Shares and the B Preference Shares (the "HDP SPV Pledge and Cession").

Term	Description
	<p>BEE SPVs:</p> <p>The A Preference Shares issued by each BEE SPV will, at a minimum, be guaranteed and secured as follows:</p> <ul style="list-style-type: none"> • each BEE Security SPV will enter into a guarantee agreement with Northam, in terms of which each BEE Security SPV will guarantee the payment of all amounts which the relevant BEE SPV is required to make in respect of the A Preference Shares and B Preference Shares issued by the BEE SPV in accordance with the A Preference Share Terms and B Preference Share Terms (the “BEE Security SPV Guarantee”); • each BEE Security SPV will enter into a pledge and cession agreement in terms of which each BEE Security SPV will pledge and cede, in <i>securitatem debiti</i>, the BEE SPV Subscription Shares to and in favour of Northam as security for the due and punctual performance of its obligations under the BEE Security SPV Guarantee (the “BEE Security SPV Pledge and Cession”); and • each BEE SPV will enter into a pledge and cession agreement in terms of which each BEE SPV will pledge and cede, in <i>securitatem debiti</i>, all of its shares in and claims against the relevant BEE Security SPV and bank accounts to and in favour of Northam as security for the due and punctual performance of its obligations in respect of the A Preference Shares and the B Preference Shares (the “BEE SPV Pledge and Cession”).
Other	<p>HDP SPV:</p> <p>The holders of the A Preference Shares (the “A Pref Holders”) shall not have any voting rights at any shareholders meeting of HDP SPV unless (i) any trigger event (typical for a transaction of this nature) has occurred and is continuing, or (ii) a resolution of HDP SPV is proposed which affects the A Preference Share Terms, the rights to receive Dividends, the rights to receive the Redemption Price in respect of the A Preference Shares or the interests of the A Pref Holders. At every shareholders meeting of HDP SPV at which the A Pref Holders are entitled to exercise voting rights, each A Pref Holder shall in respect of each A Preference Share held by it be entitled to exercise 95% of the voting rights exercisable by all the shareholders at such meeting divided by the number of A Preference Shares then in issue.</p> <p>BEE SPVs:</p> <p>The A Pref Holders shall not have any voting rights at any shareholders meeting of the relevant BEE SPV unless (i) any trigger event (typical for a transaction of this nature) has occurred and is continuing, or (ii) a resolution of the BEE SPV is proposed which affects the A Preference Share Terms, the rights to receive Dividends, the rights to receive the Redemption Price in respect of the A Preference Shares or the interests of the A Pref Holders. At every shareholders meeting of the BEE SPV at which the A Pref Holders are entitled to exercise voting rights, each A Pref Holder shall in respect of each A Preference Share held by it be entitled to exercise 95% of the voting rights exercisable by all the shareholders at such meeting divided by the number of A Preference Shares then in issue.</p>

ANNEXURE 12: PROPOSED SALIENT TERMS OF THE B PREFERENCE SHARES

The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached, apply to this annexure, unless otherwise stated or the context so requires.

Term	Description
Subscription consideration	<p>HDP SPV:</p> <p>The subscription consideration payable by Northam Holdings for the A Preference Shares and B Preference Shares issued by HDP SPV will in aggregate be equal to the Subscription Price multiplied by the number of HDP SPV Subscription Shares subscribed for by HDP Security SPV.</p> <p>BEE SPVs:</p> <p>The subscription consideration payable by Northam for the A Preference Shares and B Preference Shares issued by each BEE SPV will in aggregate be equal to the Subscription Price multiplied by the number of BEE SPV Subscription Shares subscribed for by the relevant BEE Security SPV.</p>
Relevant Percentage	<p>Up to 35%, or to the extent that an event ("Change Event") occurs which causes the dividend in respect of the B Preference Shares to become subject to tax, such increased percentage as may be required to place the holders of the B Preference Shares in the same net after tax position that they would have been in had the Change Event not occurred.</p>
B Preference Share dividend	<p>HDP SPV:</p> <ul style="list-style-type: none"> • The holders of the B Preference Shares (the "B Pref Holders") shall be entitled to a dividend (the "HDP SPV B Preference Dividend") immediately following redemption of the A Preference Shares, provided that if this date occurs prior to the end of the Empowerment Term, then such dividend will, at Northam Holdings' election be paid either (i) immediately following redemption of the A Preference Shares; or (ii) at the end of the Empowerment Term. • The HDP SPV B Preference Dividend shall be equal to the Relevant Percentage of the value of the residual Northam Holdings Shares held by HDP SPV (pursuant to HDP SPV's shareholding in HDP Security SPV) after: <ul style="list-style-type: none"> – settlement of, or provision for, <i>inter alia</i>, HDP SPV's and HDP Security SPV's taxes and permitted operational expenses; – settlement of the A Preference Shares; and – settlement of any other funding provided by Northam Holdings. • For the avoidance of doubt, the B Preference Shares shall not be entitled to any dividends other than the HDP SPV B Preference Dividend and, to the extent that a Change Event occurs which causes the HDP SPV B Preference Dividend to become subject to tax, such additional dividends as may be required to place the holders of the B Preference Shares in the same net after tax position that they would have been in had the Change Event not occurred.

Term	Description
	<p>BEE SPVs:</p> <ul style="list-style-type: none"> • The B Pref Holders shall be entitled to a dividend (the “BEE SPV B Preference Dividend”) immediately following redemption of the A Preference Shares by the relevant issuer, provided that if this date occurs prior to the end of the Empowerment Term, then such dividend will, at Northam’s election be paid either (i) immediately following redemption of the A Preference Shares; or (ii) at the end of the Empowerment Term. • The BEE SPV B Preference Dividend shall be equal to the Relevant Percentage of the value of the residual Northam Shares held by each BEE SPV (pursuant to the BEE SPV’s shareholding in the relevant BEE Security SPV) after: <ul style="list-style-type: none"> – settlement of, or provision for, <i>inter alia</i>, that BEE SPV’s and the relevant BEE Security SPV’s taxes and permitted operational expenses; – settlement of the A Preference Shares; and – settlement of the relevant Annual BEE SPV Advances and any other funding provided by Northam. • For the avoidance of doubt, the B Pref Holders shall not be entitled to any dividends other than the BEE SPV B Preference Dividend and, to the extent that a Change Event occurs which causes the BEE SPV B Preference Dividend to become subject to tax, such additional dividends as may be required to place the holders of the B Preference Shares in the same net after tax position that they would have been in had the Change Event not occurred.
Redemption date	<p>Voluntary redemption:</p> <p>Subject to certain requirements, the B Preference Shares may be voluntarily redeemed by the issuer at any time after payment of the HDP SPV B Preference Dividend or the BEE SPV B Preference Dividend (as applicable).</p> <p>Mandatory redemption:</p> <p>The issuer shall be obliged to redeem the B Preference Shares issued by it on the date occurring 3 years and 1 day after payment of the HDP SPV B Preference Dividend or the BEE SPV B Preference Dividend (as applicable).</p>
Redemption Price	The B Preference Shares shall be redeemed at their issue price.
Guarantee and Security	<p>HDP SPV:</p> <p>The B Preference Shares issued by HDP SPV, at a minimum, will be secured by the HDP Security SPV Guarantee, the HDP Security SPV Pledge and Cession, and the HDP SPV Pledge and Cession (the “HDP SPV Guarantees and Security”). However, the proceeds of enforcement of the HDP SPV Guarantees and Security will be applied firstly towards settling the A Preference Shares, thereafter any other funding provided by Northam Holdings and thereafter the B Preference Shares.</p> <p>BEE SPVs:</p> <p>The B Preference Shares issued by each BEE SPV, at a minimum, will be secured by the BEE Security SPV Guarantee, the BEE Security SPV Pledge and Cession, and the BEE SPV Pledge and Cession (the “BEE SPV Guarantees and Security”). However, the proceeds of enforcement of the BEE SPV Guarantees and Security will be applied firstly towards settling the A Preference Shares, thereafter the Annual BEE SPV Advances and any other funding provided by Northam and thereafter the B Preference Shares.</p>

Term	Description
Ranking	<ul style="list-style-type: none"> • In respect of HDP SPV, third ranking i.e. after (i) the A Preference Shares and (ii) any other funding provided by Northam Holdings. • In respect of the BEE SPVs, fourth ranking i.e. after (i) the A Preference Shares, (ii) the Annual BEE SPV Advances and (iii) any other funding provided by Northam.
Other	<p>HDP SPV:</p> <p>The B Pref Holders shall not have any voting rights at any shareholders meeting of HDP SPV unless (i) any trigger event (typical for a transaction of this nature) has occurred and is continuing, or (ii) a resolution of HDP SPV is proposed which affects the B Preference Share Terms, the rights to receive the dividends payable to B Pref Holders (the "B Preference Dividends"), the rights to receive the redemption amount in respect of the B Preference Shares or the interests of the B Pref Holders. At every shareholders meeting of HDP SPV at which the B Pref Holders are entitled to exercise voting rights, the B Preference Shares shall carry one vote until the A Preference Shares are redeemed in full and thereafter the B Pref Holder shall in respect of each B Preference Share held by it be entitled to exercise 95% of the voting rights exercisable by all the shareholders at such meeting divided by the number of B Preference Shares then in issue.</p> <p>BEE SPVs:</p> <p>The B Pref Holders shall not have any voting rights at any shareholders meeting of the relevant BEE SPV unless (i) any trigger event (typical for a transaction of this nature) has occurred and is continuing, or (ii) a resolution of the BEE SPV is proposed which affects the B Preference Share terms, the rights to receive the B Preference Dividends, the rights to receive the redemption amount in respect of the B Preference Shares or the interests of the B Pref Holders. At every shareholders meeting of the BEE SPV at which the B Pref Holders are entitled to exercise voting rights, the B Preference Shares shall carry one vote until the A Preference Shares are redeemed in full and thereafter the B Pref Holder shall in respect of each B Preference Share held by it be entitled to exercise 95% of the voting rights exercisable by all the shareholders at such meeting divided by the number of B Preference Shares then in issue.</p>

ANNEXURE 13: EXTRACTS OF THE NORTHAM SIP AMENDMENTS

The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached **do not** apply to this annexure.

"1. INTRODUCTION

- 1.1 The purpose of the Share Incentive Plan is to provide selected Employees of the Employer Companies with the opportunity to own Shares. The provision of Shares will be used as both an incentive to Participants to deliver the Group's business strategy and as a retention mechanism. This will provide Participants with the opportunity to share in the success of the Company and align the interests of Participants and shareholders of the Company.
- 1.2 In light of –
 - 1.2.1 the BEE Transaction approved by the Company's shareholders on 19 March 2015 and concluded by the Company during the course of 2015 and the Group's possible liability under the Guarantee of the Subscription Option (as envisaged in the Pledge and Cession), the Share Incentive Plan will be utilised to specifically incentivise key members of the Company's management team to ensure that the Share price appreciates sufficiently so as to ensure that no such liability arises for the Group;
 - 1.2.2 the Company's relative market position and past success, it is considered important to ensure that the Company retains the key members of its management team and prevents the loss of critical skills during the period leading up to the date on which the Zambezi Platinum Preference Shares are required to be redeemed.
- 1.3 Furthermore, in light of the proposed New Transaction announced by the Company on 23 March 2021, the Share Incentive Plan will be utilised to maintain the retention of key members of the Company's management team and to continue to incentivise such key members until the original maturity date of the Zambezi Platinum Preference Shares, being 18 May 2025.

2. INTERPRETATION

- 2.1 In these Rules, unless inconsistent with the context, the following words and expressions shall have the following meanings:

...

2.1.4 "Award" –

2.1.4.1 an award of a specified number of Conditional Shares to an Employee in terms of Rule 4.5; or

2.1.4.2 an award of a specified number of Forfeitable Shares to an Employee in terms of Rule 4.5,

on the basis that (i) the Conditional Shares may lapse and the Forfeitable Shares may be forfeited in the circumstances set out in the Award Letter and these Rules; and (ii) any Awards which have Vested but have not yet been Settled as at the Northam Scheme Implementation Date, and any Awards made on or after the Northam Scheme Implementation Date will, subject to Rule 7.2.2, be settled in Shares comprising ordinary shares in Northam Holdings. For the avoidance of doubt, any reference to "Shares" in any Award Letter in respect of such Awards which have Vested but have not yet been Settled as at the Northam Scheme Implementation Date or future Awards shall be references to Shares comprising ordinary shares in Northam Holdings, and "**Awarded**" shall bear a corresponding meaning;

...

- 2.1.7 "**BEE Transaction Conditional Shares**" Conditional Shares Awarded to Employees which, subject to Rule 10.3, are subject to the Performance Condition envisaged in Rule 9.3;

- ...
- 2.1.13 “**Company**” means (i) until the day immediately preceding the Northam Scheme Implementation Date, Northam Platinum Limited (Registration Number 1977/003282/06), a public company duly registered and incorporated with limited liability in accordance with the Act; and (ii) with effect from the Northam Scheme Implementation Date, Northam Holdings;
- 2.1.14 “**Conditional Shares**” the right of a Participant to have Shares acquired for the benefit of and delivered to the Participant after the Vesting Date, the Vesting of which is subject to (i) to the extent that the Conditional Shares are subject thereto and subject to Rule 10.3, the fulfilment of the Performance Condition, and (ii) subject to Rule 11, the Vesting Condition, as specified in the Award Letter;
- ...
- 2.1.20 “**Employer Company**” a member of the Group which (i) employs a Participant or (ii) in respect of a Participant who holds BEE Transaction Conditional Shares and whose employment terminates prior to the Vesting Date but after 18 May 2020 as envisaged in Rules 11.3.1.2.2, 11.3.1.2.3, 11.4.2.1.2 or 11.4.2.1.3, employed the Participant immediately prior to the Date of Termination of Employment;
- ...
- 2.1.26 “**Group**” the Company, its holding company (if any) and its Subsidiary/ies from time to time and the expression “**member of the Group**” shall be construed accordingly;
- ...
- 2.1.28 “**Implementation Agreement**” the written agreement headed “Implementation and Framework Agreement” entered into between Zambezi Platinum and Northam Platinum Limited on 22 March 2021, in terms of which Zambezi Platinum and Northam Platinum Limited have, inter alia, agreed to implement the New Transaction on the terms and subject to the conditions set out therein;
- ...
- 2.1.33 “**New Transaction**” shall bear the meaning ascribed to “Transaction” and the “Extended BEE Transaction” in the Implementation Agreement;
- ...
- 2.1.35 “**Northam Holdings**” Northam Platinum Holdings Limited (Registration Number 2020/905346/06), a public company registered and incorporated with limited liability in accordance with the Act;
- 2.1.36 “**Northam Scheme**” shall bear the meaning ascribed thereto in the Implementation Agreement;
- 2.1.37 “**Northam Scheme Implementation Date**” the business day on which the Northam Scheme will become operative and be implemented;
- ...
- 2.1.39 “**Performance Condition**” –
- 2.1.39.1 in respect of Conditional Shares (other than BEE Transaction Conditional Shares):
- 2.1.39.1.1 a performance target determined by the Committee which a Participant is required to fulfil; or
- 2.1.39.1.2 any other condition determined by the Committee which is required to be fulfilled during the Performance Period; and
- 2.1.39.2 in respect of BEE Transaction Conditional Shares, the Performance Condition envisaged in Rule 9.3 which is, subject to Rule 10.3, required to be fulfilled, in order for Conditional Shares, or a portion thereof, to Vest in the Participant as envisaged in Rule 10.2 or 10.3, as the case may be;

...

2.1.60 **"Vesting Date"** subject to Rule 11 or Rule 12, in respect of –

2.1.60.1 Forfeitable Shares and Conditional Shares which are not subject to the Performance Condition, the date on which Conditional Shares and Forfeitable Shares Vest in a Participant, as set out in the relevant Award Letter; and

2.1.60.2 Conditional Shares (other than BEE Transaction Conditional Shares) which are subject to the Performance Condition, the later of the (i) date on which the Committee determines that the Performance Condition has been fulfilled as envisaged in Rule 9.2.2.1 and (ii) date on which Conditional Shares Vest in a Participant, as set out in the relevant Award Letter; and

2.1.60.3 BEE Transaction Conditional Shares, the date occurring 30 (thirty) business days after the date on which the Performance Condition applicable to the BEE Transaction Conditional Shares envisaged in Rule 9.3 has been fulfilled; provided that with effect from the Zambezi Scheme Implementation Date, the Vesting Date shall be 18 May 2025;

2.1.61 **"Vesting Period"** in respect of –

2.1.61.1 Conditional Shares and Forfeitable Shares, the period or periods commencing on the relevant Award Date and ending on the Vesting Date as specified in the Award Letter, subject to Rule 2.1.61.2; and

2.1.61.2 BEE Transaction Conditional Shares, with effect from the Zambezi Scheme Implementation Date, the period(s) commencing on the relevant Award Date and ending on 18 May 2025;

...

2.1.64 **"Zambezi Scheme Implementation Date"** shall bear the meaning ascribed thereto in the Implementation Agreement.

...

4. OPERATION OF THE SHARE INCENTIVE PLAN

4.1 The Committee may from time to time, in its discretion:

4.1.1 call upon the Employer Companies to make recommendations to the Committee regarding which of their respective Employees they wish to incentivise or retain through the making of an Award of Forfeitable Shares and/or Conditional Shares; and

4.1.2 approve the making of Awards to Employees.

4.2 The Committee will have the final authority to decide:

4.2.1 which Employees will receive an Award;

4.2.2 whether an Award will be in the form of Forfeitable Shares and/or Conditional Shares;

4.2.3 the aggregate number of Forfeitable Shares and/or Conditional Shares to be Awarded to an Employee;

4.2.4 the Vesting Period and Vesting Date in respect of each Award, subject to Rule 2.1.61;

4.2.5 the extent to which the Conditional Shares will be subject to a Performance Condition, the terms of the Performance Condition and the Performance Period, subject to Rule 10.3; and

4.2.6 all other issues relating to the governance and administration of the Share Incentive Plan.

4.3 If, and when, the Committee approves the making of an Award, the Committee shall notify the Company and the Employer Company of each Employee who has been approved for participation in the Share Incentive Plan.

4.4 The Employer Company of an Employee whose participation in the Share Incentive Plan has been approved shall, in writing, acknowledge to the Committee participation of its Employee in the Share Incentive Plan.

- 4.5 *The Company, or its nominee, shall issue an Award Letter to every Employee who has been approved for the making of an Award as soon as is practically possible after receiving the Committee's notification in terms of Rule 4.3.*
- 4.6 *The Employer Companies will remain responsible to fund Settlement in respect of –*
- 4.6.1 *those Participants employed by them on the Settlement Date; and*
- 4.6.2 *those Participants who hold BEE Transaction Conditional Shares and whose employment with the Employer Company terminates prior to the Vesting Date but after 18 May 2020 as envisaged in Rules 11.3.1.2.2, 11.3.1.2.3, 11.4.2.1.2 or 11.4.2.1.3,*
- in accordance with Rule 7 as read together with the Recharge Policy.*

...

6. AWARDS

6.1 Basis upon which Awards are made

- 6.1.1 *the basis upon which the Awards of Conditional Shares are made by the Committee includes the following: 14.1(f)*
- 6.1.1.1 *The number of Conditional Shares subject to an Award and the extent to which the Conditional Shares will be subject to the satisfaction of a Performance Condition, will primarily be based on the Employee's annual salary, grade, performance, retention and attraction requirements and market benchmarks or any combination thereof.*
- 6.1.1.2 *A Participant will not be entitled to any shareholder rights in respect of Conditional Shares prior to the Settlement of an Award of Conditional Shares. 14.1(e)*
- 6.1.1.3 *In all instances, Vesting of Conditional Shares will be subject to the Vesting Condition for the duration of the Vesting Period, unless otherwise stated in Rules 10, 11 and 12.*
- 6.1.1.4 *The Vesting of Conditional Shares (other than BEE Transaction Conditional Shares) will, to the extent determined by the Committee, also be subject to the satisfaction of a Performance Condition, measured over the Performance Period.*
- 6.1.1.5 *Subject to Rule 10.3, the Vesting of BEE Transaction Conditional Shares will in all instances also be subject to the satisfaction of the Performance Condition contemplated in Rule 9.3.*
- 6.1.2 *The basis upon which Awards of Forfeitable Shares are made by the Committee includes the following: 14.1(f)*
- 6.1.2.1 *Awards of Forfeitable Shares will be made in exceptional circumstances, as and when the Committee in consultation with the Chief Executive Officer ("CEO") of the Company decides that there is a merit in making an Award of Forfeitable Shares to an Employee. When the CEO is eligible to receive an Award of Forfeitable Shares, the CEO will be excluded from the decision to make such Award.*
- 6.1.2.2 *The number of Forfeitable Shares Awarded will primarily be based on the Employee's annual salary, grade, performance and retention requirements or any combination thereof.*
- 6.1.2.3 *The Forfeitable Shares subject to an Award shall be Settled to a Participant subsequent to the Award Date and the Participant shall have all the shareholder rights in respect of such Forfeitable Shares from the Settlement Date, subject to forfeiture and the disposal restrictions envisaged in Rule 8 until the Vesting Date. 14.1(e)*
- 6.1.2.4 *In all instances, Vesting of Forfeitable Shares will be subject to the Vesting Condition for the duration of the Vesting Period, unless otherwise stated in Rules 10, 11 and 12.*

...

10. VESTING

- 10.1 *Subject to Rules 11 and 12, Conditional Shares (other than BEE Transaction Conditional Shares) that are not subject to a Performance Condition and Forfeitable Shares will Vest on the Vesting Date/s, provided the Vesting Condition has been fulfilled.*
- 10.2 *Subject to Rules 11 and 12, that portion of Conditional Shares (other than BEE Transaction Conditional Shares) subject to the Performance Condition will Vest on the Vesting Date/s, provided that (i) the Performance Condition has been satisfied as determined by the Committee in accordance with Rule 9.2.2.1 and (ii) the Vesting Condition has been fulfilled.*
- 10.3 *Subject to Rules 10.4, 10.5, 11 and 12, all the BEE Transaction Conditional Shares will Vest on the Vesting Date, provided the Vesting Condition has been fulfilled on such date. With effect from the Zambezi Scheme Implementation Date, the Performance Condition relating to the BEE Transaction Conditional Shares shall be deemed to have been fulfilled on 18 May 2025 and the BEE Transaction Conditional Shares shall Vest on 18 May 2025, subject to Rules 11 and 12.*
- 10.4 *Subject to Rule 10.5, if Zambezi Platinum fully settles all the Preference Dividends (as defined in the Preference Share Terms) and redeems all the outstanding Zambezi Platinum Preference Shares in accordance with the provisions of the Preference Share Terms before 18 May 2025 for any reason whatsoever other than as a result of a Change of Control as envisaged in Rule 12.1, then, if –*
 - 10.4.1 *the Performance Condition has not been fulfilled, all the BEE Transaction Conditional Shares will lapse; or*
 - 10.4.2 *the Performance Condition has been fulfilled, only a proportionate amount of the BEE Transaction Conditional Shares will Vest, which number shall be determined by reference to how many full years of the Performance Period had elapsed prior to the fulfilment of the Performance Condition and the balance of the BEE Transaction Conditional Shares will lapse.*
- 10.5 *With effect from the Zambezi Scheme Implementation Date, no pro rata Vesting of the BEE Transaction Conditional Shares as envisaged in Rule 10.4 will occur if Zambezi Platinum elects to redeem, and redeems, the Zambezi Platinum Preference Shares prior to 18 May 2025, and the Vesting of all of the BEE Transaction Conditional Shares shall instead be governed by Rule 10.3 above.*
- 10.6 *The effect of Vesting will be:*
 - 10.6.1 *in respect of Conditional Shares, that the Participant becomes entitled to Settlement of an equal number of Shares on the Vesting Date, free of any restrictions whatsoever; and*
 - 10.6.2 *in respect of Forfeitable Shares, that the restrictions relating to forfeiture or lapsing as envisaged in Rule 9.2.2.2 and Rule 11 and to disposal and encumbrance as envisaged in Rule 8.1 shall cease to apply and the Participant will forthwith hold the Shares free of any restriction or encumbrance.*
- 10.7 *Subject to Rule 16, no amount will be payable by the Participant upon the Vesting of Conditional Shares or Forfeitable Shares.*
- 10.8 *Subject to Rules 11.3.1.2.3, 11.3.3 and 11.4.2.1.3, dividends which are declared and paid in respect of Shares from the Zambezi Scheme Implementation Date until 18 May 2025 shall notionally accrue to the BEE Transaction Conditional Shares and the aggregate amount of such notional dividends shall be paid in cash to the Participants within 30 (thirty) days of 18 May 2025, provided the Vesting Condition has been fulfilled on 18 May 2025.*

11. TERMINATION OF EMPLOYMENT 14.1(H)

11.1 For the purposes of this Rule 11, a Participant will not be treated as ceasing to be an Employee of an Employer Company if, on the same date on which he ceases to be an Employee of an Employer Company, he is employed by another Employer Company or another member of the Group.

11.2 Fault Termination

If a Participant's employment with any Employer Company terminates before the Vesting Date by reason of Fault Termination, then all Conditional Shares and/or Forfeitable Shares which have not Vested will lapse (in the case of Conditional Shares) or be forfeited (in the case of Forfeitable Shares) immediately on the Date of Termination of Employment. For the avoidance of doubt, any Conditional Shares and/or Forfeitable Shares which have already Vested on the Date of Termination of Employment will be unaffected by this provision.

11.3 No Fault Termination

11.3.1 If a Participant's employment with any Employer Company terminates prior to the Vesting Date by reason of No Fault Termination, then –

11.3.1.1 all Forfeitable Shares and Conditional Shares (other than BEE Transaction Conditional Shares) that have not Vested shall, irrespective of the extent to which the Performance Condition has been met, Vest on the Date of Termination of Employment; and

11.3.1.2 in respect of BEE Transaction Conditional Shares, if the Date of Termination of Employment occurs –

11.3.1.2.1 prior to or on 18 May 2020, then all such BEE Transaction Conditional Shares which have not Vested will lapse immediately on the Date of Termination of Employment; or

11.3.1.2.2 after 18 May 2020, then, subject to Rule 11.3.1.2.3, an amount of such BEE Transaction Conditional Shares which have not Vested which amount shall be determined by multiplying (i) the number of the BEE Transaction Conditional Shares which have not Vested by (ii) the number of full years that elapsed between 18 May 2020 and the Date of Termination of Employment by (iii) 20% ("**Retained BEE Transaction Conditional Shares**"), shall be retained by the Participant and subject to Rules 11.3.2 and 11.3.3, will remain subject to the Performance Condition and the remaining portion will lapse. Prior to the Vesting Date, the Committee will assess whether the Performance Condition has been met *mutatis mutandis* in accordance with Rule 9.2 and the Vesting of such BEE Transaction Conditional Shares shall occur *mutatis mutandis* in accordance with Rule 10, save that the Vesting Condition shall be deemed to have been fulfilled.

11.3.1.2.3 after 18 May 2020 and the Zambezi Scheme Implementation Date has occurred, then, with effect from the Zambezi Scheme Implementation Date, the Retained BEE Transaction Conditional Shares shall be retained by the Participant and the remaining portion will lapse. Subject to Rules 11.3.2 and 11.3.3, the Retained BEE Transaction Conditional Shares shall Vest on 18 May 2025 *mutatis mutandis* in accordance with Rule 10, and both the Vesting Condition and the Performance Condition relating thereto shall be deemed to have been fulfilled on such date. Dividends which are declared and paid in respect of Shares from the Zambezi Scheme Implementation Date until the Date of Termination of Employment shall notionally accrue to the Retained BEE Transaction Conditional Shares. The aggregate amount of such notional dividends shall be paid in cash to the Participant within 30 (thirty) days of 18 May 2025 and the Vesting Condition shall be deemed to have been fulfilled on 18 May 2025.

11.3.2 In the event of a Participant's termination of employment as envisaged in Rule 11.3.1.2.2 as a result of a No Fault Termination envisaged in Rules 2.1.34.1 or 2.1.34.4, then, subject to Rule 11.3.3, the Committee may, in exceptional circumstances and provided that the Committee is of the reasonable opinion that the Performance Condition is likely to be fulfilled, determine that the Retained BEE Transaction Conditional Shares will Vest immediately on the Date of Termination of Employment and the Vesting Condition shall be deemed to have been fulfilled.

11.3.3 In the event of a Participant's termination of employment as envisaged in Rule 11.3.1.2.3 as a result of a No Fault Termination envisaged in Rules 2.1.34.1 or 2.1.34.4 and the Zambezi Scheme Implementation Date has occurred, then, with effect from the Zambezi Scheme Implementation Date, the BEE Transaction Conditional Shares will Vest immediately on the Date of Termination of Employment and both the Vesting Condition and the Performance Condition relating thereto shall be deemed to have been fulfilled. Dividends which are declared and paid in respect of Shares from the Zambezi Scheme Implementation Date until the Date of Termination of Employment shall notionally accrue to such BEE Transaction Conditional Shares. The aggregate amount of such notional dividends shall be paid in cash to the Participant within 30 (thirty) days of the Date of Termination of Employment and the Vesting Condition shall be deemed to have been fulfilled on the Date of Termination of Employment.

11.4 Early Retirement

If a Participant's employment with any Employer Company terminates prior to the Vesting Date by reason of Early Retirement –

11.4.1 all Forfeitable Shares and Conditional Shares (other than BEE Transaction Conditional Shares) which have not Vested shall Vest proportionally as follows:

Age	Proportion
59	90%
58	80%
57	70%
56	60%
55	50%

and those Forfeitable Shares and Conditional Shares (other than BEE Transaction Conditional Shares) that do not Vest as aforesaid will lapse on the Date of Termination of Employment; and

11.4.2 in respect of BEE Transaction Conditional Shares, if the Date of Termination of Employment occurs –

11.4.2.1.1 prior to or on 18 May 2020, then all such BEE Transaction Conditional Shares which have not Vested will lapse immediately on the Date of Termination of Employment; or

11.4.2.1.2 after 18 May 2020, then, subject to Rule 11.4.2.1.3, an amount of such BEE Transaction Conditional Shares which have not Vested, which amount shall be determined by multiplying (i) the number of the BEE Transaction Conditional Shares which have not Vested by (ii) the number of full years that elapsed between 18 May 2020 and the Date of Termination of Employment by (iii) 20% ("**Retained Early Retirement BEE Transaction Conditional Shares**"), shall be retained by the Participant and will remain subject to the Performance Condition for the remainder of the Performance Period and the remaining portion will lapse. At the end of the Performance Period, the Committee will assess whether the Performance Condition has been met mutatis mutandis in accordance with Rule 9.2 and the Vesting of such Retained Early Retirement BEE Transaction Conditional Shares shall occur mutatis mutandis in accordance with Rule 10, save that the Vesting Condition shall be deemed to have been fulfilled; or

11.4.2.1.3 after 18 May 2020 and the Zambezi Scheme Implementation Date has occurred, then, with effect from the Zambezi Scheme Implementation Date, the Retained Early Retirement BEE Transaction Conditional Shares shall be retained by the Participant and the remaining portion will lapse. The Retained Early Retirement BEE Transaction Conditional Shares shall Vest on 18 May 2025 mutatis mutandis in accordance with Rule 10 and both the Vesting Condition and the Performance Condition relating thereto shall be deemed to have been fulfilled on such date. Dividends which are declared and paid in respect of Shares from the Zambezi Scheme Implementation Date until the Date of Termination of Employment shall notionally accrue to the Retained Early Retirement BEE Transaction Conditional Shares and the aggregate amount of such notional dividends shall be paid in cash to the Participant within 30 (thirty) days of 18 May 2025 and the Vesting Condition shall be deemed to have been fulfilled on 18 May 2025.”

ANNEXURE 14: EXTRACTS OF THE FINANCIAL STATEMENTS OF NORTHAM AND THE NORTHAM GROUP FOR THE FINANCIAL YEARS ENDED 30 JUNE 2018, 30 JUNE 2019 AND 30 JUNE 2020

The definitions and interpretations commencing on page 15 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 financial statements of Northam and the Northam Group for the financial years ended 30 June 2018, 2019 and 2020. The full audited consolidated financial statements of the Northam Group are available on Northam's website at www.northam.co.za. The information contained in this annexure has not been reviewed nor reported on by the Independent Auditor or Independent Reporting Accountant.

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	24 299 715	21 604 214	19 108 944	21 617 505	18 510 908	17 554 936
Property, plant and equipment	16 522 533	14 484 795	11 874 146	4 652 884	4 152 118	3 658 338
Mining properties and mineral resources	6 663 425	6 722 551	6 765 390	1 080 139	1 110 723	1 130 284
Investment held in escrow	–	16 841	–	–	–	–
Interest in associates	62 657	46 299	35 146	–	–	–
Investment in subsidiaries	–	–	–	12 353 207	12 353 207	12 351 835
Other investments	–	–	–	1 921 141	306 734	249 618
Land and township development	75 967	71 414	65 680	10 826	16 600	45 444
Long-term receivables	82 232	85 536	86 897	19 222	13 851	8 451
Investments held by Northam Platinum Restoration Trust Fund	128 732	120 080	110 626	64 366	60 040	55 333
Environmental Guarantee Investment	62 953	42 043	68 899	33 276	27 037	55 633
Buttonshope Conservancy Trust	15 850	13 218	12 203	–	–	–
Long-term prepayments	–	563	89 608	–	–	–
Long-term subsidiary loan	–	–	–	797 078	470 598	–
Other financial assets	23 084	–	–	23 084	–	–
Non-current inventories	662 282	–	–	662 282	–	–
Deferred tax asset	–	874	349	–	–	–
Current assets	6 367 790	5 340 449	4 715 090	6 512 518	5 512 210	4 765 438
Short-term subsidiary loan receivable	–	–	–	105 142	639 739	99 225
Inventories	3 744 313	3 762 675	3 386 795	4 014 805	3 538 150	3 381 744
Trade and other receivables	456 494	621 938	924 085	324 754	480 679	993 403
Cash and cash equivalents	2 160 956	950 315	388 702	2 067 817	853 642	280 916
Tax receivable	6 027	5 521	15 508	–	–	10 150
TOTAL ASSETS	30 667 505	26 944 663	23 824 034	28 130 023	24 023 118	22 320 374
EQUITY AND LIABILITIES						
Total Equity	9 650 315	7 456 800	7 386 679	12 138 602	9 911 991	9 177 508
Stated capital	13 778 114	13 778 114	13 778 114	13 778 114	13 778 114	13 778 114
Treasury shares	(6 556 123)	(6 556 123)	(6 556 123)	–	–	–
Retained earnings / (accumulated loss)	1 518 555	(650 629)	(709 396)	(2 813 268)	(5 048 080)	(5 774 362)
Other comprehensive income	–	–	–	–	8 201	–
Foreign currency translation reserve	35 321	10 990	(364)	–	–	–
Equity settled share based payment reserve	874 448	874 448	874 448	1 173 756	1 173 756	1 173 756

	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
Non-current liabilities	16 639 103	16 870 813	12 832 267	11 442 622	12 506 089	10 197 831
Deferred tax liability	2 177 317	1 419 467	824 794	1 089 952	937 802	700 878
Long-term provisions	729 327	679 459	640 128	149 292	141 883	131 793
Preference share liability	8 291 117	10 767 134	9 445 500	–	–	–
Long-term loans	130 533	140 510	182 063	95 566	96 067	123 176
Lease liability	64 361	–	–	12 492	–	–
Long-term share based payment liability	354 363	160 746	78 999	193 101	90 896	45 257
Financial guarantee liability	–	–	–	5 010 134	7 535 944	7 535 944
Domestic medium-term notes	4 892 085	1 566 304	174 288	4 892 085	1 566 304	174 288
Revolving credit facility	–	2 137 193	1 486 495	–	2 137 193	1 486 495
Current liabilities	4 378 087	2 617 050	3 605 088	4 548 799	1 605 038	2 945 035
Short-term subsidiary loan payable	–	–	–	1 338 132	–	–
Current portion of long-term loans	28 472	33 837	24 540	18 526	23 720	16 896
Current portion of lease liability	16 261	–	–	3 062	–	–
Current portion of domestic medium-term notes	616 327	248 580	1 243 440	616 327	248 580	1 243 440
Short-term share based payment liability	183 029	86 814	78 340	131 348	52 720	44 604
Tax payable	229 628	24 910	117	229 394	24 865	–
Trade and other payables	2 939 251	1 931 173	1 963 202	1 949 818	1 032 668	1 368 964
Provisional pricing derivatives	–	26 206	2 773	–	17 055	–
Bank overdraft	–	–	95 535	–	–	95 228
Short-term provisions	365 119	265 530	197 141	262 192	205 430	175 903
TOTAL EQUITY AND LIABILITIES	30 667 505	26 944 663	23 824 034	28 130 023	24 023 118	22 320 374

STATEMENTS OF 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
Revenue						
Sales revenue	17 811 971	10 649 506	7 552 181	17 395 605	10 280 223	7 142 893
Cost of sales	(12 510 983)	(8 239 481)	(6 728 867)	(14 341 311)	(8 969 437)	(6 787 469)
Operating costs	(9 931 934)	(7 607 161)	(6 318 000)	(5 828 951)	(5 069 318)	(4 240 251)
Concentrates purchased	(2 460 302)	(327 572)	(1 410 506)	(9 304 685)	(3 747 389)	(3 963 939)
Refining and other costs	(178 718)	(135 104)	(123 840)	(178 718)	(135 104)	(123 840)
Depreciation and write-offs	(626 152)	(487 165)	(441 865)	(187 490)	(166 210)	(152 041)
Change in metal inventories	686 123	317 521	1 565 344	1 158 533	148 584	1 692 602
Gross profit	5 300 988	2 410 025	823 314	3 054 294	1 310 786	355 424
Share of earnings from associate	16 358	11 153	4 162	–	–	–
Investment income	119 220	56 260	52 633	495 342	168 951	63 761
Finance charges excluding preference share dividends	(602 595)	(184 027)	(68 481)	(685 272)	(425 613)	(210 428)
Net foreign exchange differences	84 765	10 411	2 368	79 178	11 098	4 135
Sundry income	238 903	77 472	217 005	321 518	64 919	86 685
Sundry expenditure	(243 787)	(357 713)	(380 944)	(173 783)	(134 802)	(70 341)
Profit before preference share dividends	4 913 852	2 023 581	650 057	3 091 277	995 339	229 236
Amortisation of liquidity fees paid on preference shares	(16 390)	(16 390)	(16 390)	–	–	–
Preference share dividends	(1 113 172)	(1 305 244)	(1 106 684)	–	–	–
Loss on derecognition of preference share liability	(130 628)	–	(8)	–	–	–
Profit / (loss) before tax	3 633 662	701 947	(473 025)	3 091 277	995 339	229 236
Taxation	(1 464 478)	(641 854)	(231 973)	(856 465)	(269 057)	(86 624)
Profit / (loss) for the year	2 169 184	60 093	(704 998)	2 234 812	726 282	142 612
Other comprehensive income						
Items that will be subsequently reclassified to profit or loss	24 331	11 354	(364)	(8 201)	8 201	(2 039)
Fair value adjustment on the investment in Zambezi Platinum (RF) Limited preference shares net of deferred tax	–	–	–	(8 201)	8 201	–
Reclassification to profit or loss (relating to an impairment)	–	–	–	–	–	(2 039)
Exchange differences on translation of foreign operations	24 331	11 354	(364)	–	–	–
Total comprehensive income for the year	2 193 515	71 447	(705 362)	2 226 611	734 483	140 573
				Group		
				2020	2019	2018
Earnings / (loss) per share (cents)				620.0	17.2	(201.5)
Fully diluted earnings / (loss) per share (cents)				584.7	17.2	(201.5)

STATEMENTS OF CHANGES IN EQUITY

Group

	Stated Capital R'000	(Accumulated loss)/ retained earnings R'000	Equity-settled share-based payment reserve R'000	Foreign currency translation reserve* R'000	Total equity R'000
2020					
Opening balance as at 1 July 2019	7 221 991	(650 629)	874 448	10 990	7 456 800
Total comprehensive income for the year	–	2 169 184	–	24 331	2 193 515
Profit for the year	–	2 169 184	–	–	2 169 184
Other comprehensive income for the year	–	–	–	24 331	24 331
Balance as at 30 June 2020	7 221 991	1 518 555	874 448	35 321	9 650 315
2019					
Opening balance as at 1 July 2018	7 221 991	(710 722)	874 448	(364)	7 385 353
Total comprehensive income for the year	–	60 093	–	11 354	71 447
Profit for the year	–	60 093	–	–	60 093
Other comprehensive income for the year	–	–	–	11 354	11 354
Balance as at 30 June 2019	7 221 991	(650 629)	874 448	10 990	7 456 800
2018					
Opening balance as at 1 July 2017	7 221 991	(4 398)	874 448	–	8 092 041
Total comprehensive income for the year	–	(704 998)	–	(364)	(705 362)
Profit for the year	–	(704 998)	–	–	(704 998)
Other comprehensive income for the year	–	–	–	(364)	(364)
Opening balance as at 1 July 2018	7 221 991	(709 396)	874 448	(364)	7 386 679
Impact of adaptation of IFRS 9	–	(1 326)	–	–	(1 326)
Opening balance as at 1 July 2018	7 221 991	(710 722)	874 448	(364)	7 385 353

*The foreign currency translation reserve has been created to account for the foreign exchange gain or loss on translation of a foreign operation (US recycling operations)

STATEMENT OF CHANGES IN EQUITY

Company	Stated Capital R'000	(Accumulated loss) R'000	Equity-settled share-based payment reserve R'000	Fair value through other comprehensive income R'000	Total equity R'000
Opening balance as at 1 July 2018	13 778 114	(5 774 362)	1 173 756	–	9 177 508
Total comprehensive income for the year	–	726 282	–	8 201	734 483
Profit for the year	–	726 282	–	–	726 282
Other comprehensive income for the year	–	–	–	8 201	8 201
Balance as at 30 June 2019	13 778 114	(5 048 080)	1 173 756	8 201	9 911 991
Total comprehensive income for the year	–	2 234 812	–	(8 201)	2 226 611
Profit for the year	–	2 234 812	–	–	2 234 812
Other comprehensive income for the year	–	–	–	(8 201)	(8 201)
Balance as at 30 June 2020	13 778 114	(2 813 268)	1 173 756	–	12 138 602

STATEMENTS OF CASH FLOW

	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 flow from operating activities	6 387 775	2 711 918	(342 232)	2 997 168	1 575 919	(1 552 723)
Cash generated from operations	6 261 607	2 724 967	1 132 187	3 498 966	1 457 997	532 632
Change in working capital	519 596	(47 856)	(1 547 247)	(100 747)	54 695	(2 139 959)
Movement relating to land and township development	(4 553)	(5 734)	(17 151)	5 774	28 844	(22 695)
Interest income received	103 847	49 969	61 058	86 500	33 184	39 948
Dividend income received	8 820	3 398	–	6 461	684	–
Tax (paid) / refund received	(501 542)	(12 826)	28 921	(499 786)	515	37 351
Cash flows from investing activities	(2 400 824)	(2 686 063)	(3 580 937)	982 291	(1 542 684)	(2 035 132)
Property, plant and equipment, mining properties and Mineral Reserves						
Additions to maintain operations	(382 216)	(221 791)	(385 609)	(196 772)	(68 425)	(249 467)
Additions to expand operations	(2 007 177)	(2 277 100)	(3 036 727)	(461 976)	(607 892)	(1 444 250)
Disposal proceeds	4 681	26 099	5 133	4 459	24 116	14 395
Investment held in escrow	16 841	(16 841)	–	–	–	–
Amounts paid in respect of long-term prepayments	(759)	(212 817)	(202 691)	–	–	–
Cash calls made to the Pandora joint venture	–	–	(1 347)	–	–	(1 347)
Repayments made by Norplats Properties Proprietary Limited loan	–	–	–	5 425	9 448	15 297
Movements in the Mining Technical Services Proprietary Limited loan	–	–	–	–	(8 053)	3 634
Repayments made by Booyensdal Platinum Proprietary Limited	–	–	–	1 896 596	(449 197)	–
Advances provided to Eland Platinum Proprietary Limited	–	–	–	(253 365)	(451 007)	–
Advances provided to the US recycling operations	–	–	–	(1 511)	(15 563)	–
Various smaller loan repayments	–	–	–	–	–	(31)
Refunds received on the cancellation of the Environmental Guarantee investment	–	66 424	–	–	56 986	–
Increase in investments held by Environmental Guarantee Investment	(20 910)	(39 568)	(795)	(6 239)	(28 390)	(1 126)
Increase in investments held by Northam Platinum Restoration Trust Fund	(8 652)	(9 454)	(8 393)	(4 326)	(4 707)	(7 059)
Increase in investment held in Buttonshope Conservancy Trust	(2 632)	(1 015)	(1 077)	–	–	–
Investment made in Eland Platinum Proprietary Limited	–	–	–	–	–	(275 000)
Investment made in US subsidiaries	–	–	–	–	–	(140 747)
Proceeds received from the sale of the non-current asset held for sale	–	–	50 569	–	–	50 569

	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 flow from financing activities	(2 878 025)	615 004	2 421 486	(2 866 999)	618 430	2 368 881
Interest paid	(588 364)	(410 455)	(158 170)	(585 406)	(407 029)	(150 175)
Drawdown on revolving credit facility	4 800 000	850 000	2 000 000	4 800 000	850 000	2 000 000
Issue of long term loans	–	–	100 000	–	–	30 000
Repayment of revolving credit facility	(6 950 000)	(200 000)	(500 000)	(6 950 000)	(200 000)	(500 000)
Issue of domestic medium-term notes	6 266 200	1 650 000	1 000 000	6 266 200	1 650 000	1 000 000
Repayment of domestic medium-term notes	(215 000)	(1 250 000)	–	(215 000)	(1 250 000)	–
Domestic medium-term notes settled as part of notes switched	(2 235 451)	–	–	(2 235 451)	–	–
Repayment of long-term loans	–	(9 400)	(9 400)	–	(9 400)	–
Transaction fees paid	(182 467)	(15 141)	(9 267)	(182 467)	(15 141)	(9 267)
Repayment on the Mining Technical Services Proprietary Limited loan	–	–	–	(12 301)	–	–
Loan from Mvelaphanda Resources Proprietary Limited	–	–	–	6 600	–	–
Repayment of principal portion of lease liabilities	(16 736)	–	–	(2 967)	–	–
Acquisition of Zambezi Platinum (RF) Limited preference shares	(3 691 507)	–	(1 677)	(3 691 507)	–	(1 677)
Transaction fees paid on the acquisition of Zambezi Platinum (RF) Limited preference shares	(64 700)	–	–	(64 700)	–	–
Net (decrease) / increase in cash and cash equivalents						
Increase in cash and cash equivalents	1 108 926	640 859	(1 501 683)	1 112 460	651 665	(1 218 974)
Net foreign exchange difference on cash and cash equivalents	101 715	16 289	7 985	101 715	16 289	7 985
Cash and cash equivalents at the beginning of the year	950 315	293 167	1 786 865	853 642	185 688	1 396 677
Cash and cash equivalents at the end of the year	2 160 956	950 315	293 167	2 067 817	853 642	185 688

ANNEXURE 15: EXTRACTS OF THE INTERIM FINANCIAL STATEMENTS OF NORTHAM FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

The definitions and interpretations commencing on page 15 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 is only a summary and has been extracted from the reviewed interim financial statements of Northam for the six months ended 31 December 2020. The full reviewed interim financial statements of Northam are available on Northam's website at www.northam.co.za. The information contained in this annexure has not been reviewed nor reported on by the Independent Auditor or Independent Reporting Accountant.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	% change 2019 to 2020	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
Sales revenue	52	11 884 898	7 824 901	17 811 971
Cost of sales		(6 693 239)	(4 865 358)	(12 510 983)
Operating costs	30	(6 779 434)	(5 196 329)	(9 931 934)
Concentrates purchased		(801 329)	(593 836)	(2 460 302)
Refining and other costs		(108 560)	(86 552)	(178 718)
Depreciation and write-offs		(414 105)	(337 379)	(626 152)
Change in metal inventory		1 410 189	1 348 738	686 123
Gross profit	75	5 191 659	2 959 543	5 300 988
Share of earnings from associate		1 305	4 362	16 358
Investment income	(28)	28 682	39 671	119 220
Finance charges excluding preference share dividends		(331 434)	(191 544)	(602 595)
Net foreign exchange transaction (losses) / gains		(85 935)	(12 969)	84 765
Sundry income		57 876	62 945	238 903
Sundry expenditure		(167 432)	(158 711)	(243 787)
Profit before preference share dividends	74	4 694 721	2 703 297	4 913 852
Amortisation of liquidity fees paid on preference shares		(8 195)	(8 195)	(16 390)
Preference share dividends		(274 446)	(618 992)	(1 133 172)
Loss on derecognition of preference share liability		(888 484)	(108 148)	(130 628)
Profit before tax	79	3 523 596	1 967 962	3 633 662
Tax		(1 424 565)	(820 362)	(1 464 478)
Profit for the period / year	83	2 099 031	1 147 600	2 169 184
<i>Other comprehensive income</i>				
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):				
Exchange differences on translation of foreign operations		(15 724)	36	24 331
Total comprehensive income for the period / year		2 083 307	1 147 636	2 193 515

	Reviewed 6 months ended 31 December 2020	Reviewed 6 months ended 31 December 2019	Audited 12 months ended 30 June 2020
Earnings per share (cents)	599.9	328.0	620.0
Fully diluted earnings per share (cents)	531.0	328.0	584.7

Reconciliation of headline earnings per share and dividend per share

	% change 2019 to 2020	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
Profit for the period	83	2 099 031	1 147 600	2 169 184
Profit on sale of property, plant and equipment	86	(100)	(704)	(4 276)
Tax effect on profit on sale of property, plant and equipment		28	197	1 197
Impairment of property, plant and equipment		–	2 061	2 061
Tax effect on impairment of property, plant and equipment		–	(577)	(577)
Headline earnings	83	2 098 959	1 148 577	2 167 589
<i>Reconciliation of the fully diluted number of shares in issue</i>				
Weighted average number of shares in issue	–	349 875 759	349 875 759	349 875 759
Adjusted for:				
Performance and retention share options including the lock-in and incentive mechanism share options		–	–	–
Potential shareholding as a result of the Zambezi Platinum (RF) Limited preference share holding		–	–	–
Potential share issue as a result of the residual asset value in Zambezi Platinum (RF) Limited to strategic partners*		45 428 924	–	21 126 841
	13	395 304 683	349 875 759	371 002 600

*Calculated as the net asset value of Zambezi Platinum (RF) Limited relating to the strategic partners 74.5% shareholding in Zambezi Platinum (RF) Limited taking into the share price at the reporting period and impairment considerations with regards to Zambezi Platinum (RF) Limited's investment in Northam Platinum Limited.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December 2020 R'000	As at 30 June 2020 R'000
Assets		
Non-current assets	25 656 545	24 299 715
Property, plant and equipment	17 459 187	16 522 533
Mining properties and Mineral Resources	6 620 147	6 663 425
Investment held in escrow	–	–
Interest in associate	63 356	62 657
Land and township development	71 729	75 967
Long-term receivables	83 550	82 232
Investments held by Northam Platinum Restoration Trust Fund	133 230	128 732
Environmental Guarantee investment	62 125	62 953
Buttonshope Conservancy Trust	16 416	15 850
Long-term prepayments	–	–
Other financial assets	–	23 084
Non-current inventories	1 146 805	662 282
Current assets	5 953 739	6 367 790
Inventories	4 701 372	3 744 313
Trade and other receivables	721 232	456 494
Cash and cash equivalents	445 552	2 160 956
Tax receivable	85 583	6 027
Total assets	31 610 284	30 667 505
Equity and liabilities		
Total equity	11 733 622	9 650 315
Stated capital	13 778 114	13 778 114
Treasury shares	(6 556 123)	(6 556 123)
Retained earnings	3 617 586	1 518 555
Foreign currency translation reserve	19 597	35 321
Equity settled share-based payment reserve	874 448	874 448
Non-current liabilities	14 102 065	16 639 103
Deferred tax liability	2 953 249	2 177 317
Long-term provisions	760 041	729 327
Preference share liability	2 518 715	8 291 117
Long-term loans	122 815	130 533
Lease liability	71 871	64 361
Long-term share-based payment liability	464 139	354 363
Domestic medium-term notes	4 931 576	4 892 085
Revolving credit facility	2 279 659	–
Current liabilities	5 774 597	4 378 087
Current portion of long-term loans	28 472	28 472
Current portion of lease liability	13 888	16 261
Current portion of domestic medium-term notes	2 043 946	616 327
Short-term share-based payment liability	356 868	183 029
Tax payable	162 991	229 628
Trade and other payables	2 730 492	2 939 251
Provisional pricing derivatives	5 615	–
Short-term provisions	432 325	365 119
Total equity and liabilities	31 610 284	30 667 505

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R'000	(Accumulated loss)/ retained earnings R'000	Equity- settled share-based payment reserve R'000	Foreign currency translation reserve* R'000	Total R'000
2020					
Balance as at 30 June 2020	7 221 991	1 518 555	874 448	35 321	9 650 315
Total comprehensive income for the period	–	2 099 031	–	(15 724)	2 083 307
Profit for the period	–	2 099 031	–	–	2 099 031
Other comprehensive income for the period	–	–	–	(15 724)	(15 724)
Balance as at 31 December 2020	7 221 991	3 617 586	874 448	19 597	11 733 622
2019					
Balance as at 30 June 2019	7 221 991	(650 629)	874 448	10 990	7 456 800
Total comprehensive income for the period	–	1 147 600	–	36	1 147 636
Profit for the period	–	1 147 600	–	–	1 147 600
Other comprehensive income for the period	–	–	–	36	36
Balance as at 31 December 2019	7 221 991	496 971	874 448	11 026	8 604 436

*The foreign currency translation reserve has been created to account for the foreign exchange gain or loss on translation of a foreign operation (US recycling operations)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed 6 months ended 31 December 2020 R'000	Reviewed 6 months ended 31 December 2019 R'000
Cash flows from operating activities	3 144 590	2 033 332
Profit before tax	3 523 596	1 967 962
Adjusted for the following non-cash items as well as disclosable items		
Depreciation and write-offs	414 124	337 379
Changes in provisions	67 206	44 816
Changes in long-term receivables	(1 318)	1 469
Investment income	(28 682)	(39 671)
Finance charges excluding preference share dividends	331 434	191 544
Preference share dividends	274 446	618 992
Loss on derecognition of preference share liability	888 484	108 148
Amortisation of liquidity fees paid on preference shares	8 195	8 195
Movement in share-based payment liability	283 615	204 691
Share of earnings from associate	(1 305)	(4 362)
Dividends received from associate	606	–
Profit on sale of property, plant and equipment	(100)	(704)
Impairment of property, plant and equipment	–	2 061
Net foreign exchange difference	84 825	12 969
Amortisation of security of supply contribution	(11 886)	(12 219)
Other	–	(12 411)
Change in working capital	(1 936 079)	(1 237 265)
Movement relating to land and township development	4 238	(15 420)
Interest income received	34 746	35 288
Dividend income received	3 271	1 347
Tax paid	(794 826)	(179 477)
Cash flows utilised in investing activities	(1 294 277)	(1 352 900)
Property, plant, equipment, mining properties and Mineral Reserves		
Additions to maintain operations	(380 459)	(200 530)
Additions to expand operations	(909 699)	(1 136 272)
Disposal proceeds	117	857
Investment held in escrow	–	–
Amounts paid in terms of long-term prepayments	–	(721)
Refunds received on the cancellation of the Environmental Guarantee investment policy	828	–
Payments made relating to the investments held by the Environmental Guarantee investment	–	(10 338)
Increase in investments held by the Northam Platinum Restoration Trust Fund	(4 498)	(4 934)
Increase in investment held by the Buttonshope Conservancy Trust	(566)	(962)

	Reviewed 6 months ended 31 December 2020 R'000	Reviewed 6 months ended 31 December 2019 R'000
Cash flows from financing activities	(3 487 076)	(756 042)
Interest paid	(269 088)	(247 419)
Drawdown on general banking facility	–	500 000
Repayment of general banking facility	–	(500 000)
Drawdown on revolving credit facility	3 750 000	2 000 000
Repayment of revolving credit facility	(1 450 000)	(2 350 000)
Issue of domestic medium-term notes	1 988 067	2 350 000
Repayment of domestic medium-term notes	(5 100)	–
Domestic medium-term notes settled as part of note switches	(492 100)	–
Transaction fees paid on revolving credit facility and domestic medium-term notes	(56 684)	(61 327)
Repayment of principal portion of lease liabilities	(8 644)	(3 836)
Acquisition of Zambezi Platinum (RF) Limited preference shares	(6 817 382)	(2 443 460)
Transaction fees paid on the acquisition of Zambezi Platinum (RF) Limited preference shares	(126 145)	–
(Decrease) / increase in cash and cash equivalents	(1 636 763)	(75 610)
Net foreign exchange difference on cash and cash equivalents	(78 641)	–
Cash and cash equivalents at the beginning of the period/year	2 160 956	950 315
Cash and cash equivalents at the end of the period / year	445 552	874 705

ANNEXURE 16: HISTORICAL FINANCIAL INFORMATION OF NORTHAM HOLDINGS AS AT INCORPORATION

The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached, apply to this annexure, unless otherwise stated or the context so requires.

BASIS OF PREPARATION

The statement of changes in equity for the period ended 2 December 2020 and the statement of financial position as at incorporation, being 2 December 2020, accounting policies and the notes thereto (“**Historical Financial Information of Northam Holdings**”) have been extracted without adjustment, from the audited financial statements of Northam Holdings as at incorporation, being 2 December 2020 (“**Audited Financial Statements**”). The audited financial statements are in compliance with IFRS as issued by the International Accounting Standards Board (“**IASB**”), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the JSE Listings Requirements and the Companies Act.

The Historical Financial Information of Northam Holdings was prepared in accordance with IFRS and the JSE Listings Requirements for the purpose of providing financial information to satisfy the requirements of Section 8 of the JSE Listings Requirements.

The additional disclosure required in terms of paragraphs 8.11 and 8.12 of the JSE Listings Requirements has been included in the Historical Financial Information of Northam Holdings.

The Audited Financial Statements have been audited by Ernst & Young Inc. and an unqualified audit opinion has been issued thereon. Ernst and Young Inc. is the independent reporting accountant to Northam Holdings and has issued the independent reporting accountant’s assurance report on this Historical Financial Information of Northam Holdings which is included as annexure 17 to the Circular.

The directors of Northam Holdings are responsible for the Historical Financial Information of Northam Holdings included in the Circular.

DIRECTORS’ COMMENTARY

Northam Holdings is a public company incorporated in South Africa and the Northam Holdings Shares will be listed on the Main Board of the JSE and will hold the business interests of Northam, a leading producer of PGMs. The Northam Shares are currently listed on the Main Board of the JSE, trading under the equity issuer share code NHM, ISIN code ZAE000030912. Northam also has a domestic medium-term note (DMTN) programme, under the debt issuer code NHMI, the notes of which are listed on the interest rate market of the JSE.

STATEMENT OF FINANCIAL POSITION

	At incorporation 2 December 2020 R Reviewed
Assets	
Current assets	–
Cash and cash equivalents	–
Total Assets	–
Equity and liabilities	
Total equity	–
Stated capital	–
Retained earnings	–
Total equity and liabilities	–
Net asset value per share (cents)	–
Net tangible asset value per share (cents)	–

STATEMENT OF CHANGES IN EQUITY

	Stated capital R	Retained earnings R	Total equity R
Opening balance as at 2 December 2020	–	–	–
Total comprehensive income for the period	–	–	–
Profit for the period	–	–	–
Other comprehensive income for the period	–	–	–
Balance as at 2 December 2020	–	–	–

NOTES TO THE REPORT OF HISTORICAL FINANCIAL INFORMATION OF NORTHAM HOLDINGS

1. ACCOUNTING POLICIES

The Historical Financial Information of Northam Holdings has been prepared in accordance with IFRS, the interpretations adopted by the IASB, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The financial statements have been prepared on the historical cost basis. Details of the accounting policies are set out below.

The financial statements are in compliance with IFRS as issued by the IASB, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the JSE Listings Requirements and the Companies Act.

The financial statements are presented in South African Rand, which is the presentation currency.

The preparation of financial statements in conformity with IFRS requires that management and the board exercise their judgement in the process of applying the company's accounting policies. It also requires the use of certain critical economic and other estimates. The areas requiring a high degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements, are disclosed in the notes to the financial statements.

1.1 Standards, interpretations and amendments issued, but not yet effective

In terms of IFRS, the Historical Financial Information of Northam Holdings requires the disclosure about the future impact of standards and interpretations issued but not yet effective at the reporting date.

At the date of authorisation of the Historical Financial Information of Northam Holdings, the directors of Northam Holdings have reviewed the standards and interpretations issued but not yet effective and noted that none of the applicable standards and interpretations will have a material impact on the Historical Financial Information of Northam Holdings.

2. STATEMENT OF PROFIT OR LOSS, STATEMENT OF CASH FLOWS, SEGMENT REPORT, EARNINGS PER SHARE, DIVIDENDS PER SHARE

No statements of profit or loss and cash flows are presented as Northam Holdings did not trade during the reporting period.

As Northam Holdings did not trade, earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share are not presented. Northam Holdings also had no segments and accordingly a segment report is not applicable. No dividends were declared since incorporation, hence dividends per share is not presented.

2.1 Financial instruments

Financial instruments recognised on the statement of financial position include cash and cash equivalents. All financial instruments are initially recorded at fair value.

Fair value

Where financial instruments are recognised at fair value, the instruments are measured at the amount for which an asset could be sold, or an amount paid to transfer a liability, in an orderly transaction in the principal or most advantageous market, at the measurement date under current market conditions regardless of whether this price is directly observable or estimated using a valuation technique. Fair values have been determined as follows: (i) where market prices are available, these have been used, and (ii) where there are no market prices available, fair values have been determined using valuation techniques incorporating observable market inputs or discounting expected cash flows at market rates.

The fair value of cash and cash equivalents, approximates the carrying amount due to the short maturity period of the instrument.

Financial assets

Financial assets are classified as either at amortised cost, fair value through profit or loss or fair value through other comprehensive income.

The classification of the financial asset is dependent on the purpose and characteristics of the particular financial asset and is determined at the date of initial recognition.

Financial assets carried at amortised cost

Cash and cash equivalents are classified as at amortised cost.

Impairment of financial instruments

The company assesses at each reporting date whether a financial asset or group of financial assets is impaired. Impairments are based on expected credit losses ("**ECLs**").

ECLs are an estimate of credit losses over the life of a financial instrument and are recognised as a loss allowance or provision. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. Impaired debts are derecognised when they are assessed as uncollectible.

The general approach requires the assessment of financial assets to be split into 3 stages:

Stage 1: no significant deterioration in credit quality. This identifies financial assets as having a low credit risk, and the asset is considered to be performing as anticipated. At this stage, a 12 month ECL assessment is required.

Stage 2: significant deterioration in credit quality of the financial asset but no indication of a credit loss event. This stage identifies assets as underperforming. Lifetime ECLs are required to be assessed.

Stage 3: clear and objective evidence of impairment is present. This stage identifies assets as non-performing financial instruments. Lifetime ECLs are required to be assessed.

Derecognition of financial instruments

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when: the rights to receive cash flows from the asset have expired; the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either: (a) the company has transferred substantially all the risks and rewards of the asset or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.2 **Taxation**

Current tax

The charge for current tax is based on the results for the year, as adjusted for items that are exempt or disallowed, and is calculated using the enacted tax rates at the reporting date.

Where items are credited or charged directly to equity or other comprehensive income the tax effect is also recognised within equity or other comprehensive income as appropriate.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences, except where the "initial recognition exception" applies; and in respect of 'outside' temporary differences relating to subsidiaries and associates.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profits will be available, against which the deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilised in the foreseeable future except where the 'initial recognition exception' applies; and in respect of 'outside' temporary differences relating to subsidiaries and associates.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income as appropriate and not in profit or loss.

Deferred income tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority and taxable entity.

Dividends withholding tax

The company withholds dividends tax on behalf of its shareholders on dividends declared at the enacted withholding tax rate. Amounts withheld are not recognised as part of the company's tax charge but rather as part of the dividend paid recognised directly in equity.

Uncertain tax positions

Judgements are required in respect of the application of existing tax laws in each jurisdiction and therefore the determination of the provision for income taxes.

Where the final tax outcome of any tax matter is different from the amounts that were initially reported, such differences will impact the income and deferred tax provisions in the period in which such determination is made.

In addition, future changes in tax laws in the jurisdictions in which the company operates could limit the ability of the company to obtain tax deductions in future periods.

3. DIRECTORS REMUNERATION

No directors received remuneration in his/her capacity as a director of Northam Holdings.

4. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the date of incorporation, 1 share was issued for a cash consideration of R1 to Northam on 1 March 2021.

ANNEXURE 17: INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF NORTHAM HOLDINGS AS AT INCORPORATION

*The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached **do not** apply to this annexure.*

“Independent Reporting Accountant’s Assurance Report on the Historical Financial Information at incorporation date, being 2 December 2020

To the Directors of Northam Platinum Holdings Limited (“**Directors**”)

At your request, we present our Independent Reporting Accountant’s Assurance Report on the historical financial information of Northam Platinum Holdings Limited, (“**Northam Holdings**”) at incorporation date, being 2 December 2020 (the “**Historical Financial Information**”) for inclusion in Annexure 16 on pages 230 to 234 of the Circular to be dated on or about Monday, 31 May 2021 (“**Circular**”) by the Directors.

This report is required for the purposes of complying with Section 8.48 of the Listings Requirements of the JSE Limited (the “**JSE Listings Requirements**”) and is given for the purpose of complying with those requirements and for no other purpose. We are the Independent Reporting Accountant and the Independent Auditor of Northam Platinum Holdings Limited.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the JSE Listings Requirements and consenting to its inclusion in the Circular.

Independent Reporting Accountant’s Assurance Report on the Historical Financial Information

Opinion

We have audited the Historical Financial Information of Northam Holdings, which comprises of the statement of financial position as at incorporation date, being 2 December 2020, the statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies, as presented in Annexure 16 on pages 230 to 234 of the Circular.

In our opinion, the Historical Financial Information, as presented in Annexure 16 on pages 230 to 234 of the Circular, presents fairly, in all material respects, for the purpose of the Circular, the financial position of Northam Holdings as at incorporation date, being 2 December 2020 in accordance with International Financial Reporting Standards, the requirements of the Companies Act, No. 71 of 2008 (“**Companies Act of South Africa**”) and the JSE Listings Requirements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“**ISAs**”). Our responsibilities under those standards are further described in the *Independent Reporting Accountant’s Responsibilities for the Historical Financial Information* section of our report. We are independent of Northam Holdings in accordance with the Independent Regulatory Board for Auditors’ *Code of Professional Conduct for Registered Auditors* (“**IRBA Code**”) and other independence requirements applicable to performing audits of financial statements of Northam Holdings and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of Northam Holdings and in South Africa. 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)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We do not believe that any of the matters communicated to those charged with governance were key audit matters in the context of the ISAs and consequently we did not identify any key audit matters in the current year.

Other Information

The Directors are responsible for the other information contained in the Circular. The other information comprises the information included in the document titled Circular to Northam Shareholders. The other information does not include the Historical Financial Information and our Independent Reporting Accountant's Assurance Report thereon.

Our opinion on the Historical Financial Information does not cover the other information contained in the Circular and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Historical Financial Information, our responsibility is to read the other information contained in the Circular and, in doing so, consider whether the other information is materially inconsistent with the Historical Financial Information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Historical Financial Information

The Directors are responsible for the compilation, contents and preparation of the Circular in accordance with the JSE Listings Requirements. The Directors are also responsible for the preparation and fair presentation of the Historical Financial Information in accordance with the IFRS, the requirements of the Companies Act of South Africa and the JSE Listings Requirements, and for such internal control as the Directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the Historical Financial Information, the Directors are responsible for assessing Northam Holdings' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate Northam Holdings or to cease operations, or have no realistic alternative but to do so.

Independent Reporting Accountant's Responsibilities for the Historical Financial Information

Our objectives are to obtain reasonable assurance about whether the Historical Financial Information as a whole is free from material misstatement, whether due to fraud or error, and to issue an Independent Reporting Accountant's Assurance report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Historical Financial Information.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Historical Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Northam Holdings' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Northam Holdings' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Independent Reporting Accountant's

Assurance report to the related disclosures in the Historical Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Independent Reporting Accountant's Assurance Report. However, future events or conditions may cause Northam Holdings to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Historical Financial Information, including the disclosures, and whether the Historical Financial Information represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Historical Financial Information of the current period and are therefore the key audit matters. We describe these matters in our Independent Reporting Accountant's Assurance report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette number 39475 date 4 December 2015, we report that we have been the Independent Auditor of Northam Platinum Holdings Limited for less than 1 year.

Ernst & Young Inc.
Director: Ebrahim Dhorat CA(SA)
Registered Auditor
Reporting Accountant
Johannesburg
20 May 2021"

ANNEXURE 18: PRICE AND TRADING HISTORY OF NORTHAM SHARES ON THE JSE

The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached, apply to this annexure, unless otherwise stated or the context so requires.

DAILY

The table below sets out the aggregate volumes and values traded and the highest, lowest and closing prices of the Northam Shares for each day over the 30 trading days preceding the Last Practicable Date (inclusive of the Last Practicable Date).

Day ended	Close (cents)	High (cents)	Low (cents)	Volume traded (number of Northam Shares)	Value (Rand)
16/03/2021	24 871	25 333	24 125	1 067 765	264 333 933
17/03/2021	24 674	25 133	24 292	844 468	208 526 966
18/03/2021	25 467	25 961	24 681	3 321 008	849 710 238
19/03/2021	24 476	25 340	24 385	2 087 318	513 026 581
23/03/2021	23 625	25 700	23 361	2 916 170	698 844 443
24/03/2021	23 461	23 890	22 803	1 727 617	403 810 073
25/03/2021	24 055	24 400	23 060	1 642 562	395 144 375
26/03/2021	25 512	25 850	24 230	1 043 741	263 488 521
29/03/2021	25 575	25 782	25 150	2 723 869	693 818 556
30/03/2021	25 503	25 871	24 831	1 164 815	294 929 680
31/03/2021	25 738	26 023	25 156	1 172 633	300 485 880
01/04/2021	25 883	26 138	25 022	1 129 286	290 552 082
06/04/2021	26 845	26 891	25 914	1 173 993	310 869 061
07/04/2021	26 865	27 918	26 538	1 524 498	409 827 746
08/04/2021	26 718	27 819	26 476	1 823 760	495 012 282
09/04/2021	26 771	26 932	26 314	1 128 954	301 189 742
12/04/2021	26 211	26 832	26 166	773 880	203 983 849
13/04/2021	26 905	27 183	25 867	1 604 098	428 400 008
14/04/2021	26 700	27 361	26 630	2 028 001	544 769 372
15/04/2021	26 836	27 150	26 674	2 368 380	637 980 955
16/04/2021	27 585	27 665	26 751	1 373 339	374 230 445
19/04/2021	27 260	27 899	27 114	1 205 928	330 749 522
20/04/2021	26 650	27 346	26 650	2 382 891	642 385 072
21/04/2021	27 598	27 760	26 678	2 474 831	670 991 306
22/04/2021	26 650	27 890	26 593	766 481	205 670 580
23/04/2021	26 902	27 100	25 992	1 313 475	351 360 393
26/04/2021	26 341	27 176	26 137	742 792	195 802 422
28/04/2021	26 367	26 662	25 961	597 585	157 656 367
29/04/2021	26 225	26 980	26 189	560 793	148 106 517
30/04/2021	24 999	26 887	24 757	1 875 466	476 668 473

Source: Refinitiv

MONTHLY

The table below sets out the aggregate volumes and values traded and the highest, lowest and closing prices of the Northam Shares for each month over the 12 months preceding the Last Practicable Date (inclusive of the Last Practicable Date).

Month ended	Close (cents)	High (cents)	Low (cents)	Volume traded (number of Northam Shares)	Value (Rand)
31/05/2020	10 962	11 239	7 962	48 077 350	4 548 025 416
30/06/2020	11 620	12 068	10 104	42 440 388	4 717 531 590
31/07/2020	13 403	14 961	11 120	35 922 930	4 720 263 444
31/08/2020	16 005	16 294	12 987	32 337 855	4 863 060 288
30/09/2020	17 024	19 249	15 270	38 461 327	6 554 183 328
31/10/2020	15 481	19 923	14 949	29 221 884	4 929 838 653
30/11/2020	17 624	18 637	15 209	32 622 581	5 582 787 234
31/12/2020	20 953	21 275	17 287	27 560 559	5 347 616 485
31/01/2021	18 995	21 996	18 321	23 912 021	4 902 432 015
28/02/2021	22 190	23 199	18 934	32 533 635	6 743 979 578
31/03/2021	25 738	26 455	21 992	34 482 480	8 513 042 220
30/04/2021	24 999	27 918	24 757	26 848 431	7 176 206 194

Source: Refinitiv

ANNEXURE 19: IRREVOCABLE UNDERTAKINGS AND LETTERS OF SUPPORT

The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached, apply to this annexure, unless otherwise stated or the context so requires.

Northam Shareholder support

1. Prior to the Announcement, each of the following Shareholders had provided support, in the form of binding irrevocable undertakings and letters of support, to attend the General Meeting and vote in favour/recommend that their clients vote in favour of all the Northam Shareholder Resolutions:

Shareholder	Direct interest	Indirect interest	Total interest	Percentage of Northam Shares*
Irrevocable undertakings				
Zambezi	159 905 453	–	159 905 453	31.4%
Public Investment Corporation (SOC) Limited	54 509 535	11 160 629	65 670 164	12.9%
Fairtree Asset Management Proprietary Limited	18 227 468	–	18 227 468	3.6%
Allan Gray Proprietary Limited (on behalf of its clients)	–	14 593 618	14 593 618	2.9%
Letter of support				
Coronation Asset Management Proprietary Limited	–	39 333 763	39 333 763	7.7%
TOTAL	232 642 456	65 088 010	297 730 466	58.4%

*Percentage shareholding is calculated as a percentage of the total issued share capital of Northam as at the Last Practicable Date. Rounding of numbers in the tables may result in minor computational discrepancies. Where this occurs, it is deemed insignificant.

2. As at the Last Practicable Date, each of the following Shareholders have provided support, in the form of binding irrevocable undertakings and letters of support, to attend the General Meeting and vote in favour/recommend that their clients vote in favour of all the Northam Shareholder Resolutions:

Shareholder	Direct interest	Indirect interest	Total interest	Percentage of Northam Shares*
Irrevocable undertakings				
Zambezi	159 905 453	–	159 905 453	31.4%
Public Investment Corporation (SOC) Limited	54 533 102	11 569 443	66 102 545	13.0%
Fairtree Asset Management Proprietary Limited	17 913 410	–	17 913 410	3.5%
Allan Gray Proprietary Limited (on behalf of its clients)	–	16 208 585	16 208 585	3.2%
Letter of support				
Coronation Asset Management Proprietary Limited	–	30 952 957	30 952 957	6.1%
TOTAL	232 351 965	58 730 985	291 082 950	57.1%

*Percentage shareholding is calculated as a percentage of the total issued share capital of Northam as at the Last Practicable Date. Rounding of numbers in the tables may result in minor computational discrepancies. Where this occurs, it is deemed insignificant.

Zambezi Ordinary Shareholder support

3. Prior to the Announcement and as at the Last Practicable Date, each of the following Zambezi Ordinary Shareholders had provided support, in the form of binding irrevocable undertakings, to attend the relevant general meetings of Zambezi Shareholders and vote in favour of all the Zambezi Shareholder Resolutions (as defined in paragraph 44.1.2):

Shareholder	Direct interest	Indirect interest	Total interest	Percentage of Zambezi Ordinary Shares*
Mpilo	2 980	–	2 980	29.8%
Women's Consortium SPV	1 910	–	1 910	19.1%
Atisa	1 280	–	1 280	12.8%
Malundi	1 280	–	1 280	12.8%
TOTAL	7 450	–	7 450	74.5%

**Percentage shareholding is calculated as a percentage of the total issued share capital of Northam as at the Last Practicable Date. Rounding of numbers in the tables may result in minor computational discrepancies. Where this occurs, it is deemed insignificant.*

Zambezi Preference Shareholder support

4. Prior to the Announcement and as at the Last Practicable Date, each of the following Zambezi Preference Shareholders had provided support, in the form of binding irrevocable undertakings, to attend the relevant general meetings of Zambezi Preference Shareholders and vote in favour of all the Zambezi Pref Shareholder Resolutions (as defined in paragraph 44.1.3):

Shareholder	Direct interest	Indirect interest	Total interest	Percentage of Zambezi Preference Shares*
Northam	139 972 496	–	139 972 496	87.5%
Public Investment Corporation (SOC) Limited	15 707 792	–	15 707 792	9.8%
TOTAL	155 680 288	–	155 680 288	97.4%

**Percentage shareholding is calculated as a percentage of the total issued share capital of Northam as at the Last Practicable Date. Rounding of numbers in the tables may result in minor computational discrepancies. Where this occurs, it is deemed insignificant.*

ANNEXURE 20: DEALING DISCLOSURES REQUIRED IN TERMS OF THE REGULATIONS

The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached, apply to this annexure, unless otherwise stated or the context so requires.

Details of trading in Northam Shares by Northam Shareholders who have provided an irrevocable undertaking, for the period beginning 6 months prior to the Last Practicable Date, are set out in the tables below.

Public Investment Corporation SOC Limited

Trade date	Purchase/ disposal	Volume (number of Northam Shares)	Price (cents)	Value (Rand)
02/11/2020	Purchase	60 643	15 481	9 388 143
02/11/2020	Disposal	60 643	15 481	9 388 143
09/11/2020	Disposal	279 300	17 871	49 912 317
09/11/2020	Disposal	399 362	17 850	71 285 917
10/11/2020	Disposal	530 000	17 449	92 481 714
11/11/2020	Disposal	400 000	16 886	67 543 640
12/11/2020	Purchase	116 610	16 034	18 697 795
12/11/2020	Disposal	259 606	15 651	40 630 753
12/11/2020	Disposal	60 294	15 651	9 436 572
12/11/2020	Disposal	480 000	15 898	76 311 168
13/11/2020	Disposal	259 605	15 855	41 160 814
13/11/2020	Disposal	60 294	15 855	9 559 716
19/11/2020	Purchase	140 982	17 493	24 661 338
19/11/2020	Disposal	140 982	17 563	24 760 410
19/11/2020	Disposal	140 982	17 563	24 760 410
19/11/2020	Disposal	5 899	17 708	1 044 593
23/11/2020	Disposal	74 080	17 445	12 923 530
04/12/2020	Purchase	4 455	19 148	853 055
13/12/2020	Purchase	22 000	18 834	4 143 383
21/12/2020	Disposal	11 965	19 752	2 363 292
22/12/2020	Disposal	106	19 788	20 976
23/12/2020	Disposal	29 489	19 543	5 762 971
28/12/2020	Disposal	69 828	20 669	14 432 613
29/12/2020	Disposal	3 718	20 386	757 968
29/12/2020	Disposal	1 202	20 870	250 853
29/12/2020	Disposal	13 962	20 502	2 862 426
30/12/2020	Disposal	24 588	20 019	4 922 354
31/12/2020	Disposal	16 951	20 931	3 547 954
04/01/2021	Disposal	13 312	21 566	2 870 821
06/01/2021	Disposal	1 579	20 698	326 823
07/01/2021	Disposal	9 541	20 897	1 993 774
08/01/2021	Purchase	9 494	21 237	2 016 218
08/01/2021	Disposal	9 494	21 252	2 017 631
08/01/2021	Disposal	9 773	21 259	2 077 610
08/01/2021	Disposal	17 604	21 435	3 773 331
11/01/2021	Disposal	22 978	20 999	4 825 044
12/01/2021	Disposal	22 553	21 427	4 832 505
13/01/2021	Purchase	56 434	21 425	12 090 781
14/01/2021	Purchase	85 110	21 107	17 963 836

Trade date	Purchase/ disposal	Volume (number of Northam Shares)	Price (cents)	Value (Rand)
10/02/2021	Purchase	13 344	20 250	2 702 217
11/02/2021	Purchase	950	20 453	194 303
17/02/2021	Disposal	76 044	20 290	15 429 490
18/02/2021	Purchase	13 333	20 700	2 759 878
18/02/2021	Disposal	30 990	20 587	6 379 958
18/02/2021	Disposal	525 674	20 515	107 840 083
19/02/2021	Purchase	3 217	20 939	673 623
22/02/2021	Disposal	42 297	21 793	9 217 675
23/02/2021	Disposal	22 379	21 922	4 905 864
25/02/2021	Disposal	20 558	22 907	4 709 314
25/02/2021	Disposal	28 240	22 389	6 322 563
02/03/2021	Disposal	12 009	23 656	2 840 891
03/03/2021	Disposal	19 691	23 701	4 667 053
08/03/2021	Purchase	1 085 261	24 695	268 006 384
10/03/2021	Purchase	39 479	25 394	10 025 408
10/03/2021	Purchase	7 801	25 394	1 981 008
11/03/2021	Purchase	57 354	25 400	14 567 916
11/03/2021	Purchase	200 885	25 645	51 517 923
11/03/2021	Purchase	11 335	25 400	2 879 090
11/03/2021	Purchase	39 707	25 645	10 183 051
12/03/2021	Purchase	297 683	25 194	74 999 714
12/03/2021	Purchase	58 846	25 194	14 825 950
26/03/2021	Purchase	18 000	25 574	4 603 248
30/03/2021	Purchase	19 064	25 239	4 811 542
31/03/2021	Purchase	13 362	25 352	3 387 554
01/04/2021	Purchase	3 783	25 616	969 040
07/04/2021	Purchase	49 431	26 846	13 270 491
07/04/2021	Purchase	49 431	26 846	13 270 491
09/04/2021	Purchase	10 879	26 722	2 907 085
14/04/2021	Purchase	20 166	26 969	5 438 524
14/04/2021	Purchase	39 835	26 878	10 706 718
14/04/2021	Purchase	7 309	27 108	1 981 329
15/04/2021	Purchase	20 485	26 895	5 509 340
15/04/2021	Purchase	60 000	27 024	16 214 457
15/04/2021	Purchase	3 702	26 895	995 635
19/04/2021	Purchase	3 864	27 511	1 063 031
19/04/2021	Purchase	8 613	27 613	2 378 312
20/04/2021	Purchase	28 784	26 898	7 742 240
20/04/2021	Purchase	11 498	27 121	3 118 426
21/04/2021	Purchase	63 134	27 067	17 088 233
23/04/2021	Purchase	40 378	26 949	10 881 443
23/04/2021	Purchase	7 336	26 949	1 976 974
29/04/2021	Disposal	889	26 535	235 894

Fairtree Asset Management Proprietary Limited

Trade date	Purchase/ disposal	Volume (number of Northam Shares)	Price (cents)	Value (Rand)
02/11/2020	Purchase	1 227	15 519	190 420
02/11/2020	Purchase	29	15 717	4 558
02/11/2020	Purchase	2 142	15 805	338 554
02/11/2020	Purchase	78 179	15 829	12 374 884
02/11/2020	Purchase	11 434	15 901	1 818 129
02/11/2020	Purchase	112 591	15 829	17 821 928
03/11/2020	Purchase	28 650	16 309	4 672 597
03/11/2020	Purchase	46 885	16 309	7 646 587
04/11/2020	Disposal	416	16 304	67 823
04/11/2020	Disposal	4 276	16 464	704 016
05/11/2020	Disposal	23 225	17 481	4 060 057
05/11/2020	Disposal	2 110	17 481	368 858
05/11/2020	Disposal	53 045	17 481	9 273 014
05/11/2020	Disposal	2 800	17 481	489 480
06/11/2020	Disposal	20 506	18 089	3 709 306
06/11/2020	Disposal	4 103	18 089	742 188
06/11/2020	Disposal	15 894	18 089	2 875 047
06/11/2020	Disposal	26 840	18 089	4 855 058
09/11/2020	Disposal	37 318	18 318	6 835 855
09/11/2020	Purchase	2 075	17 580	364 785
10/11/2020	Disposal	3 988	17 159	684 301
12/11/2020	Disposal	67 889	15 718	10 670 861
12/11/2020	Purchase	40 081	15 962	6 397 861
12/11/2020	Purchase	7 442	16 250	1 209 355
13/11/2020	Disposal	22 578	15 432	3 484 257
16/11/2020	Disposal	3 449	16 492	568 812
16/11/2020	Disposal	2 504	17 330	433 943
16/11/2020	Disposal	689	17 658	121 666
16/11/2020	Disposal	6 248	17 837	1 114 455
16/11/2020	Purchase	964	16 567	159 709
17/11/2020	Disposal	22 002	17 437	3 836 440
17/11/2020	Disposal	8 638	17 507	1 512 263
17/11/2020	Purchase	895	17 555	157 117
18/11/2020	Disposal	6 553	17 400	1 140 222
18/11/2020	Purchase	790	17 220	136 034
18/11/2020	Purchase	11 119	17 454	1 940 700
19/11/2020	Purchase	3 705	17 385	644 109
20/11/2020	Disposal	595	17 709	105 368
20/11/2020	Purchase	1 450	17 818	258 364
20/11/2020	Disposal	55 590	17 762	9 873 918
23/11/2020	Disposal	133 051	17 488	23 268 398
24/11/2020	Disposal	10 383	16 802	1 744 556
26/11/2020	Disposal	1 412	17 629	248 917
26/11/2020	Purchase	53 714	18 203	9 777 640
26/11/2020	Purchase	47 767	18 412	8 795 080
27/11/2020	Purchase	960	18 193	174 657
30/11/2020	Purchase	22 147	18 120	4 013 081
01/12/2020	Disposal	52	17 798	9 255
01/12/2020	Disposal	1 478	18 088	267 343
01/12/2020	Purchase	185 000	18 207	33 682 950

Trade date	Purchase/ disposal	Volume (number of Northam Shares)	Price (cents)	Value (Rand)
01/12/2020	Purchase	3 420	17 765	607 563
01/12/2020	Purchase	7 462	17 778	1 326 629
01/12/2020	Purchase	363	18 262	66 292
02/12/2020	Disposal	6 501	17 385	1 130 204
03/12/2020	Disposal	663	18 579	123 180
03/12/2020	Disposal	300	18 637	55 911
03/12/2020	Disposal	1 869	19 354	361 729
03/12/2020	Disposal	9 478	18 455	1 749 194
04/12/2020	Purchase	376	19 430	73 057
07/12/2020	Disposal	1 463	18 385	268 970
07/12/2020	Purchase	805	18 521	149 094
08/12/2020	Disposal	1 248	19 258	240 345
08/12/2020	Purchase	44 404	19 536	8 674 765
09/12/2020	Disposal	573	19 203	110 034
09/12/2020	Purchase	1 624	19 291	313 282
10/12/2020	Disposal	1 277	19 171	244 815
10/12/2020	Disposal	8 368	19 182	1 605 110
10/12/2020	Purchase	1 168	19 357	226 093
11/12/2020	Purchase	7 048	18 920	1 333 479
11/12/2020	Purchase	78 043	18 998	14 826 804
15/12/2020	Disposal	1 409	19 426	273 718
15/12/2020	Disposal	1 579	19 431	306 815
15/12/2020	Purchase	12 165	19 438	2 364 623
15/12/2020	Disposal	1 770	19 431	343 928
17/12/2020	Disposal	40 975	19 997	8 193 722
17/12/2020	Purchase	1 842	20 195	371 992
17/12/2020	Disposal	16 520	20 199	3 336 807
17/12/2020	Purchase	3 144	20 196	634 964
18/12/2020	Purchase	1 820	20 824	378 997
21/12/2020	Disposal	4 167	20 644	860 217
22/12/2020	Purchase	7 548	19 816	1 495 722
24/12/2020	Disposal	3 001	20 081	602 630
24/12/2020	Purchase	1 528	20 109	307 271
28/12/2020	Disposal	11 842	20 752	2 457 471
28/12/2020	Purchase	29 731	20 298	6 034 798
29/12/2020	Disposal	7 581	20 455	1 550 672
29/12/2020	Purchase	2 277	20 383	464 130
31/12/2020	Purchase	66 734	20 527	13 698 735
04/01/2021	Disposal	20 377	21 116	4 302 724
05/01/2021	Disposal	90 933	20 900	19 005 370
05/01/2021	Disposal	9 414	20 900	1 967 566
05/01/2021	Disposal	54 533	20 940	11 419 210
05/01/2021	Disposal	575	20 947	120 444
05/01/2021	Disposal	4 012	20 900	838 524
05/01/2021	Disposal	131 549	20 900	27 494 294
05/01/2021	Disposal	8 542	20 900	1 785 318
06/01/2021	Disposal	104 628	20 691	21 648 360
06/01/2021	Disposal	14 454	20 691	2 990 650
06/01/2021	Purchase	1 164	20 498	238 600
06/01/2021	Purchase	5 981	20 775	1 242 553
06/01/2021	Disposal	161 436	20 691	33 402 384

Trade date	Purchase/ disposal	Volume (number of Northam Shares)	Price (cents)	Value (Rand)
06/01/2021	Disposal	9 074	20 691	1 877 485
07/01/2021	Disposal	62 698	20 328	12 744 986
07/01/2021	Purchase	535	20 238	108 273
07/01/2021	Disposal	100 043	20 328	20 336 321
08/01/2021	Disposal	418	20 994	87 755
08/01/2021	Purchase	301	20 860	62 789
08/01/2021	Purchase	3 584	20 959	751 181
11/01/2021	Disposal	2 145	20 852	447 278
11/01/2021	Disposal	3 154	21 228	669 536
11/01/2021	Purchase	4 485	20 894	937 091
14/01/2021	Disposal	8 293	21 035	1 744 442
14/01/2021	Disposal	686	21 044	144 362
14/01/2021	Disposal	7 484	21 062	1 576 276
15/01/2021	Disposal	4 677	20 903	977 645
15/01/2021	Disposal	435	20 950	91 133
18/01/2021	Disposal	1 332	20 790	276 918
20/01/2021	Disposal	84 914	20 974	17 810 227
20/01/2021	Disposal	5 976	21 393	1 278 474
20/01/2021	Disposal	689	21 436	147 696
20/01/2021	Purchase	837	21 109	176 682
20/01/2021	Disposal	86 214	20 974	18 082 886
20/01/2021	Disposal	2 105	20 974	441 512
20/01/2021	Disposal	36 098	20 974	7 571 353
20/01/2021	Disposal	11 096	20 974	2 327 325
21/01/2021	Disposal	2 106	21 216	446 809
21/01/2021	Disposal	768	21 276	163 399
22/01/2021	Disposal	51 230	21 396	10 961 376
25/01/2021	Purchase	12 400	20 790	2 577 960
25/01/2021	Disposal	352 788	20 480	72 251 053
26/01/2021	Disposal	273	19 682	53 733
27/01/2021	Disposal	84 623	19 148	16 203 934
27/01/2021	Disposal	58 134	19 148	11 131 731
28/01/2021	Disposal	758	18 637	141 269
28/01/2021	Disposal	16 686	18 689	3 118 438
28/01/2021	Purchase	11 190	18 745	2 097 566
29/01/2021	Disposal	386	18 947	73 134
29/01/2021	Purchase	206	18 962	39 062
01/02/2021	Disposal	29 090	19 252	5 600 375
01/02/2021	Disposal	156	19 572	30 532
01/02/2021	Disposal	897	19 623	176 022
01/02/2021	Purchase	910	19 388	176 431
02/02/2021	Disposal	9 235	19 299	1 782 244
02/02/2021	Disposal	91 285	19 299	17 616 937
02/02/2021	Disposal	78 606	19 299	15 170 038
02/02/2021	Disposal	5 319	19 299	1 026 506
03/02/2021	Purchase	1 321	19 251	254 306
04/02/2021	Disposal	2 407	19 747	475 320
05/02/2021	Disposal	26 233	19 978	5 240 847
05/02/2021	Disposal	7 633	19 978	1 524 930
05/02/2021	Disposal	21 943	19 990	4 386 445
05/02/2021	Disposal	512	20 149	103 162

Trade date	Purchase/ disposal	Volume (number of Northam Shares)	Price (cents)	Value (Rand)
05/02/2021	Purchase	276	19 995	55 186
05/02/2021	Disposal	38 845	19 978	7 760 477
05/02/2021	Disposal	757	19 978	151 234
05/02/2021	Disposal	2 739	19 990	547 528
05/02/2021	Disposal	476	19 990	95 153
05/02/2021	Disposal	41 371	19 990	8 270 142
08/02/2021	Disposal	148 844	20 077	29 883 827
08/02/2021	Disposal	133 857	20 077	26 874 845
09/02/2021	Disposal	300 532	19 888	59 768 332
09/02/2021	Disposal	752	19 991	150 335
09/02/2021	Disposal	223 854	20 000	44 771 024
09/02/2021	Purchase	11 433	19 707	2 253 075
09/02/2021	Disposal	301 859	19 888	60 032 239
09/02/2021	Disposal	95 377	20 000	19 075 495
10/02/2021	Disposal	6 746	20 223	1 364 250
10/02/2021	Disposal	373 327	20 223	75 498 442
10/02/2021	Disposal	101 960	20 714	21 120 433
10/02/2021	Purchase	234	20 746	48 546
10/02/2021	Disposal	8 079	20 223	1 633 827
10/02/2021	Disposal	402 064	20 223	81 310 006
10/02/2021	Disposal	2 213	20 714	458 410
10/02/2021	Disposal	126 729	20 737	26 280 350
11/02/2021	Disposal	155 666	20 066	31 235 893
11/02/2021	Purchase	1 184	20 010	236 921
11/02/2021	Disposal	230 034	20 066	46 158 553
12/02/2021	Disposal	91 486	20 207	18 486 887
12/02/2021	Purchase	1 088	20 165	219 400
12/02/2021	Purchase	1 072	20 451	219 240
12/02/2021	Disposal	2 013	20 207	406 774
15/02/2021	Disposal	96 232	20 836	20 050 572
15/02/2021	Disposal	2 036	20 836	424 214
16/02/2021	Purchase	26 890	21 802	5 862 450
17/02/2021	Disposal	71	20 700	14 697
17/02/2021	Purchase	1 400	20 274	283 840
17/02/2021	Purchase	1 167	20 695	241 513
18/02/2021	Disposal	32 782	20 485	6 715 232
18/02/2021	Purchase	8 664	20 383	1 765 965
19/02/2021	Disposal	1 002	20 755	207 964
19/02/2021	Disposal	933	20 775	193 831
19/02/2021	Disposal	3 419	20 978	717 236
22/02/2021	Disposal	1 769	21 608	382 250
22/02/2021	Disposal	3 544	21 733	770 200
24/02/2021	Disposal	368	21 774	80 128
25/02/2021	Purchase	1 055	22 231	234 535
26/02/2021	Disposal	13 337	22 190	2 959 480
26/02/2021	Purchase	32 087	22 107	7 093 396
01/03/2021	Purchase	2 690	22 612	608 263
01/03/2021	Purchase	55	22 778	12 528
02/03/2021	Disposal	4 609	22 657	1 044 264
02/03/2021	Purchase	1 366	22 908	312 919
03/03/2021	Disposal	2 737	24 005	657 029

Trade date	Purchase/ disposal	Volume (number of Northam Shares)	Price (cents)	Value (Rand)
04/03/2021	Purchase	1 669	24 603	410 624
05/03/2021	Purchase	2 136	24 800	529 728
08/03/2021	Disposal	40 109	24 473	9 815 799
08/03/2021	Purchase	336	24 592	82 629
08/03/2021	Disposal	56 077	24 473	13 723 618
09/03/2021	Disposal	1 560	24 817	387 144
23/03/2021	Disposal	4 134	23 579	974 772
23/03/2021	Disposal	30 755	24 490	7 531 900
23/03/2021	Purchase	80 783	24 523	19 810 714
23/03/2021	Disposal	11 127	24 490	2 725 002
23/03/2021	Purchase	72 353	24 523	17 743 394
23/03/2021	Purchase	16 795	24 523	4 118 702
24/03/2021	Disposal	720	23 500	169 200
24/03/2021	Purchase	5 098	23 600	1 203 124
24/03/2021	Purchase	1 370	23 673	324 314
24/03/2021	Purchase	79 449	23 600	18 749 972
25/03/2021	Disposal	13 691	23 968	3 281 444
26/03/2021	Purchase	1 496	25 351	379 255
26/03/2021	Disposal	7 698	25 481	1 961 537
29/03/2021	Disposal	72 858	25 371	18 484 577
30/03/2021	Purchase	56 771	25 364	14 399 396
30/03/2021	Purchase	1 738	25 455	442 408
30/03/2021	Disposal	132 112	25 324	33 455 818
30/03/2021	Disposal	60 241	25 370	15 282 973
01/04/2021	Disposal	3 844	25 422	977 220
01/04/2021	Disposal	1 614	25 938	418 646
01/04/2021	Purchase	1 322	25 754	340 472
01/04/2021	Purchase	783	25 800	202 014
06/04/2021	Disposal	297	26 791	79 569
07/04/2021	Disposal	4 365	27 040	1 180 301
07/04/2021	Disposal	221	27 058	59 799
07/04/2021	Purchase	54 313	27 080	14 708 205
08/04/2021	Disposal	48	26 718	12 825
08/04/2021	Disposal	419	27 129	113 671
08/04/2021	Purchase	5 618	26 943	1 513 671
08/04/2021	Purchase	22 423	27 695	6 210 083
09/04/2021	Disposal	166	26 509	44 005
12/04/2021	Disposal	31 217	26 667	8 324 637
12/04/2021	Purchase	31 217	26 667	8 324 637
12/04/2021	Purchase	1 307	26 690	348 838
14/04/2021	Disposal	27 905	26 932	7 515 257
14/04/2021	Purchase	9 036	26 821	2 423 566
14/04/2021	Purchase	4 832	26 835	1 296 655
15/04/2021	Purchase	13 610	26 924	3 664 367
15/04/2021	Purchase	3 222	26 970	868 963
16/04/2021	Disposal	178	26 943	47 959
16/04/2021	Disposal	839	26 994	226 479
16/04/2021	Disposal	115	27 331	31 431
16/04/2021	Disposal	21 015	27 585	5 796 988
16/04/2021	Purchase	1 301	26 994	351 193
16/04/2021	Purchase	31 363	27 153	8 516 049

Trade date	Purchase/ disposal	Volume (number of Northam Shares)	Price (cents)	Value (Rand)
16/04/2021	Purchase	1 840	27 263	501 633
19/04/2021	Disposal	7 155	27 353	1 957 118
19/04/2021	Disposal	4 409	27 445	1 210 065
19/04/2021	Purchase	5 442	27 465	1 494 642
20/04/2021	Disposal	8 106	26 894	2 180 021
21/04/2021	Disposal	254	27 158	68 981
21/04/2021	Purchase	11 518	27 099	3 121 225
22/04/2021	Disposal	6 340	26 787	1 698 305
22/04/2021	Disposal	55 605	26 787	14 895 000
22/04/2021	Disposal	756	27 410	207 217
22/04/2021	Disposal	121 948	26 787	32 666 406
23/04/2021	Purchase	1 568	26 436	414 523
26/04/2021	Disposal	40 841	26 328	10 752 655
26/04/2021	Disposal	6 378	26 328	1 679 209
26/04/2021	Disposal	121 884	26 328	32 089 729
26/04/2021	Disposal	9 239	26 328	2 432 456
30/04/2021	Disposal	22 132	25 968	5 747 216

Allan Gray Proprietary Limited (on behalf of its clients)

Trade date	Purchase/ disposal	Volume (number of Northam Shares)	Price (cents)	Value (Rand)
02/11/2020	Disposal	39 504	15 591	6 159 152
04/11/2020	Disposal	1 450	16 084	233 220
06/11/2020	Disposal	17 000	17 819	3 029 181
10/11/2020	Disposal	600	17 260	103 560
11/11/2020	Purchase	860	17 146	147 455
12/11/2020	Purchase	211 367	16 000	33 818 720
13/11/2020	Disposal	380	15 551	59 094
18/11/2020	Purchase	1 500	17 068	256 017
18/11/2020	Disposal	4 200	17 288	726 112
19/11/2020	Disposal	550	17 590	96 745
23/11/2020	Disposal	2 800	17 523	490 654
24/11/2020	Disposal	1 400	17 223	241 118
30/11/2020	Disposal	500 000	17 690	88 450 000
01/12/2020	Disposal	362 239	17 782	64 411 818
02/12/2020	Purchase	1 550	17 540	271 867
02/12/2020	Disposal	36 911	17 816	6 576 167
03/12/2020	Disposal	8 700	18 687	1 625 760
04/12/2020	Disposal	57 650	18 487	10 657 980
07/12/2020	Disposal	20 787	18 851	3 918 510
08/12/2020	Disposal	13 000	19 203	2 496 381
10/12/2020	Disposal	21 200	18 943	4 015 977
11/12/2020	Disposal	600	18 905	113 430
14/12/2020	Disposal	5 800	19 001	1 102 067
15/12/2020	Disposal	3 300	19 715	650 586
17/12/2020	Disposal	1 113	20 019	222 809
18/12/2020	Purchase	2 274	20 319	462 057
21/12/2020	Purchase	6 309	20 235	1 276 632
22/12/2020	Disposal	14 810	19 563	2 897 233

Trade date	Purchase/ disposal	Volume (number of Northam Shares)	Price (cents)	Value (Rand)
23/12/2020	Disposal	27 322	19 754	5 397 278
28/12/2020	Disposal	2 300	20 612	474 075
05/01/2021	Disposal	1 414	21 463	303 494
06/01/2021	Disposal	1 586	20 861	330 850
08/01/2021	Disposal	1 500	20 907	313 601
12/01/2021	Disposal	3 500	21 390	748 650
14/01/2021	Disposal	1 000	21 102	211 020
15/01/2021	Disposal	5 700	20 947	1 194 000
18/01/2021	Purchase	2 000	20 898	417 970
19/01/2021	Disposal	2 400	21 095	506 270
21/01/2021	Disposal	2 700	21 294	574 935
22/01/2021	Disposal	2 200	21 500	473 000
25/01/2021	Purchase	400	20 799	83 198
25/01/2021	Disposal	1 700	21 125	359 127
26/01/2021	Disposal	1 100	20 059	220 644
28/01/2021	Disposal	920	19 012	174 906
29/01/2021	Purchase	169 569	18 992	32 204 070
02/02/2021	Purchase	100 000	19 150	19 149 810
03/02/2021	Purchase	35 664	19 138	6 825 401
04/02/2021	Purchase	145 723	19 559	28 501 394
04/02/2021	Disposal	37 900	19 604	7 429 791
05/02/2021	Purchase	144 841	19 953	28 899 603
08/02/2021	Purchase	63 288	19 969	12 637 721
09/02/2021	Purchase	422 527	19 999	84 503 260
10/02/2021	Purchase	81 043	19 789	16 037 470
11/02/2021	Purchase	45 396	20 396	9 258 777
15/02/2021	Disposal	5 800	20 695	1 200 291
16/02/2021	Purchase	57 755	21 591	12 469 639
17/02/2021	Disposal	5 760	20 864	1 201 782
18/02/2021	Disposal	14 000	19 837	2 777 158
22/02/2021	Disposal	1 800	21 603	388 856
26/02/2021	Disposal	8 500	22 014	1 871 182
02/03/2021	Disposal	2 400	24 055	577 328
03/03/2021	Disposal	3 560	24 576	874 916
09/03/2021	Disposal	3 200	24 787	793 187
10/03/2021	Disposal	400	25 431	101 725
11/03/2021	Disposal	4 100	25 380	1 040 574
23/03/2021	Purchase	948 887	23 964	227 389 383
24/03/2021	Purchase	297 050	23 314	69 254 028
24/03/2021	Disposal	135 700	23 374	31 718 274
25/03/2021	Purchase	193 392	24 057	46 524 604
26/03/2021	Purchase	51 973	25 060	13 024 673
29/03/2021	Purchase	406 934	25 442	103 533 485
31/03/2021	Purchase	21 800	25 250	5 504 533
31/03/2021	Disposal	16 800	25 783	4 331 571
01/04/2021	Purchase	65 977	25 541	16 851 344
06/04/2021	Disposal	3 050	26 219	799 669
07/04/2021	Disposal	3 600	26 790	964 448
08/04/2021	Disposal	1 400	27 060	378 838
15/04/2021	Purchase	3 000	26 773	803 195
20/04/2021	Disposal	14 000	27 021	3 782 870
22/04/2021	Disposal	2 330	27 000	629 104
23/04/2021	Disposal	9 963	26 313	2 621 552
26/04/2021	Purchase	79 715	26 339	20 996 214
29/04/2021	Disposal	11 000	26 329	2 896 219

ANNEXURE 21: EXTRACT OF SECTION 115 OF THE COMPANIES ACT

*The definitions and interpretations commencing on page 15 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 22: EXTRACT OF SECTION 164 OF THE COMPANIES ACT

*The definitions and interpretations commencing on page 15 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 pay 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."

ANNEXURE 23: EXCHANGE CONTROL REGULATIONS

The definitions and interpretations commencing on page 15 of the Circular to which this annexure is attached apply to this annexure, unless otherwise stated or the context so requires.

The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which may apply to Northam Scheme Participants in relation to the Northam Scheme. Northam Scheme Participants who have any queries regarding the Exchange Control Regulations should contact their own professional advisors without delay.

The Exchange Control Regulations provide for restrictions on the exportation of capital from the Common Monetary Area. The Common Monetary Area consists of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini. Transactions between residents of the countries comprising the Common Monetary Area and foreigners are subject to Exchange Control Regulations provisions, which are administered by the SARB.

Various reforms have been made to the Exchange Control Regulations with a view to relax the rules pertaining to foreign investments. A considerable degree of flexibility is built into the system and the SARB has substantial discretionary powers in approving or rejecting a specific application that has been submitted through an authorised dealer in foreign exchange appointed by the SARB (“**Authorised Dealer**”). The relaxations of the provisions of the Exchange Control Regulations are contained in the Currency and Exchanges Manual for Authorised Dealers (“**AD Manual**”). As provided for in the Exchange Control Regulations, the SARB has also delegated to Authorised Dealers the power to approve certain transactions, without the SARB’s prior approval. The transactions that may be approved by Authorised Dealers without the SARB’s prior approval are contained in the AD Manual, which is updated from time to time through the release of circulars by the SARB.

It was announced in the South African 2020 Budget that the Exchange Control Regulations would be replaced with a new capital flow management framework and regulations, which would be implemented within a period of 12 months of the announcement. It was subsequently announced in the South African 2021 Budget on 24 February 2021, that in 2021, National Treasury and the SARB will continue to develop the legislative framework for the new capital flow management system announced in the South African 2020 Budget. The capital flow management framework will continue to be implemented during 2021. The SARB will issue a new set of “Capital Flows Management Regulations” in terms of the Currency and Exchanges Act, No. 9 of 1933. This framework is being developed with the Financial Intelligence Centre and SARS. However, insofar as the various transactions are concluded before the Exchange Control Regulations are replaced, the Exchange Control Regulations will still apply.

It was further stated that the concept of “emigration” as recognised by the SARB would be phased out with effect from 1 March 2021 and be replaced by a verification process. Exchange Control Circular 6/2021 dated 26 February 2021 sets out the changes in relation to emigrants and changes to the AD Manual with effect from 1 March 2021.

Until 28 February 2021, the Exchange Control Regulations read with the AD Manual distinguished between residents, non-residents and emigrants. As of 1 March 2021, under the new framework, natural person residents and natural person emigrants are treated identically. To ensure a smooth transition from the old framework to the new framework, natural persons who applied to be emigrants under the old framework, by obtaining a MP336(b) form that was attested by an Authorised Dealer on or before 28 February 2021, will be dealt with in terms of the exchange control procedures relating to emigration for exchange control purposes prior to 1 March 2021 provided their emigration applications are approved on or before 28 February 2022.

For the purposes of the Exchange Control Regulations:

- a resident means any person, being a natural person or a legal entity, who has taken up permanent residence, is domiciled or registered in South Africa;
- a non-resident is a person, being a natural person or a legal entity, whose normal place of residence, domicile or registration is outside the Common Monetary Area; and
- an emigrant means a South African resident who has left South Africa to take up permanent residence or has been granted permanent residence in any country outside of the Common Monetary Area.

For purposes of the Exchange Control Regulations read with the AD Manual, a South African resident will only be regarded as an emigrant if he placed his emigration on record with the SARB under the exchange control policy which applied up to 28 February 2021.

Northam Scheme Participants who are uncertain as to whether they are residents or non-residents or South African non-tax residents (emigrants) for purposes of the Exchange Control Regulations read with the AD Manual, are advised to approach their relevant Authorised Dealer to request confirmation.

1. Residents of the Common Monetary Area (and emigrants from the Common Monetary Area under the previous framework)

- 1.1 The provisions of this paragraph should be read together with paragraph 52.
- 1.2 From 1 March 2021, natural person emigrants and natural person residents of the Common Monetary Area are treated identically, save in the context of securities control as indicated below in paragraph 1.10 of this annexure.
- 1.3 The Northam Scheme Consideration is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations read with the AD Manual.
- 1.4 The distinction between South African assets and non-resident assets remains extant.
- 1.5 There are no restrictions on dealings in securities in South African companies by residents or emigrants of the Common Monetary Area.
- 1.6 Funds, including the Northam Scheme Consideration, can be transferred from South Africa pursuant to it being allowed by an Authorised Dealer. An Authorised Dealer will permit the transfer on confirmation that the Northam Scheme Participant has cleared his/her tax residency status with SARS, subject to tax compliance.
- 1.7 Authorised Dealers may allow the Northam Scheme Participants to transfer up to R1 million offshore without the requirement to obtain a Tax Clearance Status PIN ("**TCS PIN**") letter from SARS in terms of the Northam Scheme Participants' single discretionary allowance.
- 1.8 Authorised Dealers may also allow the transfer of up to a total amount of R10 million per calendar year per private individual who ceases to be a resident for tax purposes in South Africa and is 18 years and older, provided that the individual is tax compliant and submits the applicable TCS PIN for verification.
- 1.9 South African non-tax residents who transfer more than R10 million offshore are subject, initially to a more stringent verification process by SARS, as well as a subsequent approval process from the SARB. Such transfers will trigger a risk management test that will, *inter alia*, include verification of the tax status and the source of funds, as well as a risk assessment of the private individual in terms of the anti-money laundering and countering terror financing requirements, as prescribed in the Financial Intelligence Centre Act, No. 38 of 2001.
- 1.10 In the context of the exchange control rules regarding securities control, the SARB has indicated in Exchange Control Circular 6/2021 that the rules applicable to natural person emigrants will temporarily apply until discussions with the relevant stakeholders have been finalised. As such, a distinction must still be drawn between residents and emigrants for the time being and the following applies in respect of emigrants who formally emigrated before 1 March 2021:
 - 1.10.1 The Northam Scheme Consideration is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.
 - 1.10.2 In respect of a Northam Scheme Participant who holds Certificated Shares and who is an emigrant from South Africa, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, the Northam Scheme Consideration will be deposited in the Northam Scheme Participant's capital account with the Authorised Dealer to whose order the Northam Scheme Participant's Dematerialised Shares have been held, since the formalisation of the Northam Scheme Participant's emigration, against delivery of the relevant Documents of Title.
 - 1.10.3 The Authorised Dealer surrendering the Documents of Title in terms of the Northam Scheme must countersign the Application and Surrender Form (*pink*) thereby indicating that

the Northam Scheme will be placed directly in its control. The attached Application and Surrender Form (*pink*) makes provision for the details and signature of the Authorised Dealer concerned to be provided.

- 1.10.4 In respect of Northam Scheme Participants who hold Dematerialised Shares and who are emigrants from South Africa and whose registered address is outside the Common Monetary Area, the Northam Scheme Consideration will be credited to the CSDP controlling the Northam Scheme Participant's remaining share account.
- 1.10.5 In terms of current exchange controls, emigrants may externalise the Northam Scheme Consideration by making application to the Authorised Dealer controlling the emigrant's remaining assets.

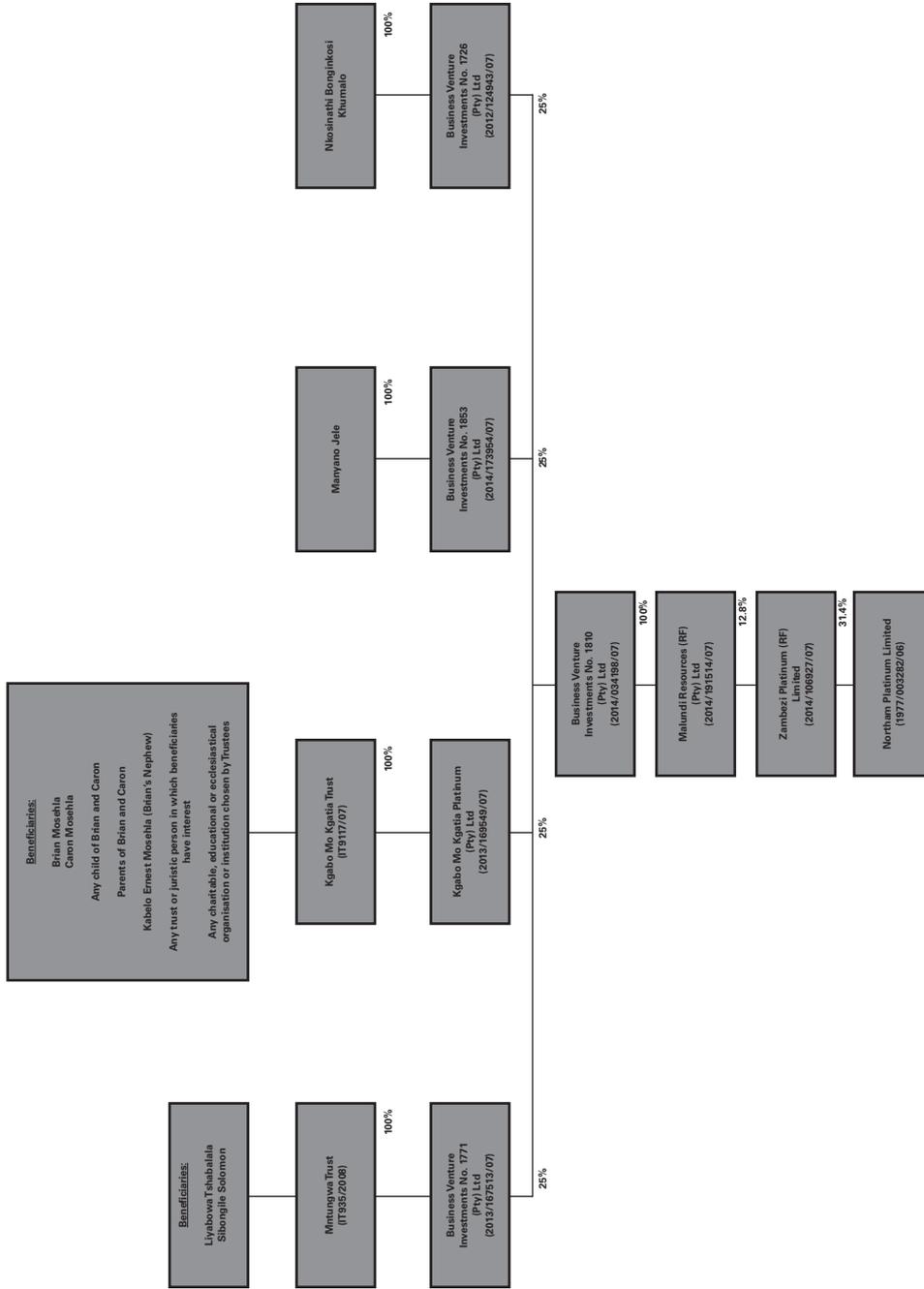
2. **All other non-residents of the Common Monetary Area**

- 2.1 The provisions of this paragraph should be read together with paragraph 52.
- 2.2 In the case of a Northam Scheme Participant who is a Certificated Shareholder whose registered address is outside the Common Monetary Area and who is not a South African tax resident, and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, the Northam Scheme Consideration will, against delivery of the relevant Documents of Title, be transferred to the Northam Scheme Participant's duly appointed Broker or CSDP. The Application and Surrender Form (*pink*) makes provision for the nomination of a Broker or CSDP.
- 2.3 In the case of a Northam Scheme Participant who is a Dematerialised Shareholder whose registered address is outside the Common Monetary Area and who is not a South African tax resident, the Northam Scheme Consideration will be transferred to its duly appointed Broker or CSDP.

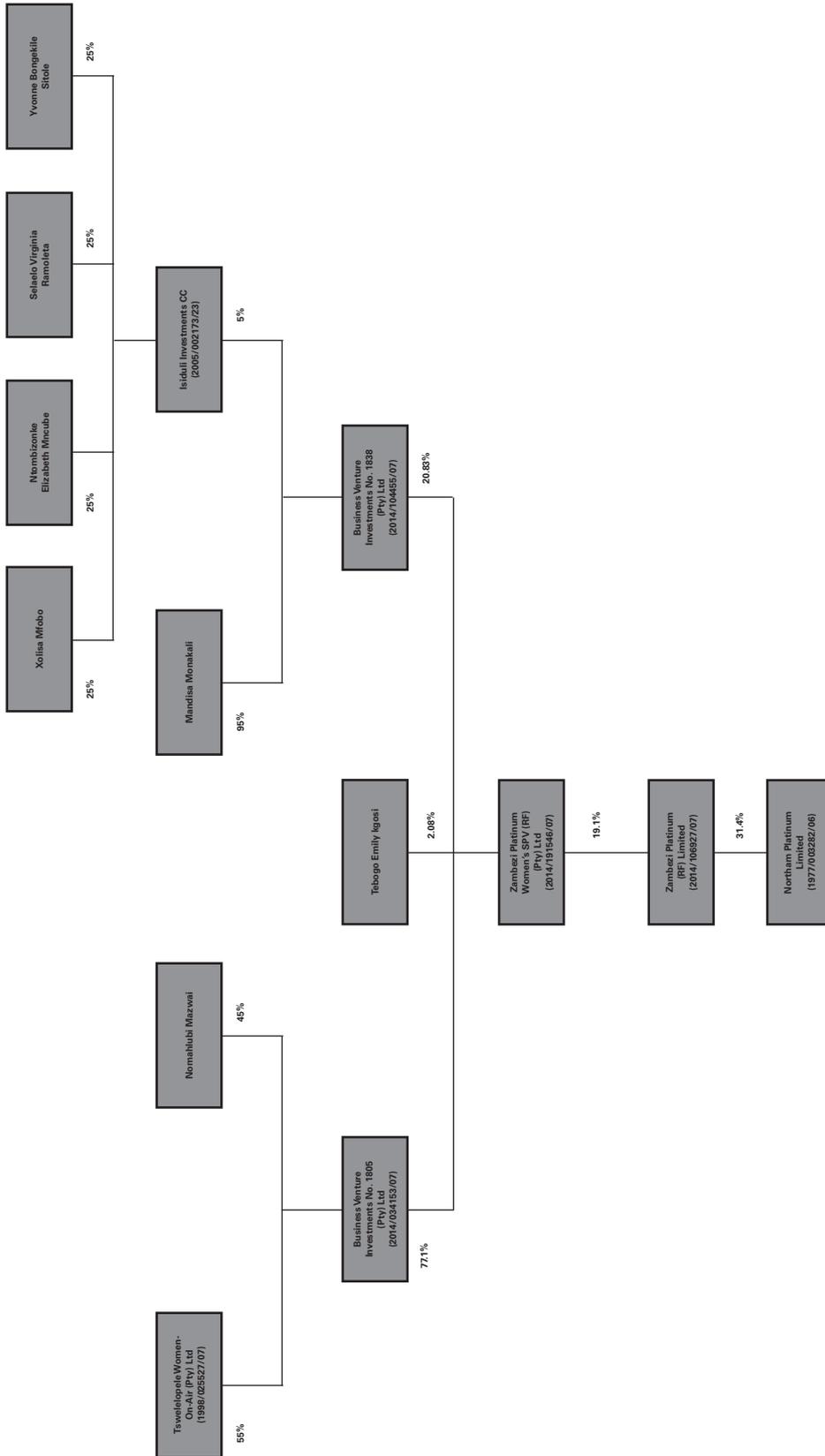
3. **Information not provided**

If the information regarding the duly appointed Authorised Dealer is not given, or the relevant instructions are not given, the Northam Scheme Consideration will be held in trust by Northam (or its agent) for the benefit of the relevant Northam Scheme Participant pending receipt of the necessary information or instructions. No interest will accrue or be payable to the relevant Northam Scheme Participant in respect of such monies.

MALUNDI



WOMEN'S CONSORTIUM SPV



NORTHAM

P L A T I N U M L I M I T E D

NORTHAM PLATINUM LIMITED

Incorporated in the Republic of South Africa

(Registration number 1977/003282/06)

Share code: NHM ISIN: ZAE000030912

("Northam" or the "Company")

NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on page 15 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 General Meeting will be held entirely by electronic communication at **10:00 on Wednesday, 30 June 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 General Meeting, Northam has determined that the General Meeting will take place entirely by electronic communication. Accordingly, the General Meeting will only be accessible through electronic communication, as permitted by the JSE and in accordance with section 63(2)(a) of the Companies Act and the Northam MOI and any reference in this Notice of 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). Northam Shareholders are referred to section A of "*Action required by Shareholders in respect of the Transaction*", titled "*Voting, attendance and representation at the General Meeting*" commencing on page 8 of the Circular for information regarding voting, attendance and representation at the General Meeting.

Shareholders are reminded that:

- a Northam Shareholder entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, participate in and vote at the General Meeting in the place of that Northam Shareholder, and Northam Shareholders are referred to the attached Form of Proxy (*blue*) in this regard;
- a proxy need not also be a Northam Shareholder; and
- in terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of Northam Shareholders must present reasonably satisfactory identification to the Chairperson of the General Meeting, who must be reasonably satisfied that the right of any person to participate in and vote (whether as a Northam Shareholder or as proxy for a Northam Shareholder) has been reasonably verified.

PURPOSE OF THE GENERAL MEETING

The purpose of the General Meeting is to consider, and if deemed appropriate, pass the following resolutions, with or without modification.

RESOLUTIONS

SPECIAL RESOLUTION 1 – APPROVAL OF THE SHARE ACQUISITIONS SCHEME IN TERMS OF SECTION 48(8)(b) AS READ WITH SECTIONS 114(1) AND 115(2)(a) OF THE COMPANIES ACT

"Resolved that, in terms of section 48(8)(b) as read with sections 114(1) and 115(2)(a) of the Companies Act and subject to the adoption of Special Resolution 2, the Share Acquisitions Scheme (the terms and conditions of which are set out in section B of the Circular, commencing on page 48 of the Circular), proposed by the Northam Board, between Northam and its Shareholders, in terms of which, subject to the Share Acquisitions Scheme becoming operative, Northam will acquire Northam Shares 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, 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 Northam 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, 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. As at the Last Practicable Date, there are no voting rights controlled by a person which is an “acquiring party”, nor a person related to an “acquiring party”, nor a person acting in concert with either of them, however Zambezi will not vote on Special Resolution 1.

Reason and effect of Special Resolution 1

The reason for Special Resolution 1 is to approve the Share Acquisitions Scheme in terms of section 48(8)(b) as read with sections 114(1) and 115(2)(a) of the Companies Act. The effect of Special Resolution 1 is that the Share Acquisitions Scheme will be approved and, if the Share Acquisitions Scheme becomes operative, in a series of share acquisitions, Northam will acquire Northam Shares from Zambezi and the ESOP.

Further details pertaining to the Share Acquisitions Scheme are contained in section B of the Circular, commencing on page 48 of the Circular.

SPECIAL RESOLUTION 2 – REVOCATION OF SPECIAL RESOLUTION 1 IF THE SHARE ACQUISITIONS SCHEME TERMINATES

“Resolved that, in terms of section 164(9)(c) of the Companies Act and subject to the adoption of Special Resolution 1, in the event that all the Transaction Conditions (as more fully described in paragraph 10.2 of the Circular), are not fulfilled or waived and the Share Acquisitions Scheme accordingly terminates (as envisaged in paragraph 10.1.10 of the Circular) Special Resolution 1 be and is hereby revoked with effect from the termination of the Share Acquisitions Scheme.”

Voting in respect of Special Resolution 2

The percentage of voting rights required for Special Resolution 2 to be adopted is at least 75% of all the votes exercised on Special Resolution 2 by persons entitled to exercise voting rights and sufficient Northam Shareholders are present 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 reinstate the rights of Dissenting Shareholders to their Northam Shares in accordance with section 164(9)(c) as read with section 164(10) of the Companies Act, in the event that the Transaction Conditions are not fulfilled or waived and the Share Acquisitions Scheme terminates, thereby extinguishing the Appraisal Rights of Dissenting Shareholders. Special Resolution 2 shall only become effective if: (i) Special Resolution 1 is adopted at the General Meeting in terms of the Companies Act; and (ii) the Share Acquisitions Scheme terminates. The effect of Special Resolution 2 is to, in the event that the Share Acquisitions Scheme terminates, reinstate the rights of Dissenting Shareholders to their Northam Shares such that any Dissenting Shareholder that has sent a demand to Northam in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its Northam 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.

SPECIAL RESOLUTION 3 – APPROVAL OF THE ACQUISITION OF NORTHAM SHARES PURSUANT TO THE REVISED ACCUMULATED DIVIDENDS SETTLEMENT, THE REPURCHASE, THE ZAMBEZI PREFERENCE SHARE REDEMPTION AND THE ACQUISITION OF ZAMBEZI RETENTION SHARES (IF APPLICABLE) IN TERMS OF PARAGRAPH 5.67(B)(a) READ WITH PARAGRAPH 5.69 OF THE JSE LISTINGS REQUIREMENTS (“SPECIFIC REPURCHASES”)

“Resolved that, in terms of paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements, the Specific Repurchases (the terms and conditions of which are set out in section B of the Circular, commencing on page 48 of the Circular), be and are hereby approved.”

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 Northam

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, excluding the voting rights controlled by Zambezi and its associates (if any).

Reason and effect of Special Resolution 3

The reason for Special Resolution 3 is to approve the Revised Accumulated Dividends Settlement, the Repurchase, the Zambezi Preference Share Redemption and the acquisition of the Retention Shares (if applicable) in terms of paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements. The effect of Special Resolution 3 is that the Specific Repurchases will be approved and, if the Specific Repurchases become operative, Northam will acquire Northam Shares from Zambezi in accordance with the terms and conditions of the Specific Repurchases.

Further details pertaining to the Specific Repurchases are contained in section B of the Circular, commencing on page 48 of the Circular.

SPECIAL RESOLUTION 4 – APPROVAL OF THE ESOP REPURCHASE IN TERMS OF PARAGRAPH 5.67(B)(a) READ WITH PARAGRAPH 5.69 OF THE JSE LISTINGS REQUIREMENTS

Resolved that, in terms of paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements, the ESOP Repurchase (the terms and conditions of which are set out in section B of the Circular, commencing on page 48 of the Circular), be and is 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 Northam 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 the ESOP and its associates.

Reason and effect of Special Resolution 4

The reason for Special Resolution 4 is to approve the ESOP Repurchase in terms of paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements. The effect of Special Resolution 4 is that the ESOP Repurchase will be approved and, if the ESOP Repurchase becomes operative, Northam will acquire the ESOP Repurchase Shares from the ESOP in accordance with the terms and conditions of the ESOP Repurchase.

Further details pertaining to the ESOP Repurchase is contained in section B of the Circular, commencing on page 48 of the Circular.

SPECIAL RESOLUTION 5 – APPROVAL OF THE NORTHAM SCHEME IN TERMS OF SECTIONS 114(1) AND 115(2)(a) OF THE COMPANIES ACT

Resolved that, in terms of section 48(8)(b) as read with sections 114(1) and 115(2)(a) of the Companies Act and subject to the adoption of Special Resolution 6, the Northam Scheme (the terms and conditions of which are set out in section C of the Circular, commencing on page 64 of the Circular), proposed by the Northam Board, between Northam and its Shareholders, in terms of which, subject to the Northam Scheme becoming operative, Northam Holdings will acquire all Northam Shares (excluding Treasury Shares) held by the Northam Scheme Participants in exchange for, on a one-for-one basis, Northam Holdings Shares, be and is hereby approved.”

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 Northam 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, 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. As at the Last Practicable Date, there are no voting rights controlled by a person which is an “acquiring party”, nor a person related to an “acquiring party”, nor a person acting in concert with either of them.

Reason and effect of Special Resolution 5

The reason for Special Resolution 5 is to approve the Northam Scheme in terms of sections 114(1) and 115(2) (a) of the Companies Act. The effect of Special Resolution 5 is that the Northam Scheme will be approved and, if the Northam Scheme becomes operative, Northam Holdings will acquire all Northam Shares (excluding Treasury Shares) held by the Northam Scheme Participants in exchange for, on a one-for-one basis, Northam Holdings Shares and the listing of all of the Northam Shares on the JSE will be terminated following the Northam Scheme Implementation Date and the Northam Holdings Shares will be listed on the Main Board of the JSE.

Further details pertaining to the Northam Scheme and Northam Delisting are contained in section C of the Circular, commencing on page 64 of the Circular.

SPECIAL RESOLUTION 6 – REVOCATION OF SPECIAL RESOLUTION 5 IF THE NORTHAM SCHEME IS TERMINATED

“Resolved that, in terms of section 164(9)(c) of the Companies Act, subject to the adoption of Special Resolution 5, in the event that all the Extended BEE Transaction Conditions (as set out in paragraph 26 of the Circular), are not fulfilled or waived and the Northam Scheme accordingly terminates, Special Resolution 5 be and is hereby revoked with effect from the date on which the Northam Scheme terminates.”

Voting in respect of Special Resolution 6

The percentage of voting rights required for Special Resolution 6 to be adopted is at least 75% of all the votes exercised on Special Resolution 6 by persons entitled to exercise voting rights and sufficient Northam 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 6.

Reason and effect of Special Resolution 6

The reason for Special Resolution 6 is to reinstate the rights of Dissenting Shareholders to their Northam Shares in accordance with section 164(9)(c) as read with section 164(10) of the Companies Act, in the event that the Extended BEE Transaction Conditions are not fulfilled or waived and the Northam Scheme terminates, thereby extinguishing the Appraisal Rights of Dissenting Shareholders. Special Resolution 6 shall only become effective if: (i) Special Resolution 5 is approved at the General Meeting in terms of the Companies Act; and (ii) the Northam Scheme terminates. The effect of Special Resolution 6 is to, in the event that the Northam Scheme terminates, reinstate the rights of Dissenting Shareholders to their Northam Shares such that any Dissenting Shareholder that has sent a demand to Northam in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its Northam 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.

SPECIAL RESOLUTION 7 – APPROVAL OF FINANCIAL ASSISTANCE IN TERMS OF SECTIONS 44 AND 45 OF THE COMPANIES ACT

“Resolved that, in terms of sections 44 and 45 of the Companies Act, the Northam Board be and is hereby authorised to authorise Northam to provide financial assistance in any form or amount to the SPVs and the Security SPVs, on the terms and conditions that the Northam Board may determine for purposes of implementing the relevant components of the Extended BEE Transaction.”

Voting in respect of Special Resolution 7

The percentage of voting rights required for Special Resolution 7 to be adopted is at least 75% of all the votes exercised on Special Resolution 7 by persons entitled to exercise voting rights and sufficient Northam 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 7.

Reason and effect of Special Resolution 7

The reason for Special Resolution 7 is to grant the Northam Board the authority to authorise Northam to provide financial assistance by way of loans, guarantees, provision of security or otherwise, to the SPVs and the Security SPVs pursuant to one or more components of the Extended BEE Transaction (including the subscription by Northam for A Preference Shares and B Preference Shares in Employee SPV and Community SPV; the BEE SPV Administration Services Agreements; the HDP SPV Administration Services Agreements; the Additional Financial Assistance (as defined in paragraph 25.6.2) and the Annual BEE SPV Advances) and such other financial assistance as may be required for purposes of implementing the Extended BEE Transaction.

SPECIAL RESOLUTION 8 – APPROVAL OF THE ISSUE OF NORTHAM SHARES PURSUANT TO THE BEE SPV SUBSCRIPTIONS IN TERMS OF SECTION 41 OF THE COMPANIES ACT

“**Resolved that**, in terms of section 41(1)(b) of the Companies Act, Northam be and is hereby authorised to issue the BEE SPV Subscription Shares to the BEE Security SPVs pursuant to the BEE SPV Subscriptions on the terms and conditions set out in paragraph 25.2.1 of the Circular and such other terms and conditions as the Northam Board may determine.”

Voting in respect of Special Resolution 8

The percentage of voting rights required for Special Resolution 8 to be adopted is at least 75% of all the votes exercised on Special Resolution 8 by persons entitled to exercise voting rights and sufficient Northam 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 8.

Reason and effect of Special Resolution 8

On the date on which the BEE SPV Subscriptions are implemented, the BEE Security SPVs will be wholly-owned by Northam and will accordingly be Related to Northam. In terms of section 41(1)(b) of the Companies Act, an issue of shares to a Related person must be approved by shareholders by way of a Special Resolution. The reason for Special Resolution 8 is for Northam Shareholders to authorise Northam to issue the BEE SPV Subscription Shares to the BEE Security SPVs which will be Related to Northam on the date on which the BEE SPV Subscriptions are implemented.

SPECIAL RESOLUTION 9 – APPROVAL OF THE BEE TRUST REPURCHASES IN TERMS OF PARAGRAPH 5.67(B)(a) READ WITH PARAGRAPH 5.69 OF THE JSE LISTINGS REQUIREMENTS

“**Resolved that**, in terms of paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements, the BEE Trust Repurchases (as set out in paragraph 30 of the Circular), be and are hereby approved.”

Voting in respect of Special Resolution 9

The percentage of voting rights required for Special Resolution 9 to be adopted is at least 75% of all the votes exercised on Special Resolution 9 by persons entitled to exercise voting rights and sufficient Northam 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 9.

Reason and effect of Special Resolution 9

The reason for Special Resolution 9 is to approve the BEE Trust Repurchases in terms of paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements. The effect of Special Resolution 9 is that the BEE Trust Repurchases will be approved and, if the BEE Trust Repurchases are implemented, a Member of the Group will acquire Northam Holdings Shares from the BEE Trusts.

SPECIAL RESOLUTION 10 – APPROVAL OF THE RELEVANT ZAMBEZI SHAREHOLDER REPURCHASES IN TERMS OF PARAGRAPH 5.67(B)(a) READ WITH PARAGRAPH 5.69 OF THE JSE LISTINGS REQUIREMENTS

“**Resolved that**, in terms of paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements, the Relevant Zambezi Shareholder Repurchases (as set out in paragraph 31 of the Circular), be and is hereby approved.”

Voting in respect of Special Resolution 10

The percentage of voting rights required for Special Resolution 10 to be adopted is at least 75% of all the votes exercised on Special Resolution 10 by persons entitled to exercise voting rights and sufficient Northam 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 10.

Reason and effect of Special Resolution 10

The reason for Special Resolution 10 is to approve the Relevant Zambezi Shareholder Repurchases in terms of paragraph 5.67(B)(a) read with paragraph 5.69 of the JSE Listings Requirements. The effect of Special Resolution 10 is that the Relevant Zambezi Shareholder Repurchases will be approved and, if the Relevant Zambezi Shareholder Repurchases are implemented, a Member of the Group will acquire Northam Holdings Shares from the Relevant Zambezi Shareholders.

ORDINARY RESOLUTION 1 – APPROVAL OF THE NORTHAM SIP AMENDMENTS

“Resolved that, in terms of paragraph 14.2 of Schedule 14 of the JSE Listings Requirements, the amendments to the rules of the Northam SIP (as set out in paragraph 34 of the Circular), be and are hereby approved.”

Voting in respect of Ordinary Resolution 1

The percentage of voting rights required for Ordinary Resolution 1 to be adopted is a 75% majority of the voting rights exercised on Ordinary Resolution 1, by persons entitled to exercise voting rights and sufficient Northam 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 Ordinary Resolution 1, excluding the votes of existing participants in the Northam SIP in respect of Shares acquired by or for the benefit of such existing participants in terms of the Northam SIP.

Reason and effect of Ordinary Resolution 1

The reason for Ordinary Resolution 1 is to obtain approval from Northam Shareholders to amend the rules of the Northam SIP, as required in terms of Schedule 14 of the JSE Listings Requirements. The effect of Ordinary Resolution 1 is that Northam will have the necessary authority to implement the proposed Northam SIP Amendments.

ORDINARY RESOLUTION 2 – APPROVAL OF THE HDP SPV SUBSCRIPTION

“Resolved that, in terms of paragraph 5.51(g) of the JSE Listings Requirements, the issue of the HDP SPV Subscription Shares by Northam Holdings to HDP Security SPV in terms of HDP SPV Subscription (as set out in paragraph 25.1.1 of the Circular), be and is hereby approved.”

Voting in respect of Ordinary Resolution 2

The percentage of voting rights required for Ordinary Resolution 2 to be adopted is a 75% majority of the voting rights exercised on Ordinary Resolution 2, by persons entitled to exercise voting rights and sufficient Northam 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 Ordinary Resolution 2.

Reason and effect of Ordinary Resolution 2

The reason for Ordinary Resolution 2 is to approve the HDP SPV Subscription in terms of paragraph 5.51(g) of the JSE Listings Requirements. The effect of Ordinary Resolution 2 is that the HDP SPV Subscription will be approved and, if the Extended BEE Transaction becomes operative, Northam Holdings will issue the HDP SPV Subscription Shares to HDP Security SPV.

ORDINARY RESOLUTION 3 – APPROVAL OF THE NORTHAM ZAMBEZI ORDINARY SHARE SUBSCRIPTION IN ACCORDANCE WITH PARAGRAPH 10.4(e) OF THE JSE LISTINGS REQUIREMENTS

“Resolved that, in terms of paragraph 10.4(e) of the JSE Listings Requirements, the subscriptions by Northam for Zambezi Ordinary Shares to fund the settlement of Portion A of the Differential Zambezi Taxes and Portion B of the Differential Zambezi Taxes (if required) in terms of the Northam Zambezi Ordinary Share Subscription (as set out in paragraphs 10.1.6 and 10.1.8 of the Circular), be and are hereby approved.”

Voting in respect of Ordinary Resolution 3

The percentage of voting rights required for Ordinary Resolution 3 to be adopted is a 50% majority of all the votes exercised on Ordinary Resolution 3 by persons entitled to exercise voting rights, and sufficient Northam 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 Ordinary Resolution 3, excluding the voting rights controlled by Zambezi and its associates (if any).

Reason and effect of Ordinary Resolution 3

The reason for Ordinary Resolution 3 is to approve the Northam Zambezi Ordinary Share Subscription in terms of paragraph 10.4(e) of the JSE Listings Requirements. The effect of Ordinary Resolution 3 is that the Northam Zambezi Ordinary Share Subscription will be approved and, if settlement of Portion A of the Differential Zambezi Taxes and Portion B of the Differential Zambezi Taxes is required, Northam will fund such amounts by subscribing for Zambezi Ordinary Shares.

ORDINARY RESOLUTION 4 – APPROVAL OF THE HDP SPV SHARE ISSUE AND THE BEE SPV SHARE ISSUES IN ACCORDANCE WITH PARAGRAPH 3.35 AS READ WITH PARAGRAPH 9.20(B) OF THE JSE LISTINGS REQUIREMENTS

“**Resolved that**, in terms of paragraph 3.35 as read with paragraph 9.20(b) of the JSE Listings Requirements, the HDP SPV Share Issue and the BEE SPV Share Issues (as set out in paragraphs 25.1.2 and 25.2.2 of the Circular), be and are hereby approved.”

Voting in respect of Ordinary Resolution 4

The percentage of voting rights required for Ordinary Resolution 4 to be adopted is a 50% majority of all the votes exercised on Ordinary Resolution 4 by persons entitled to exercise voting rights and sufficient Northam 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 Ordinary Resolution 4.

Reason and effect of Ordinary Resolution 4

The reason for Ordinary Resolution 4 is to approve the issue of the HDP SPV Shares and BEE SPV Shares to the HDP Entities, Community Entities and Employee Entities, respectively, in terms of paragraph 3.35 as read with paragraph 9.20(b) of the JSE Listings Requirements. The effect of Ordinary Resolution 4 is that the issue of the HDP SPV Shares and BEE SPV Shares to the HDP Entities, Community Entities and Employee Entities, respectively will be approved and, if the Extended BEE Transaction becomes operative, HDP SPV, Community SPV and Employee SPV, will respectively issue HDP SPV Shares to HDP Entities, Community SPV Shares to the Community Entities and Employee SPV Shares to the Employee Entities.

RECORD DATE

The record date, in terms of section 59 of the Companies Act, for Northam Shareholders to be recorded in the Register in order to:

- receive the Notice of General Meeting is Friday, 21 May 2021; and
- attend, speak and vote at the General Meeting is Friday, 18 June 2021. Accordingly, the last day to trade in order to be eligible to vote at the General Meeting is Monday, 14 June 2021.

PROXIES

In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a Northam 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 Shareholder of the Company present by electronic communication or represented by proxy shall have one vote for every Northam Share held in the Company by such Shareholder.

Pursuant to section 48(2)(b)(ii) of the Companies Act, the votes of Northam Shares held by Subsidiaries of Northam may not be exercised with respect to the resolutions set out in this Notice of General Meeting. As at the Last Practicable Date, there are no Northam Shares held by a Subsidiary.

Pursuant to the MOI of Northam, a Shareholders' meeting may not begin unless there are at least 3 Northam Shareholders entitled to vote, present in person or represented by an authorised representative, and sufficient persons are present at such meeting (as contemplated in the definition of “*Present at a Meeting*” in the Company's Act) 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 Shareholder or proxy who intends to attend or participate at the General Meeting must be able to present reasonably satisfactory identification at the General Meeting for such Shareholder or proxy to attend and participate in the 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 SHAREHOLDERS

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

TMS will assist Northam Shareholders with the requirements for electronic attendance, participation in, and voting at the General Meeting. Northam Shareholders who wish to electronically attend, participate in and vote at the 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 10:00 on Monday, 28 June 2021.**

Northam Shareholders participating in the General Meeting by way of electronic communication may still appoint a proxy to vote on their behalf at the General Meeting.

The costs of participation in the General Meeting by electronic communication will be for the expense of Northam Shareholders or their proxies and they will be billed separately by their service providers. Northam 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 Northam Shareholder or its proxy from attending, participating in and/or voting at the General Meeting.

Northam Shareholders and their proxies will be able to vote electronically at the General Meeting (refer to section A of "*Action required by Shareholders in Respect of the Transaction*", titled "*Voting, Attendance and Representation at the General Meeting*" commencing on page 8 of the Circular).

APPRAISAL RIGHTS

In terms of section 164 of the Companies Act, at any time before each of the Share Acquisitions Scheme Resolution and/or the Northam Scheme Resolution as set out in this Notice of General Meeting are voted on, a Northam Shareholder may give Northam a written notice objecting to the Share Acquisitions Scheme Resolution and/or the Northam Scheme Resolution.

Within 10 Business Days after the adoption of the Share Acquisitions Scheme Resolution and/or the Northam Scheme Resolution, Northam must send a notice to the Dissenting Shareholders who have not withdrawn their objection notice and who have not voted in favour of the Share Acquisitions Scheme Resolution and/or the Northam Scheme Resolution, as the case may be, informing them that the Share Acquisitions Scheme Resolution and/or the Northam Scheme Resolution have/has been adopted.

A Dissenting Shareholder may demand that Northam pay the Dissenting Shareholder the fair value for all of their Northam 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 22 to the Circular.

By order of the Northam Board

PB Beale

Company secretary

20 May 2021

NORTHAM

P L A T I N U M L I M I T E D

NORTHAM PLATINUM LIMITED

Incorporated in the Republic of South Africa

(Registration number 1977/003282/06)

Share code: NHM ISIN: ZAE000030912

("Northam" or the "Company")

FORM OF PROXY (FOR USE BY CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WITH "OWN NAME" REGISTRATION)

The definitions and interpretations commencing on page 15 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 General Meeting, Northam has determined that the General Meeting will take place entirely by electronic communication. Accordingly, the General Meeting will only be accessible through electronic communication, as permitted by the JSE and in accordance with section 63(2)(a) of the Companies Act and the Northam MOI.

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

This Form of Proxy is **only** for use by:

- Certificated Shareholders; and
- Dematerialised Shareholders with "own name" registration,

in respect of the General Meeting of Northam Shareholders to be held entirely by electronic communication **at 10:00 on Wednesday, 30 June 2021**, and at any postponement or adjournment thereof.

Shareholders who have Dematerialised their Northam Shares with a Broker or CSDP, other than with "own name" registration, must arrange with the Broker or CSDP concerned to provide them with the necessary letter of representation to attend the General Meeting by electronic communication if they wish to do so or if they do not wish to attend the General Meeting the Shareholders concerned must instruct their Broker or CSDP as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the Shareholder and the Broker or CSDP concerned.

I/We _____ (name in block letters)

of _____ (address)

Telephone (work) _____ (home)

Mobile _____ (email)

being the holder(s) of Northam Shares

hereby appoint (see notes 1 and 2):

1. _____ or failing him/her

2. _____ or failing him/her

the chairperson of the General Meeting, as my/our proxy to attend, participate in and act on my/our behalf at the General Meeting and, on a poll or on a show of hands, to vote in my stead and to vote for or against the resolutions set out in the Notice of General Meeting or abstain from voting thereon in respect of the Northam 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 Share Acquisitions Scheme			
Special Resolution 2 – Revocation of the Share Acquisitions Scheme Resolution if the Share Acquisitions Scheme is terminated			
Special Resolution 3 – Approval of the acquisition of Northam Shares pursuant to the Revised Accumulated Dividends Settlement, the Repurchase, the Zambezi Preference Share Redemption and the acquisition of Zambezi Retention Shares (if applicable)			
Special Resolution 4 – Approval of the ESOP Repurchase			
Special Resolution 5 – Approval of the Northam Scheme			
Special Resolution 6 – Revocation of the Northam Scheme Resolution if the Northam Scheme is terminated			
Special Resolution 7 – Approval of financial assistance in terms of sections 44 and 45 of the Companies Act			
Special Resolution 8 – Approval of the issue of Northam Shares pursuant to the BEE SPV Subscriptions			
Special Resolution 9 – Approval of the BEE Trust Repurchases			
Special Resolution 10 – Approval of the Relevant Zambezi Shareholder Repurchases			
Ordinary Resolution 1 – Approval of the Northam SIP Amendments			
Ordinary Resolution 2 – Approval of the HDP SPV Subscription			
Ordinary Resolution 3 – Approval of the Northam Zambezi Ordinary Share Subscription			
Ordinary Resolution 4 – Approval of the HDP SPV Share Issue and the BEE SPV Share Issues			

Please indicate with an "X" or the relevant number of Northam Shares, in the applicable space, how you wish your votes to be cast. Unless otherwise directed, the proxy will vote 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 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 Shareholder is entitled to appoint one or more proxies (who need not be a Shareholder) to attend, participate in, and on a poll, vote in place of that Shareholder at the General Meeting.
2. A Shareholder may insert the name of a proxy or the names of two alternate proxies of the Shareholder's choice in the space(s) provided, with or without deleting "*the chairperson of the General Meeting*". The person whose name stands first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.

3. A Shareholder should insert an "X" in the relevant space according to how the Shareholder wishes his/her/its votes to be cast. However, if a Shareholder wishes to cast a vote in respect of a lesser number of Shares than that which he/she/it holds, such Shareholder should insert the number of Shares held in respect of which he/she/it wishes to vote or abstain from voting. If a Shareholder fails to comply with the above then such Shareholder will be deemed to have authorised the proxy to vote or to abstain from voting at the General Meeting as such proxy deems fit in respect of all of the Shareholder's votes exercisable at the General Meeting. A Shareholder is not obliged to exercise the votes in respect of all of the Northam 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 Shareholder.
4. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting and participating and voting to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
5. The chairperson of the 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. Shareholders who have Dematerialised their Shares with a Broker or CSDP, other than those with "*own name*" registration, must arrange with the Broker or CSDP concerned to provide them with the necessary letter of representation to attend the General Meeting or the Shareholders concerned must instruct their Broker or CSDP as to how they wish the votes in respect of their Shares to be voted at the General Meeting. This must be done in terms of the agreement entered into between the Shareholder and the Broker or CSDP concerned.
7. Any alteration to this Form of Proxy, other than the deletion of alternatives, must be signed, not merely initialled, by the signatory/ies.
8. 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 Northam or the Transfer Secretaries.
9. 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 Northam or the Transfer Secretaries or waived by the chairperson of the General Meeting.
10. 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 Northam or the Transfer Secretaries.
11. Where there are joint holders of Northam 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 Northam Register, will be accepted.
12. 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; or
 - b. by post: PO Box 62043, Marshalltown, 2107, South Africa; or
 - c. by email: proxy@tmsmeetings.co.za,so as to be received by TMS, for administrative reasons, **by not later than 10:00 on Monday, 28 June 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 General Meeting before the appointed proxy exercises any of the Shareholder's rights at the General Meeting.