

- iv. The infrastructure and poverty eradication projects that the mine would support in line with the Integrated Development Plan of the area in which the mine operates and the major sending areas; and
- v. The measures to address the housing and living conditions of the mine employees

The Codes of Good Practice for the South African Minerals Industry stipulate a 1% Net Profit after Tax (NPAT) annual contribution target for mine and community development.

Northam Platinum, in consultation with relevant stakeholders, believe that their mine and community development programmes should be aimed at promoting employment and the advancement of the socio-economic welfare of South Africans in these communities, while assisting to ensure economic growth.

SCORECARD FOR THE BROAD BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING AND MINERALS INDUSTRY													
ELEMENT	DESCRIPTION	COMPLIANCE TARGET	PROGRESS ACHIEVED										
			2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Mine Community Development	Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis	Up-to-date project implementation	R 11.8m	R 4.1m	R 2.8m	R 3.6m	R 1.5m	R 7.7m	R 2.5m	R 4.4m	R 6.6m	R 12.8m	R 19.6m
Notes: Between 2010 – 2016			<ul style="list-style-type: none"> • The total spend on was just over R 34 million • The actual 1% NPAT was R 22.5 million • The additional spend considering 1% NPAT was R 11.6 million • In 2015 the company made a loss of over R 8 billion but still contributed significantly towards mining community development 										

Over the past six (6) years (and since 2010), Northam Platinum has contributed in excess of R 34 million towards mine and community developmental projects. This has contributed towards infrastructure development, poverty alleviation, education and skills development, to mention a few. Commitment is underway to further create a positive impact on the communities in 2017 and beyond.

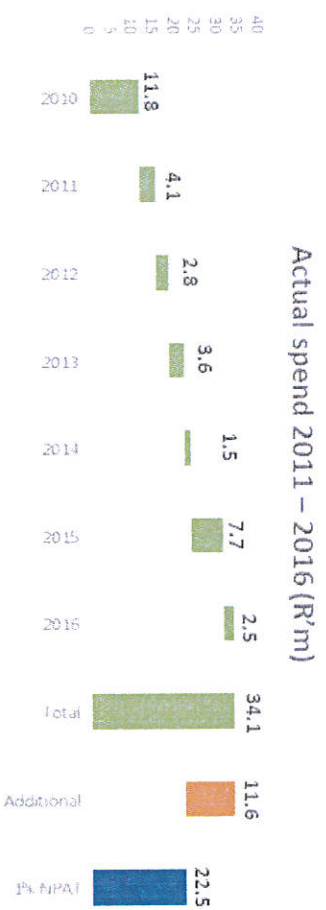


Figure 28: Annual spend on mine and community initiatives (2011 – 2016) against 1% NPAT target

Strategically, the Life Centre was created and named as such for its intension to create “life” in the Thabazimbi Local Municipality. It has been an ongoing, income generating project for the Thabazimbi community with its major focus on agricultural investment. The mine has also, throughout this period, contributed towards a feeding scheme which is aimed at assisting abused, orphaned and homeless children. Further towards poverty alleviation, the recreational club prepares lunch packs, between Mondays to Friday, to assist Setaria community school children for the entire duration specified above.



Northam Platinum has also greatly invested towards basic infrastructure development including electrification and upgrading roads and storm water system in the Mojuteng community and further investing on school infrastructure development during the stipulated period. Further infrastructure investment has been towards a computer services centre, which was aimed at developing learners and teachers' computer literacy skills. One development that Northam Platinum prides itself with is the Bursary Scheme funded in the Moses Kotane Local area. Its principle of creation was based on the historical disadvantages against black woman in mining where they have attracted Grade 10 – 12 learners and offering them monetary support towards development in a tertiary institution. This scheme further provides them bi-annual vacation work where on the job training is obtained.

3.1 Socio-Economic Development

Northam Platinum is committed to and embraces the responsibility vested upon it to contribute to the local mine and labour sending communities, by providing project and infrastructural support in pursuit of sustainable socio-economic upliftment.

In an effort to support the challenges faced by local municipalities with regards to service delivery and community development, Northam Platinum participated in a mining forum aimed to significantly improve communication and coordination between the mines and municipal representatives on large scale projects in order to improve on infrastructure and delivery in the area, for the benefit on the communities.

Post 1994, South Africa has strived to make lives of the previously disadvantaged communities better by ensuring that basic services, such as infrastructure, water and electricity, are delivered to those that need them the most. Prior to 1994, a large proportion of the South African population had limited access to these basic services which resulted in high demand. Understanding the urgency of this the government recognised the need to partner with private sector to assist in addressing these issues. Appreciative of this urgency and the need of such basic services to the communities that Northam Platinum operates in and around a future strategy has been crafted to address mine and community development priorities in line with the IDP's of the relevant municipalities, both labour sending and operational. Among the various priorities that exist, Northam Platinum has selected and agreed to focus on the four key initiative

areas, critical in addressing socio-economic development over the next 5 years (2016-2020). These key initiative areas include but are not limited to:

- Infrastructure development;
- Education;
- Poverty alleviation; and
- Income generation.

The intention is for these initiatives to effectively improve the living conditions of the relevant beneficiaries as well as directly contribute towards community upliftment, when implemented and managed correctly.

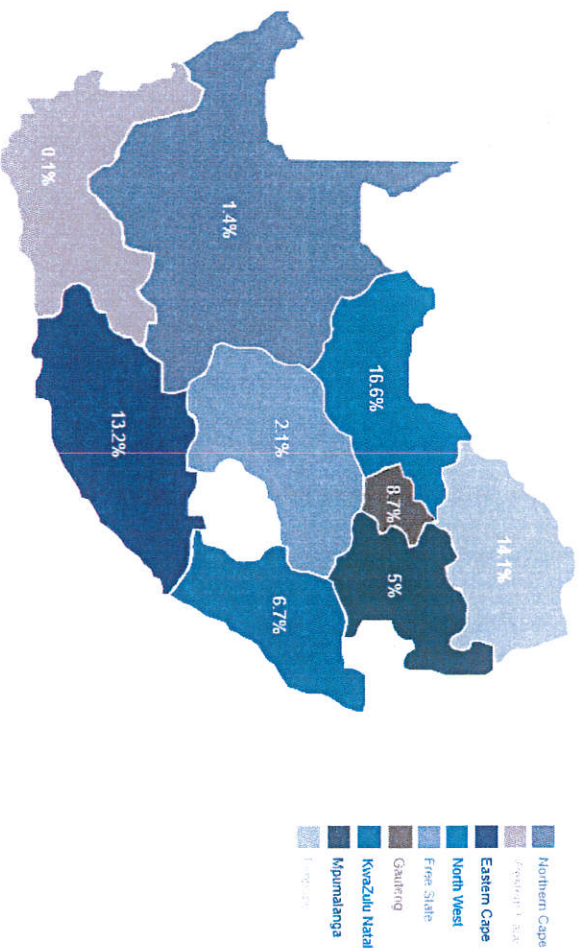
The community subject to the greatest impact by the mining operations at Zondereinde is the Thabazimbi Local Municipality. Contributions towards more sustainable socio-economic climate will be primarily focused on this community, with adequate socio-economic development projects in other needy labour sending areas. The IDP's of the mine community will be utilised as a data source to assist the company to identify suitable priority areas within which it can actively and effectively contribute. This is done together with consultations with the relevant stakeholders to ensure priorities are in line with actual community needs. Certain projects are and may be prioritised over those set out in IDP's due to the urgency associated with them, and Northam, in consultation and agreement with the communities' key stakeholders, apply prudence in selecting or prioritising same.

The objectives of each of the above mentioned priorities are set out below:

Priority	Intent	Identified opportunities/projects
Infrastructure development	<ul style="list-style-type: none"> Ensure internal housing development initiatives are in line with the spatial development priorities of the local municipalities; Provide integrated human settlements with jurisdiction of local municipalities to offer security, contribute towards building an inclusive community and improved economic and social security; and Contribute to the improvement of road, sewerage and electrical infrastructure wherever possible to ensure a better quality of life for local community members. 	<ul style="list-style-type: none"> Building infrastructure to develop computer literacy skills for learners and teachers Partnership with other mines and key stakeholders to give effect to an extensive Presidential Priority Project for Northam Town that had received this status during the 2015 Mining Phakisa process. Installation of CCTV cameras and procurement of mobile police unit to improve security in Northam town in Thabazimbi Local Municipality Installation of pre-paid electricity meters in Thabazimbi Local Municipality
Education	<ul style="list-style-type: none"> Investment in the quality of education; Encouraging pupils, with specific emphasis on HDSA and young girls to pursue careers in mining related fields; Assist government in the provision of "state of the art" equipment and technology; Provision of mentorship, tutoring and career guidance for pupils and educators; and Provision of programs on matters relating to primary health care. 	<ul style="list-style-type: none"> Complete phased infrastructure project at Mabogopedi Secondary School in Thabazimbi (Urgent priority project) School development program to support infrastructure and materials at Northam Platinum's mine and community labour sending schools
Income generation	<ul style="list-style-type: none"> Create jobs through enterprise development and active intervention within the supply chain of the company; Look at sustainable small business activities that will ultimately contribute towards job creation; and Encourage and facilitate the growth of new economic sectors that will strengthen the local economy and diversify its profile. Give effect to training to communities to enable micro-enterprise development in variety of areas 	<ul style="list-style-type: none"> Investment in community skills development centre aimed at improving education and skills levels of local communities Partnership with AngloGold Ashanti in the development of an Agricultural project in OR Tambo labour sending District
Poverty alleviation	<ul style="list-style-type: none"> Provide food parcels to needy school kids in within communities; and Provide donations to organisations that fight poverty 	<ul style="list-style-type: none"> Thabang feeding scheme Lunch packs for school children in the Northam area

3.1.1 Social and economic background information

Zondereinde mine's employee base emanates from a diversity of provinces in South Africa, with the majority coming from Limpopo, the North West and the Eastern Cape.



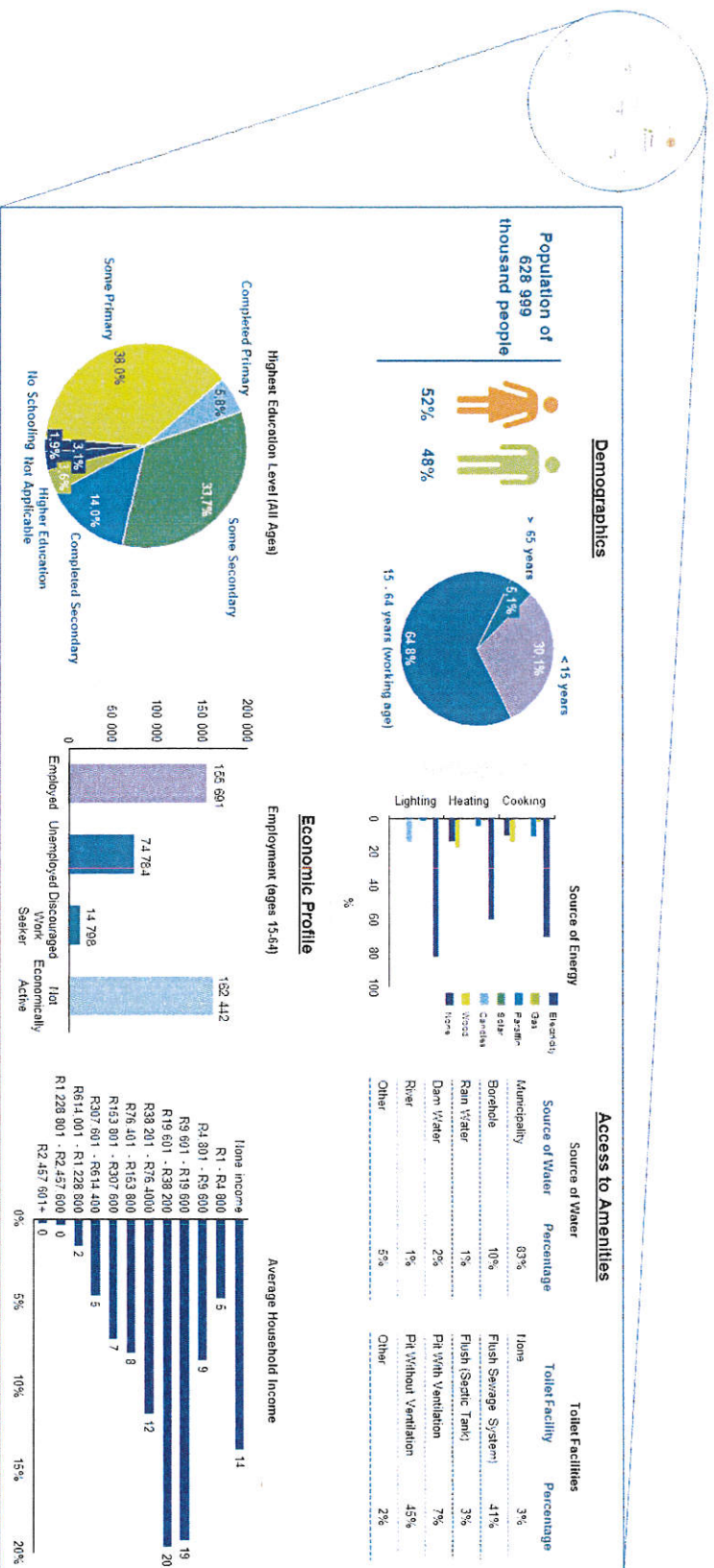
The mine and labour sending communities most directly impacted by the Zondereinde mining operation, however, are

- Polokwane Local Municipality in Limpopo – labour sending community
- Thabazimbi Local Municipality in Limpopo – mining community
- Waterberg District Municipality in Limpopo – mining community
- Rustenburg (Moses Kotane) District Municipality in the North West – labour sending community
- OR Tambo District Municipality in the Eastern Cape – labour sending community

The key social and economic information for each of the above are set out below:

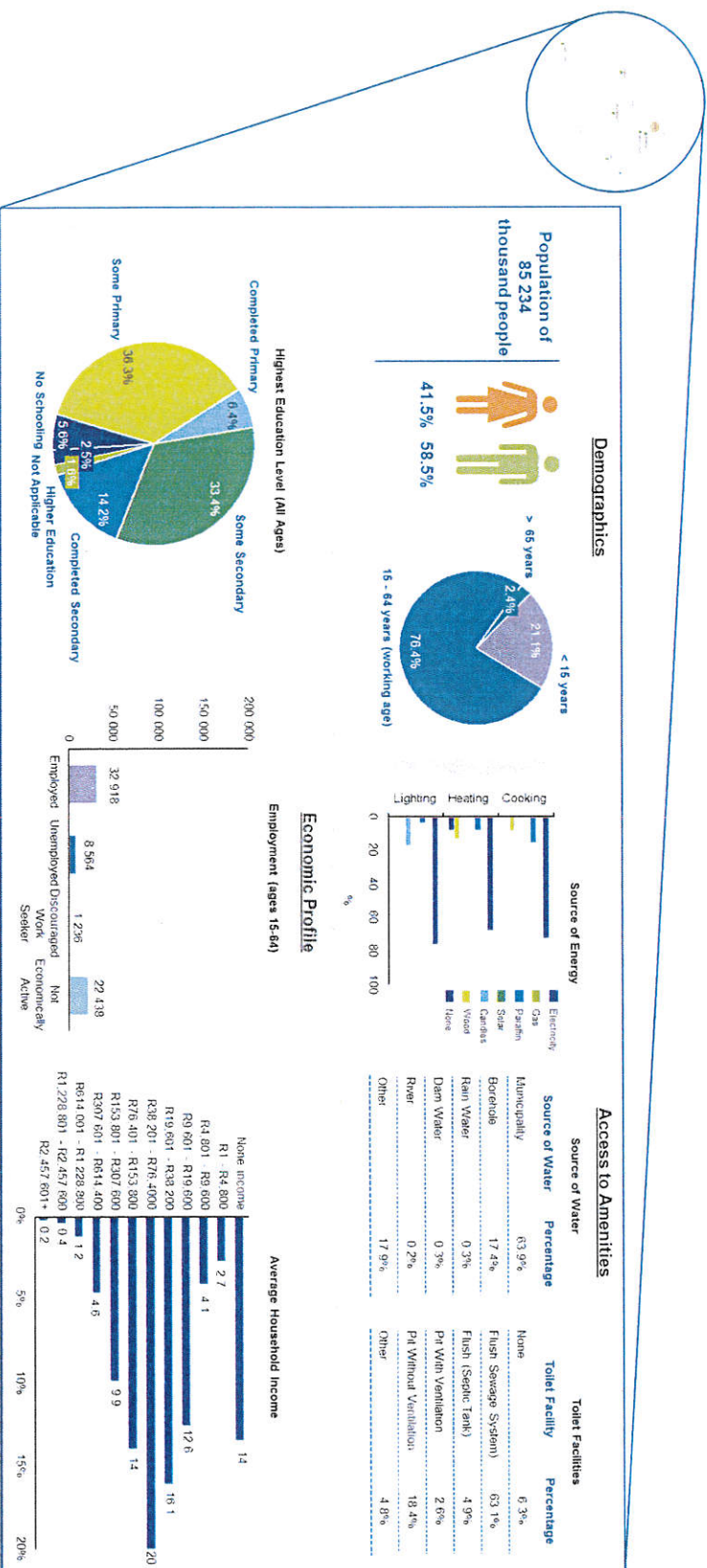
3.1.1.1 Polokwane Local Municipality

Polokwane Municipality is situated in the central part of the Limpopo Province. It shares borders with three other municipalities within Capricorn District as well as local municipalities in Mopani and Waterberg Districts. It is the largest metropolitan complex in the north and a major economic center with 38 wards. Its proximity to the neighboring countries of Botswana, Zimbabwe, Mozambique and Swaziland makes it an attractive tourist destination. The settlement types indicate that it is more urban than rural. Due to the established and economic stability and growth of Polokwane, Northam Platinum has decided to focus their mine and community spending on more impacted communities with greater needs.



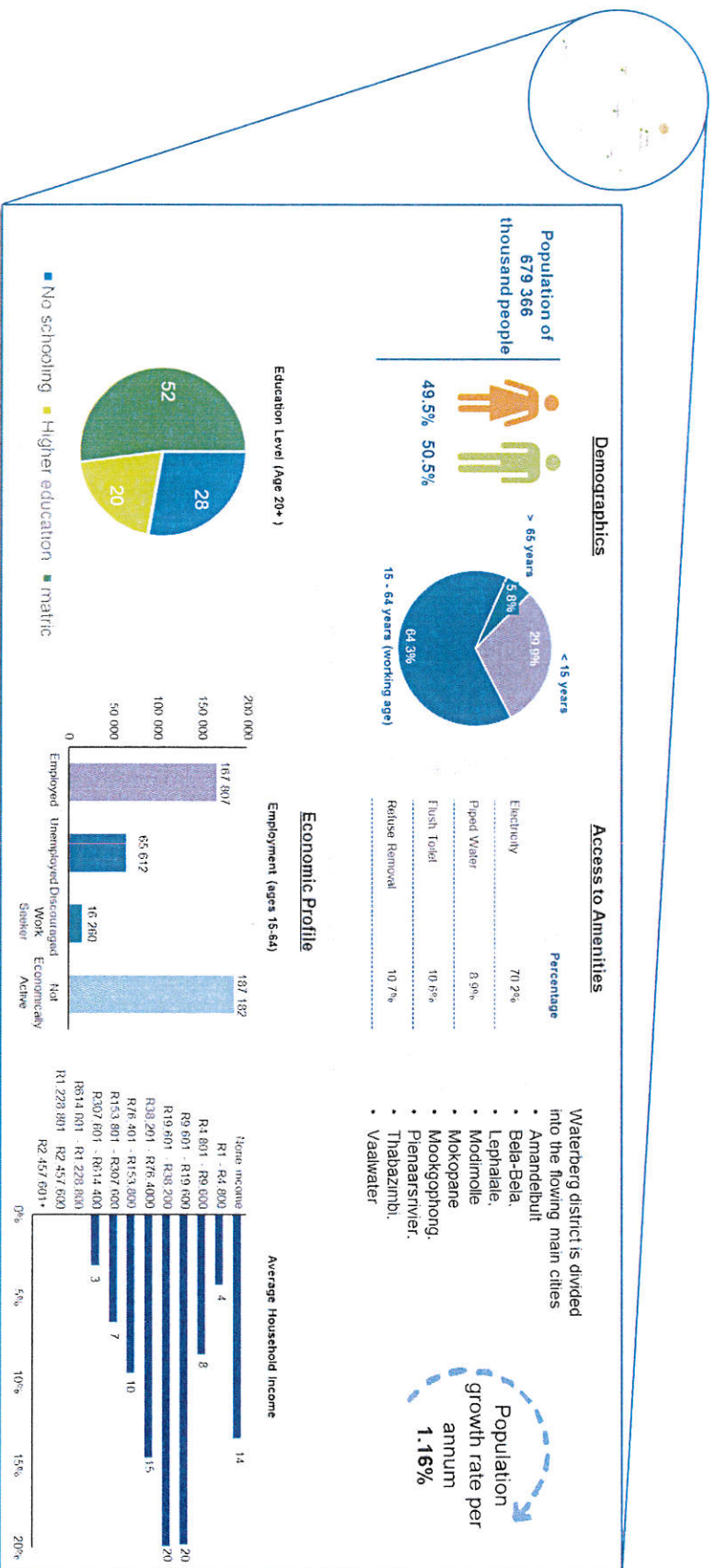
3.1.1.2 Thabazimbi Local Municipality

Thabazimbi Local Municipality is located within the Waterberg District Municipality in the south-western part of the Limpopo province. Thabazimbi is known as 'mountain of iron' and has been mined since the 1930s, when iron and steel production started. Apart from iron ore, the Thabazimbi Municipality is surrounded by platinum-producing areas. Agriculture has also proven to be a strong economic contributor, through commodities such as wheat, beans and maize. As the closest community to Zondereinde mine and the most impacted upon community, much of Northam Platinum's infrastructure, education, poverty alleviation and income generating projects are focused on this community.



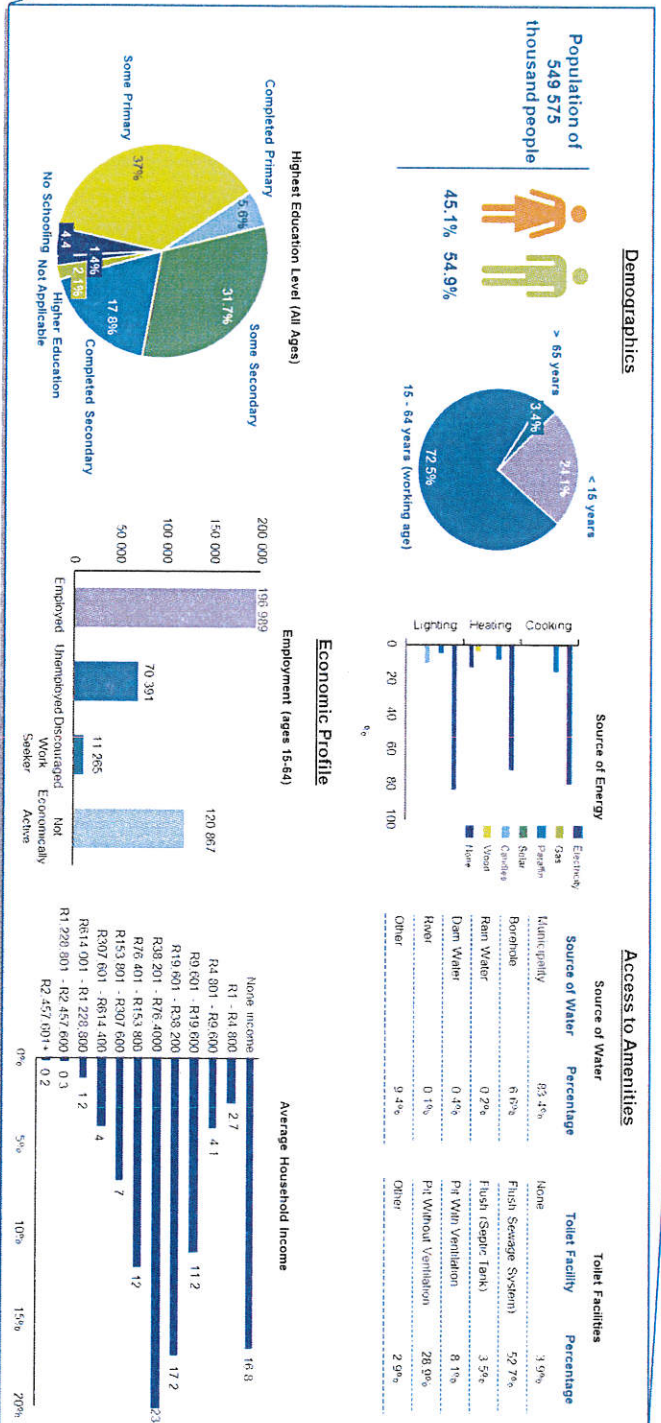
3.1.1.3 Waterberg District Municipality

The Waterberg District Municipality is located in the western part of the Limpopo Province. The municipality is the biggest district in the province, making up just more than a third of its geographical area. The region, as we know it today, is more than three million years old. With its great variety of wildlife, birds and outdoor activities, it is one of South Africa's prime ecotourism destinations. With Thabazimbi falling within this district municipality, the projects set out hereunder impact upon it as well.



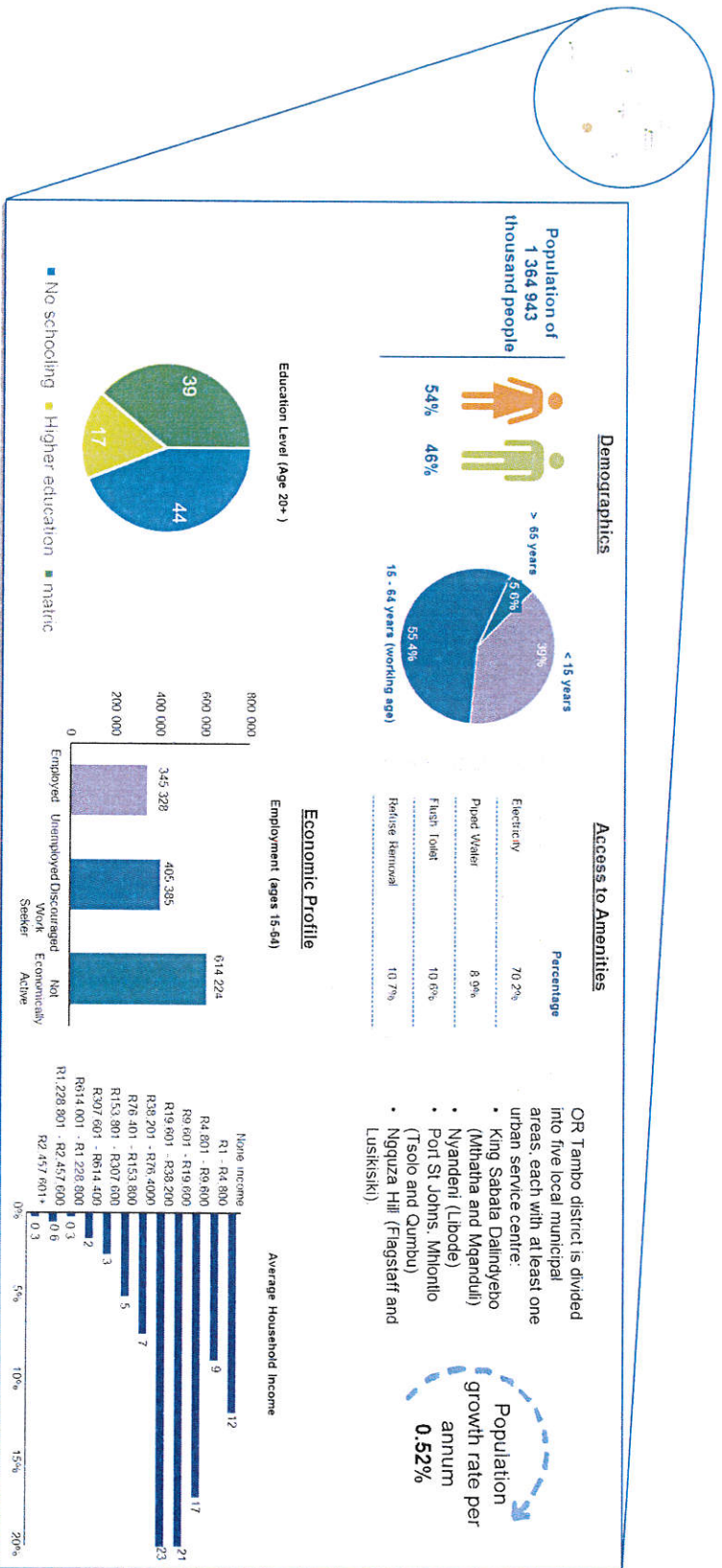
3.1.1.4 Rustenburg (Moses Kotane) District Municipality

Rustenburg Local Municipality is situated within the Bojanala Platinum District Municipality in the North West province. It is the fastest growing municipality in South Africa and the most populated municipality in the North West province with a growth rate of 3.5% from 2001 to 2011. As is the case with Polokwane, Rustenburg is established, economic stable and growing, as a result of which Northam Platinum has decided to focus their mine and community spending on more impacted communities with greater needs.

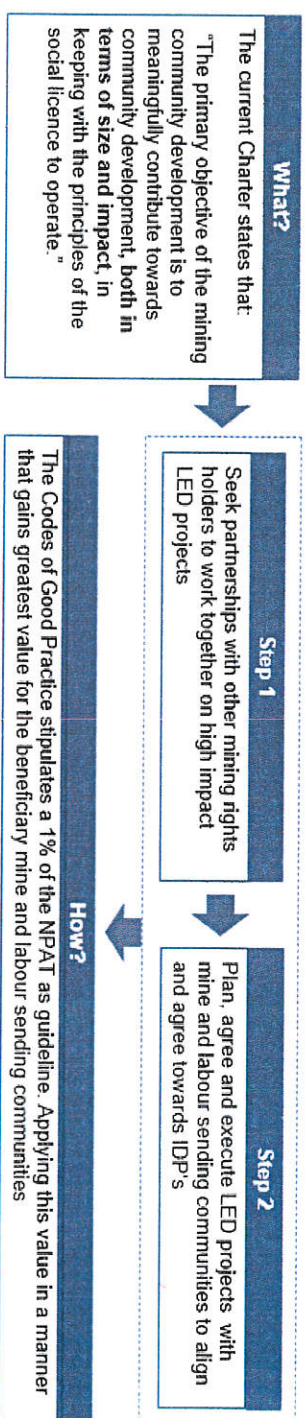


3.1.1.5 O.R. Tambo District Municipality

The OR Tambo District Municipality is located to the east of the Eastern Cape Province, on the coastline. Unemployment is high, as are dependency ratios, and many households are dependent on state pensions. Almost half the population is younger than 15, which creates a need for educational facilities and skills development. However, educational levels are low, with a high level of illiteracy. The district's poverty rate is higher than the provincial and national averages. The tertiary sector is the largest contributor to the municipality's economy.



With four affected mine and labour sending communities to support, two labour sending and two mining communities, a clear strategic approach is required to ensure that the lives of the people in the affected communities are not negatively impacted by the existence of Northam Platinum as a company, but rather socio-economic improvements are recognised even after the life of mine ends. More so, projects must address the most pressing of needs in the most impacted upon and struggling communities.



3.2 Key economic activities

Polokwane Local Municipality

Capricorn is the economic centre of Limpopo, with the provincial capital Polokwane contributing 13% of the provincial GDP. Polokwane has a number of manufacturing operations. The Zebediela Citrus Estate is one of the biggest citrus estates in South Africa, and the cultivation of potatoes and tomatoes is done on a large scale in the district.

The main economic sectors of Polokwane include:

- Community services (32.1%)
- Finance (21.5%)

- Wholesale and retail trade (18.3%)
- Transport (11.7%)
- Manufacturing (4.8%)
- Mining (4.2%)

Thabazimbi Local Municipality

Thabazimbi municipality has demonstrated to be a prominent economic hub within the country. The municipality has got strong potential in the primary commodity sector namely agriculture and mining. The mining and mineral sector has depicted tremendous growth in the past few years. Agriculture has also proven, in addition to mining to be a strong economic sector in the municipality. Agricultural commodities produced include wheat, beans and maize. The rich soil within the municipality and availability of water resources will give investors an enabling environment for agricultural development.

The main economic activities in Thabazimbi include:

- Mining
- Agriculture
- Tourism

Waterberg District Municipality

The mining sector is the largest contributor to regional GDP, while agriculture is also significant. Several towns in the district are located in the mineral-rich Bushveld Complex. The district also features the riches of the Waterberg Coal Fields, iron ore (at Thabazimbi) and tin and platinum at Mookgophong. The town of Lephalale is at the heart of the region's coal-mining and power-generation sectors. The area around Mokopane is one of the richest agricultural zones in South Africa, producing wheat, tobacco, cotton, beef, maize and peanuts. The hot springs of Bela-Bela mark it as a popular tourism destination, and the district offers many luxury golf estates.

The main economic sectors of Waterberg include:

- Agriculture
- Tourism
- Mining

Rustenburg (Moses Kotane) District Municipality

The Mining industry remains the backbone of the district's economic output. It is said 94% of the country's platinum is found in the Rustenburg and Brits areas which areas are also said to produce more platinum than any other single area in the world. Agricultural activities account for 19% of the district's land area and are mainly consist of maize and sunflower which are in abundance in the District.

Main economic activities in Rustenburg include:

- Mining
- Trade
- Agriculture
- Manufacturing

OR Tambo District Municipality

The government sector makes a significant contribution to the GDP of the municipality with a total contribution of 56%, followed by wholesale (8.7%), retail (7.8%) and agriculture & hunting at 7.4%. The remaining sectors have a contribution of less than 5% each which hampers the economic growth of the area.

Main economic activities include:

- Community services
- Trade
- Finance
- Agriculture
- Mining
- Transport
- Manufacturing
- Construction

3.3 Negative impact of the mining operation

Northam Platinum is aware of and actively monitoring possible negative impacts of its Zondereinde mining operation. At present, potential environmental impacts are highest on the list of considerations and actions have been taken to identify these potential risks so that they may be prevented or mitigated. The four key identified areas were the waste rock dump, tailings dam, landfill sites, as well as sewer treatment plant which all have direct impact on ground water pollution and contamination. As part of mitigation techniques, regular inspections and maintenance of key equipment is conducted, coupled with ongoing monitoring exercises of all potentially impacted areas using various techniques (led by specialists in the respective fields) to enable swift action where and if necessary.

3.4 Developmental projects to be implemented

Table 21: Mining community spend budget

PROJECT NAME & TYPE	2016	2017	2018	2019	2020	TOTAL
Infrastructure Initiatives						R 42 700 000
Computer Service Centre		R 100 000				R 100 000
Police Mobile Unit		R 600 000				R 600 000
CCTV Cameras		R 750 000	R 750 000			R 1 500 000
Northam Integrated Human Settlement Programme				R 5 000 000	R 5 000 000	R 10 000 000
Prepaid Meter Installation and Repair			R 2 000 000	R 2 000 000	R 1 000 000	R 5 000 000
Community Service Restoration Project (sewerage and potholes)			R 2 000 000			R 2 000 000
Rebuild of Koedoeskop Road		R 7 500 000	R 7 500 000	R 7 500 000		R 22 500 000
Community Park			R 1 000 000			R 1 000 000
Income Generating						R 17 100 000
Community Skills Development Centre	R 1 100 000	R 1 000 000	R 2 000 000	R 3 000 000	R 5 000 000	R 12 100 000
Labour Sending Areas			R 1 000 000	R 2 000 000	R 2 000 000	R 5 000 000
Education (Incl. Infrastructure development)						R 10 200 000
Mabogopedi Secondary School - Restoration		R 800 000	R 1 800 000	R 1 900 000	R 1 000 000	R 5 500 000
Spitkop Special Needs School – Equipment		R 1 000 000				R 1 000 000
Chrome Mine Primary School – Equipment upgrade and repair		R 300 000	R 400 000			R 700 000
Maths and Science Support			R 1 000 000	R 1 000 000	R 1 000 000	R 3 000 000
TOTALS	R 1 100 000	R 12 050 000	R 19 450 000	R 22 400 000	R 15 000 000	R 70 000 000

The total amount that will be spent between 2016 and 2020 towards mining and community development is R 70.74 million and is broken down as per the above, as well as a further R240.75 million in housing projects that brings all mine and local economic development spend to R311.49 million.

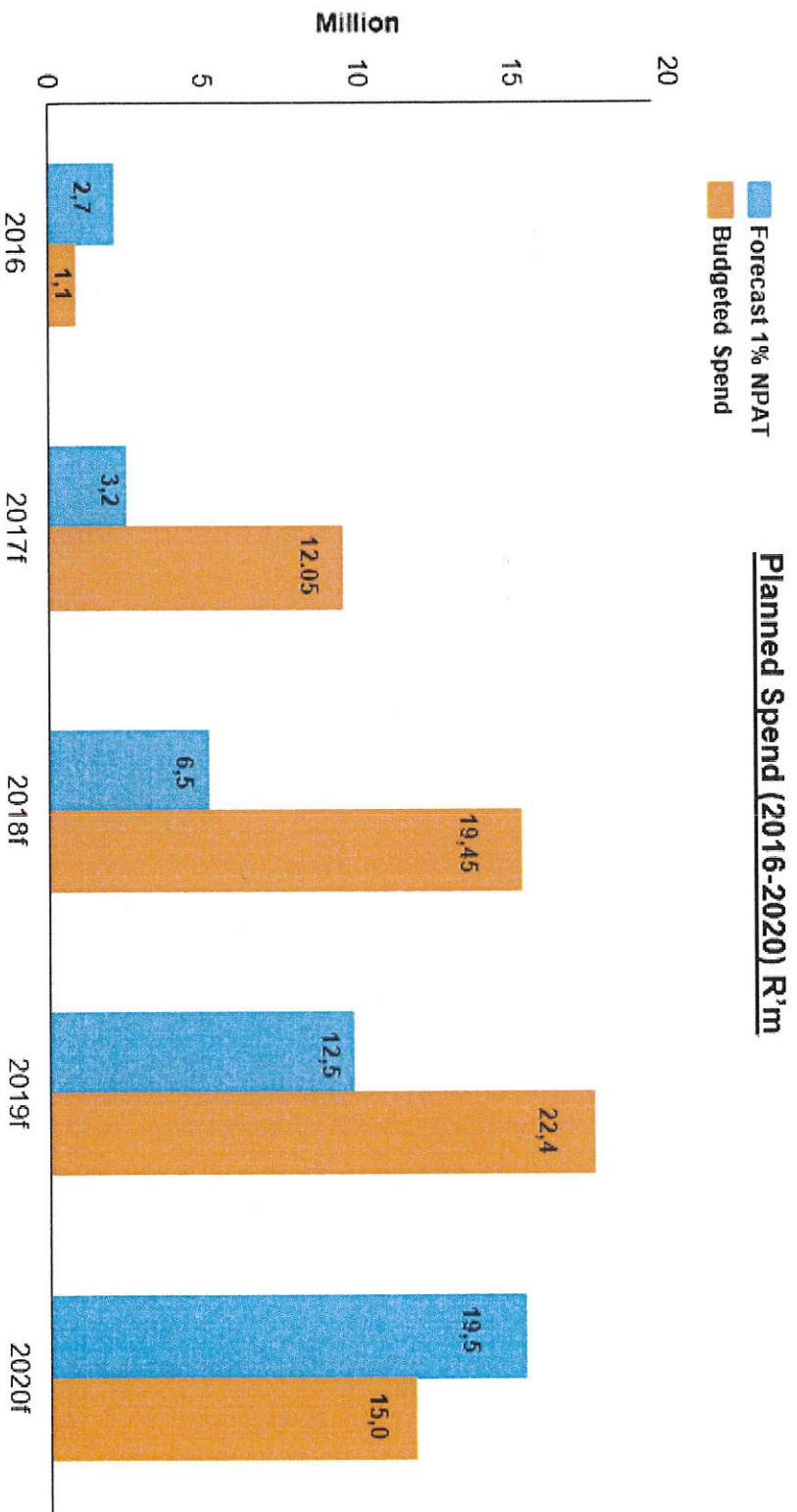
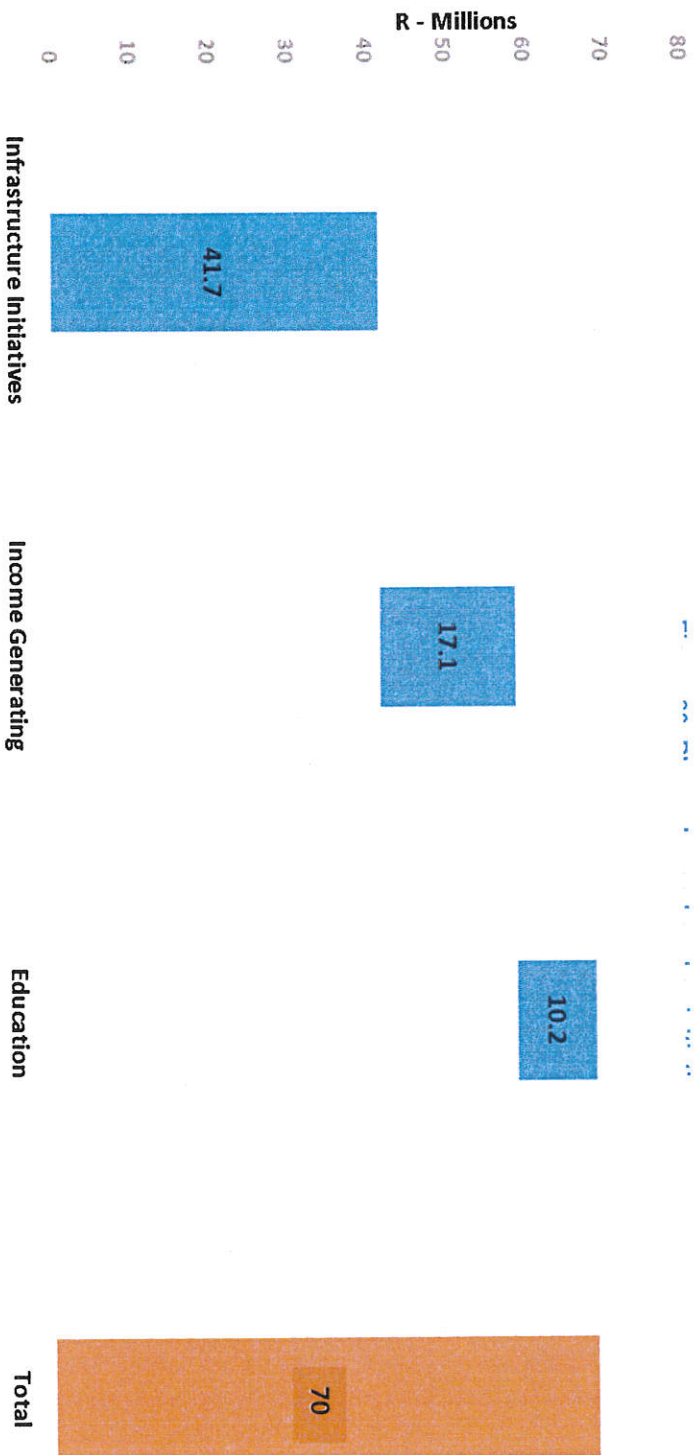


Figure 29: Planned Spend (2016-2020)

Project spend budget as per key initiative area (2016 - 2020)



Project name		Computer Service Centre				Infrastructure Development	
Background	According to the latest educational analysis, only 1.6% of the Thabazimbi population has completed some form of tertiary qualification. This indirectly implies the lack of access to basic educational tools like computers. As means to improve on computer literacy for Northam Platinum's employees and consequently the community at large, the company has invested in a computer services centre. The infrastructure provided is aimed at both learners and teachers and is believed to have positive impact onto the community at large.						
Geographical location of project	District Municipality	Local Municipality	Village name	Project start date	Project end date		
	Waterberg District Municipality	Thabazimbi Local Municipality		2017	2017		
Output	Key Performance Area	Key Performance Indicator	Responsible entity (inclusive of all role players)	Quarterly timelines and year	Quarterly timelines and year	Quarterly timelines and year	Budget
	Education and infrastructure	<ul style="list-style-type: none"> Increased computer literacy Connection and usage of internet by community Basic computer maintenance performed by community 	<ul style="list-style-type: none"> Thabazimbi community Northam Platinum Ltd. 				R 0.1 million
Classification of jobs	Number of jobs to be created	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments
Short term	8					8	Difficult to determine gender and age of employment profile
Medium term							
Long term							

Project name		Police mobile unit			Infrastructure Development		
Background	High crime rates, lack of infrastructure and people resources has been a constant challenge in the country. Northam's local community is no different as crime rates have increased over the past couple of years due to suspected low unemployment rates, and existence of socio-economic imbalances. As a result, Northam Platinum has partnered with the law enforcement department with an intention to assist reduce crime related activities and further improve the security of the community at large. A mobile police unit was identified as a measure to assist police to be visible in the community and further assist towards creating a secure environment.						
Geographical location of project	District Municipality	Local Municipality	Village name	Project start date	Project end date		
	Waterberg District Municipality	Thabazimbi Local Municipality		2017	2017		
Output	Key Performance Area	Key Performance Indicator	Responsible entity (inclusive of all role players)	Quarterly timelines and year	Quarterly timelines and year	Quarterly timelines and year	Budget
	<ul style="list-style-type: none"> Security 	<ul style="list-style-type: none"> Increased police visibility Reduced crime related activities 	<ul style="list-style-type: none"> Limpopo provincial police department Northam Platinum Ltd. 				R 0.6 million
Classification of jobs	Number of jobs to be created	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments
Short term	18					18	Difficult to determine gender and age of employment profile
Medium term							
Long term							

Project name		Community skills development centre			Income generating							
Background	<p>Communities realise the need for residents to be equipped with portable skills post the existence of the mine. In addition, communities around the mine require upliftment of skills in order to offer greater employment and entrepreneurial opportunities. After consultations with the organised labour, who then conducted a need's assessment, the following skills were identified to be of benefit to the employees:</p> <ul style="list-style-type: none"> • Driving; • Shoe making; • Candle making; • Catering management; and • Basic mechanics. 											
Geographical location of project	District Municipality	Waterberg District Municipality	Local Municipality	Thabazimbi Local Municipality	Village name		Project start date	2016	Project end date	2020	Budget	R 12.1 million
	Key Performance Area	Key Performance Indicator	Responsible entity (inclusive of all role players)	Quarterly timelines and year	Quarterly timelines and year	Quarterly timelines and year						
Output		<ul style="list-style-type: none"> • Developed micro enterprises • Developed skills in agriculture and related fields 	<ul style="list-style-type: none"> • Northam Platinum Municipality • Thabazimbi Local Municipality • Organised labour 									
Classification of jobs	Number of jobs to be created	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments					
Short term	20					20						
Medium term												
Long term												

Project name		Mabogopedi Secondary School				Education and Infrastructure Development			
Background	Education has been identified by the National Government Priorities as the most important investment that the country has to make. Part of this is the infrastructure that creates an enabling environment for the children to learn and further improves the quality of education. Ablution, environmental conditions as well as infrastructure are vital towards children's dignity. Mabogopedi Secondary is in an inappropriate condition, from environmental conditions to ablution facilities.								
Geographical location of project	District Municipality	Local Municipality	Village name	Project start date	Project end date				
	Waterberg District Municipality	Thabazimbi Local Municipality		2017	2020				
Output	Key Performance Area	Key Performance Indicator	Responsible entity (inclusive of all role players)	Quarterly timelines and year	Quarterly timelines and year	Quarterly timelines and year	Budget		
	<ul style="list-style-type: none"> Education and infrastructure 	<ul style="list-style-type: none"> Improved conditions of the school Improved quality of education School functioning appropriately 	<ul style="list-style-type: none"> Mabogopedi Secondary School Northam Platinum Ltd. 				R 5.5 million		
Classification of jobs	Number of jobs to be created	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments		
Short term	15					15			
Medium term									
Long term									



Project name		Debt rehabilitation initiative			Poverty Alleviation		
Background	<p>Sadly, due to the historic socio-economic imbalances in South Africa, many employees have not previously had access to home ownership – a trend Northam Platinum is actively endeavouring to reverse.</p> <p>Against this unfortunate backdrop, Northam Platinum believes the provision of housing solutions should be accompanied by active engagement with employees and communities to educate them on the various considerations associated with home ownership.</p> <p>Chartwell Housing Finance Solution (Pty) Ltd has been contracted by Northam Platinum to provide information, training and counselling on financial planning, home ownership, home maintenance, budgeting, planning and servicing.</p> <p>In addition, Setsmol CC provides training on credit literacy and wellbeing. The company intends to consistently support employees with awareness, consultation services and facilitation of finance opportunities to purchase their own homes.</p>						
Geographical location of project	District Municipality	Local Municipality	Village name	Project start date	Project end date		
	Waterberg District Municipality	Thabazimbi Local Municipality		2016	2020		
Output	Key Performance Area	Key Performance Indicator	Responsible entity (inclusive of all role players)	Quarterly timelines and year	Quarterly timelines and year	Quarterly timelines and year	Budget
	<ul style="list-style-type: none"> Financial health of employees 	<ul style="list-style-type: none"> Reduced debt Increased disposable income 	<ul style="list-style-type: none"> Northam Platinum employees Northam Platinum Ltd. 				R 1.74 million
Classification of jobs	Number of jobs to be created	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments
Short term	2					2	
Medium term							
Long term							

Project name	CCTV cameras for Northam town		Infrastructure Development (Security)			
Background	<p>It is common that, where there is growth in population and infrastructure, there is an increased realisation of fraudulent activities. The further existence of informal settlements and increased unemployment rate has negative impact on the wellbeing of communities. In areas where there is an imbalance of socio-economic activities there is bound to be high level of crime unaccounted for due to the low ratio between officials and population size.</p> <p>Although Northam Platinum is working tirelessly to address the aforementioned imbalance, the rate is not as speedy as the criminal activities noticed in the area.</p> <p>In response to this, and most importantly for the security of the communities and employees of Northam Platinum's operation, assistance towards CCTV camera installation in the Northam town is realised. This will assist law enforcers to identify and deal with law breakers and try and contain the safety of the community at large.</p>					
Geographical location of project	District Municipality	Local Municipality	Village name	Project start date	Project end date	
	Waterberg District Municipality	Thabazimbi Local Municipality		2017	2018	
Output	Key Performance Area	Key Performance Indicator	Responsible entity (inclusive of all role players)	Quarterly timeliness and year	Quarterly timeliness and year	Quarterly timeliness and year
	<ul style="list-style-type: none"> Security 	<ul style="list-style-type: none"> Safe and secure community Reduce crime related activities 	<ul style="list-style-type: none"> Thabazimbi Local Municipality Northam Platinum Ltd. 			
Classification of jobs	Number of jobs to be created	Male Adults	Female Adults	Male Youth	Female Youth	Total
Short term	6					6
Medium term						
Long term						
						Comments
						R 1.5 million

Project name		Northam Integrated human settlement project			Infrastructure Development		
Background	<p>A grouping of key stakeholders has engaged in a partnership (or joint venture) through mutually identified programmes to realise a commitment to improving the built environment landscape for communities in Northam Town in the Thabazimbi Local Municipality.</p> <p>This project was initiated by Anglo American Platinum and has become a Presidential Priority Project that had received status during the 2015 Mining Phakisa process. It also forms an integral part of Special Presidential Package (SPP) for the revitalisation of distressed mining communities. As a result of its location (in Limpopo's Waterberg Mineral Belt) it is categorised as a Strategic Integrated Program (SIP) 1 project and will be implemented within the Northam Urban Node in the Thabazimbi Local Municipality.</p> <p>The implementation of the project will be linked to the broader economic diversification and regional transformation agenda for Lephalale and the greater Waterberg Belt in general.</p> <p>Northam Platinum is a proud participant in this Presidential priority project and will contribute R10 million to the infrastructure and land needs of their portion thereof.</p>						
Geographical location of project	District Municipality	Local Municipality	Village name	Project start date	Project end date		
	Waterberg District Municipality	Thabazimbi Local Municipality		2019	2020		
Output	Key Performance Area	Key Performance Indicator	Responsible entity (inclusive of all role players)	Quarterly timelines and year	Quarterly timelines and year	Quarterly timelines and year	Budget
	<ul style="list-style-type: none"> Infrastructure 	<ul style="list-style-type: none"> Availability of decent and sustainable housing and amenities Created transport networks, logistics hubs, tourism, agriculture and other economic opportunities 	<ul style="list-style-type: none"> Housing developmental agency National department of human settlement Limpopo department of cooperative governance, human settlements and traditional affairs Thabazimbi local municipality Northam Platinum Ltd. Rustenburg Platinum Mines Ltd. Anglo Platinum Ltd 				R 10 million
Classification of jobs	Number of jobs to be created	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments

Project name		Pre-paid meter installation				Infrastructure Development				
Background	<p>Prior to 1994, very few South African communities had access to basic services such as electricity. After metered electricity infrastructure was put in place, there was a realised need for households to be able to constantly manage their consumption in line with local communities drive towards energy conservation.</p> <p>For this reason, Northam Platinum has committed to assist with installation of pre-paid electricity meters in Thabazimbi Local Municipality. This assists Thabazimbi Local Municipality to further improve their own revenue generation for the greater upliftment of the local municipality as a whole.</p>									
Geographical location of project	District Municipality		Local Municipality		Village name		Project start date		Project end date	
	Waterberg District Municipality		Thabazimbi Local Municipality				2018		2020	
Output	Key Performance Area	Key Performance Indicator		Responsible entity (inclusive of all role players)	Quarterly timeliness and year	Quarterly timeliness and year	Quarterly timeliness and year	Budget		
		<ul style="list-style-type: none"> Electricity consumption 	<ul style="list-style-type: none"> Installed prepaid electricity units 						<ul style="list-style-type: none"> Thabazimbi Local Municipality Northam Platinum Ltd. 	R 5.0 million
Classification of jobs	Number of jobs to be created	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments			
Short term	10					10				
Medium term										
Long term										

Project name		Spiskop Special Needs School			Education and Infrastructure Development		
Background		<p>The National Government Priorities has identified education as the most important area that the country has to invest in. Part of this is the infrastructure that creates an enabling environment for the children to learn and further improves the quality of education. Ablution, environmental conditions as well as infrastructure are vital towards children's dignity.</p> <p>Special needs children have necessities that are vital to their wellbeing and when met in a school environment, learning may be greatly encouraged. One of the areas of lack that has been identified by Northam Platinum is temperature control. Learners are unable to perform to the best of their abilities due to class disruptions and reduced concentration which can be attributed to an unfavourable environment as a result of extreme heat or cold conditions. In order to alleviate this problem, Northam Platinum will undertake the responsibility to install energy saving cooling/heating systems in all classrooms and the main building.</p>					
Geographical location of project	District Municipality	Local Municipality	Village name	Project start date	Project end date		
				2017	2017		
Output	Key Performance Area	Key Performance Indicator	Responsible entity (inclusive of all role players)	Quarterly timelimes and year	Quarterly timelimes and year	Quarterly timelimes and year	Budget
	<ul style="list-style-type: none"> Education 	<ul style="list-style-type: none"> Improved infrastructure of the school Increased well-being of school children Improved quality of education 					R 1 million
Classification of jobs	Number of jobs to be created	Male Adults	Female Adults	Male Youth	Male Youth	Total	Comments
Short term	2					2	
Medium term							
Long term							

Project name		Chrome Mine Primary School			Education and Infrastructure Development		
Background	<p>Chrome Mine Primary School is situated in the informal settlement called Smashblock, 16 kilometres from Northam Platinum Zondereinde mine.</p> <p>The following conditions are deemed to be unfavourable:</p> <ol style="list-style-type: none"> 1. Classes are overcrowded 2. Offices are needed for the deputy principal & head of department who were recently appointed, but do not have offices in which to perform their duties 3. Offices are needed for two administrators to perform the school's administration, and also financial assistance to remunerate them as they have been working on volunteering basis 4. A photocopying machine is required urgently as tuition material for the students in the lower grades is produced at the school. 5. Funding is required to purchase learning and teaching support materials, especially for Mathematics, Science and Technology. These are not provided by the Department of Education. 6. Office furniture, classroom desks and teachers' tables in the classrooms are required. <p>It is envisaged that Northam Platinum Limited will take on the task to meet these needs.</p>						
Geographical location of project	District Municipality	Local Municipality	Village name	Project start date	Project end date		
				2017	2018		
Output	Key Performance Area	Key Performance Indicator	Responsible entity (inclusive of all role players)	Quarterly timeliness and year	Quarterly timeliness and year	Quarterly timeliness and year	Budget
	<ul style="list-style-type: none"> • Education 	<ul style="list-style-type: none"> • Improved infrastructure of the school 					R 0.7 million
Classification of jobs	Number of jobs to be created	Male Adults	Female Adults	Male Youth	Male Youth	Total	Comments
Short term	5					5	
Medium term							
Long term							

Project name		Koedoeskop Road Upgrade			Infrastructure Development		
Background	<p>Due to financial constraints experienced by the Thabazimbi Local Municipality, infrastructure delivery has immensely slowed down. Koedoeskop road is currently a gravel road that runs adjacent and to the west of the Crocodile River. Northam Platinum seeks to improve the lives of the people that use this road by surfacing portions of the road while taking the following facts into consideration:</p> <ul style="list-style-type: none"> • It requires numerous small culverts to accommodate drainage towards the river • The topography is gentle and no large cuts or fills are anticipated • The road traverses mostly unfavourable in situ soil conditions requiring the importation of dump rock 						
Geographical location of project	District Municipality	Local Municipality	Village name	Project start date	Project end date		
	Waterberg District Municipality	Thabazimbi Local Municipality		2018	2020		
Output	Key Performance Area	Key Performance Indicator	Responsible entity (inclusive of all role players)	Quarterly timeliness and year	Quarterly timeliness and year	Quarterly timeliness and year	Budget
	<ul style="list-style-type: none"> • Infrastructure 	<ul style="list-style-type: none"> • Improved infrastructure 					R 22.5 million
Classification of jobs	Number of jobs to be created	Male Adults	Female Adults	Male Youth	Male Youth	Total	Comments
Short term	20					20	
Medium term							
Long term							

Project name		Access Road Construction			Infrastructure Development		
Background	Thabazimbi Local Municipality has financial constraints resulting in slow infrastructure delivery. Roads are required in Thabazimbi in order to increase access to vibrant permeable communities. The impassability of the rural access roads also hampers the provision of basic social services, such as health, education and information. During raining seasons, the community finds it difficult to reach their workplaces or schools due to poor road conditions. It is envisaged that Northam Platinum Limited will assist with construction of an access road.						
Geographical location of project	District Municipality	Local Municipality	Village name	Project start date	Project end date		
	Waterberg District Municipality	Thabazimbi Local Municipality		2018	2018		
Output	Key Performance Area	Key Performance Indicator	Responsible entity (inclusive of all role players)	Quarterly timeliness and year	Quarterly timeliness and year	Quarterly timeliness and year	Budget
	<ul style="list-style-type: none"> Infrastructure 	<ul style="list-style-type: none"> Improved infrastructure 					R 2 million
Classification of jobs	Number of jobs to be created	Male Adults	Female Adults	Male Youth	Male Youth	Total	Comments
Short term	6					6	
Medium term							
Long term							

Project name		Labour Sending Areas			(Classification)		
Background	A substantial number of the Northam Platinum Ltd Zondereinde employees are based in Moses Kotane Local Municipality in North West. Besides the host communities, the following highest source of employees by province is the Eastern Cape (13.2%). Northam's employees come mainly from the OR Tambo district municipality. It is envisaged that support will be given to Moses Kotane Local Municipality as well as a local municipality in the OR Tambo district municipality.						
Initial engagements have been started with Moses Kotane on the requirements of their Integrated Development Plan (IDP). No projects have as yet been identified. The appropriate local municipality at OR Tambo is also yet to be identified. Provision is being set aside so that when the engagements on the IDP are concluded, the agreed-to projects can be financed.							
Geographical location of project	District Municipality	Local Municipality	Village name	Project start date	Project end date		
	Bojanala OR Tambo	Moses Kotane TBC		2018	2020		
Output	Key Performance Area	Key Performance Indicator	Responsible entity (inclusive of all role players)	Quarterly timelines and year	Quarterly timelines and year	Quarterly timelines and year	Budget
							R 5 million
Classification of jobs	Number of jobs to be created	Male Adults	Female Adults	Male Youth	Male Youth	Total	Comments
Short term	4					4	
Medium term							
Long term							

Project name		Establishment of a community park in Northam Ward 8				Infrastructure Development								
Background	<p>Thabazimbi Local Municipality has financial constraints resulting in slow infrastructure delivery. The Municipality has been found wanting in terms of meeting prescribed minimum standards pertaining to some of its obligatory mandates, including provision or upgrading of sport and recreation facilities.</p> <p>The Northam Community does not have a proper recreation facility and there is an area earmarked for such an activity. At this point in time, community members are illegally occupying the area that is demarcated for recreational facility in Ward 8. Thabazimbi Local Municipality requests that Northam Assists by developing a new Park.</p> <p>A letter of request has been received and is available.</p>													
Geographical location of project	District Municipality	Waterberg District Municipality	Local Municipality	Thabazimbi Local Municipality	Village name		Project start date	2018	Project end date	2018	Budget			
	Key Performance Area		Key Performance Indicator		Responsible entity (inclusive of all role players)		Quarterly timelines and year		Quarterly timelines and year		Quarterly timelines and year			
Output		<ul style="list-style-type: none"> Infrastructure 		<ul style="list-style-type: none"> Improved infrastructure 										
Classification of jobs	Number of jobs to be created		Male Adults		Female Adults		Male Youth		Male Youth		Total	7	Comments	
Short term	7													
Medium term														
Long term														

3.5 Housing and Living Conditions

Adequate housing and living conditions are pivotal towards improved employees' productivity and directly impacts to the wellbeing and human dignity of the mine workers. This further has a direct impact on the mining communities and most importantly their socio-economic well-being.

Section 2.7 of the **Broad Based Black-Economic Empowerment Charter for the South African Mining and Minerals Industry** (Mining Charter) states that:

"Human dignity and privacy of mine workers are still the hallmarks to enhance the productivity and expedite transformation in the mining industry in terms of housing and living conditions." In association with this, **Regulation 46 of the Mining and Petroleum Resources Development Act (MPRDA)** requires Mining companies to undertake the following:

- Provide Accommodation options to employees;
- Implement a project to upgrade residences;
- Implement projects to develop family units;
- Promote home ownership; and
- Improve and manage nutrition.

Northam Platinum have invested heavily in the conversion and upgrading of hostels through a structured Hostel Refurbishment Programme. In addition, several home ownership initiatives have been implemented to the benefit of our employees, details of which are set out hereunder.



The results of this investment and endeavour is that Northam Platinum will comply fully with the Mining Charter scorecard element of housing and living conditions by 2017 (mid-way through this 2016 – 2020 SLP period), on completion of the final single person accommodation units:

Table 22: Housing and Living spend budget

PROJECT NAME & TYPE	2016	2017	2018	2019	2020	TOTAL
Housing Projects	R 31 650 000	R 52 600 000	R 62 000 000	R 55 500 000	R 39 000 000	R 240 750 000
Debt Rehabilitation Initiative	R 240 000	R 300 000	R 350 000	R 400 000	R 450 000	R 1 740 000
TOTALS	R 31 890 000	R 52 900 000	R 62 350 000	R 55 900 000	R 39 450 000	R 242 490 000

Table 23: Performance of housing and living conditions against mining charter

SCORECARD FOR THE BROAD BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING AND MINERALS INDUSTRY		PROGRESS ACHIEVED												
ELEMENT	DESCRIPTION	COMPLIANCE TARGET	2010											
			2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Housing and living conditions	Maintaining a one person occupancy rate	Occupancy rate of one person	Base line	-	-	13%	39%	72%	89%	100%	100%	100%	100%	100%
	Conversion & upgrading of hostels to family units	Family units established	Base line	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Facilitate for home ownership through buying of homes	Home ownership facilitation in line with integrated community development policies		Introduction of: <ul style="list-style-type: none"> • Mofuteng home ownership scheme, 386 units sold and occupied already out of 414 • Mogwase home ownership scheme, 6 out of 24 units sold already • Open market partial interest free home loan solutions, which have seen 14 employees benefiting, with bond amount totalling over R 19,5 million • Ext. 10 which has capacity to build further units 										

Exclusive of the additional investments made through its subsidiary, Norplats Properties Pty Ltd (detailed below), over the past 10 years Northam Platinum has spent just short of R 200 million on improving housing and living conditions. This spend includes the renovating, remodelling and building of new accommodation, to meet requirements set by the MPRDA and Mining Charter.



Housing & living conditions spend

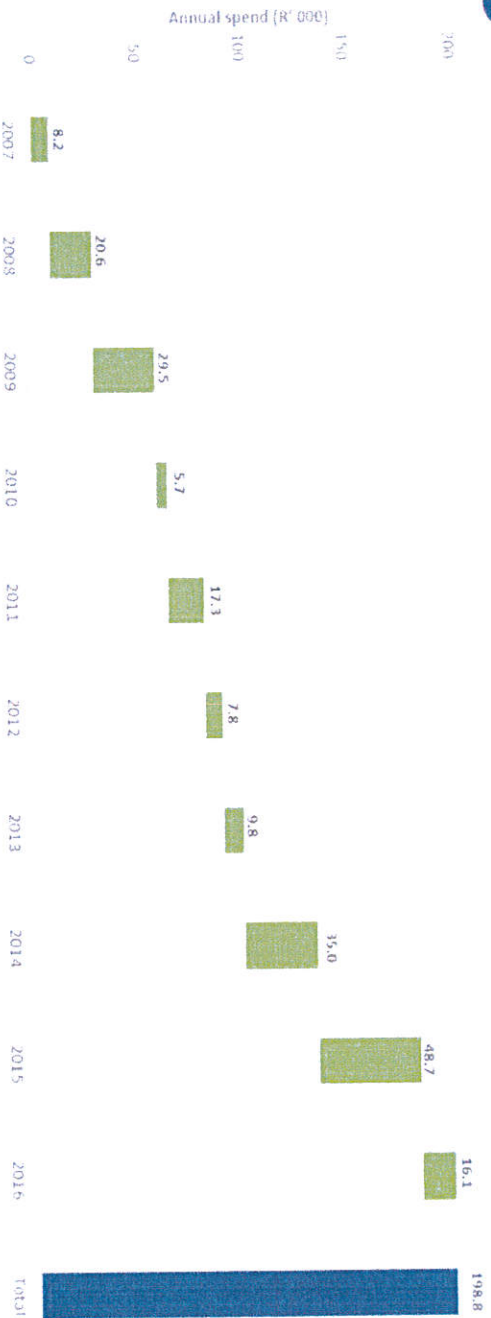


Figure 31: Housing and living conditions spend

3.5.1 Background

The mining industry has and continues to face great challenges in reversing historic concerns around the provision of reasonable, private and affordable accommodation to all employees. Northam Platinum's housing initiatives have aimed to enhance the quality of life for all employees through improved housing, infrastructure and basic services, as well as a range of accommodation options to employees, including promotion of home ownership through various company-sponsored initiatives.

External issues which were considered in the development of the housing strategy include tribal lands, informal settlements, housing demands and the housing market. The South African Government currently faces significant challenges in respect of the

formalisation of settlements, and enablement of housing for previously disadvantaged South Africans. This has been a key consideration in Northam Platinum's strategy development around housing for employees.

Northam Platinum's overall approach and philosophy with regards to the accommodation and housing of mine employees aims to:

- Ensure that employees have the ability to access available accommodation that meets minimum standards and criteria, with employee dignity and socio-economic wellbeing a paramount consideration
- Assist in affordable housing options
- Promote home ownership for interested employees
- Reduce the dependence of employees on Northam Platinum provided or facilitated housing and accommodation
- Discourage the growth of informal settlements

Significant progress, as mentioned, has been made in hostel conversions, remodelling and new builds. The de-densification programme is in its final stages, and is planned for completion in early 2017. In addition to this, similar progress has been made towards establishing affordable housing for employees and in reducing employees' dependence on hostel accommodation. Various funding mechanisms have and continue to be explored (including a subsidy program offered directly by Northam); a number of building sites have been procured for purposes of developing housing; and in parallel to the company-assisted housing project Northam Platinum is also investigating solutions that will enable employees to qualify and access government housing grants. This is being pursued in conjunction with the Limpopo Provincial Government's Department of Housing.

3.5.2 Current State

Between 2010 and 2016, Northam Platinum has converted 89% of the hostel (Madiba Residence) into single quarters. This has achieved, thus far, 1 848 remodelled units and 876 new units within the same period, leaving only 128 rooms that will be created

from the remodelling. Although the single occupancy rate has not been achieved to date, only 337 hostel employees (11%) are still required to share rooms. This final phase of the hostel de-densification project will address this and is targeted for **completion in early 2017**, at which time full compliance should be achieved.

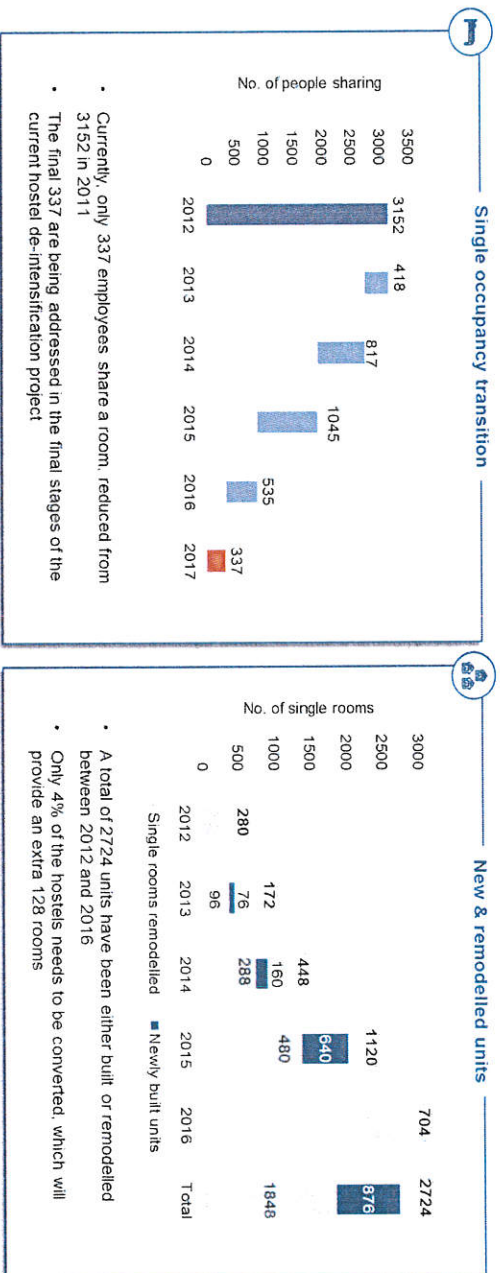
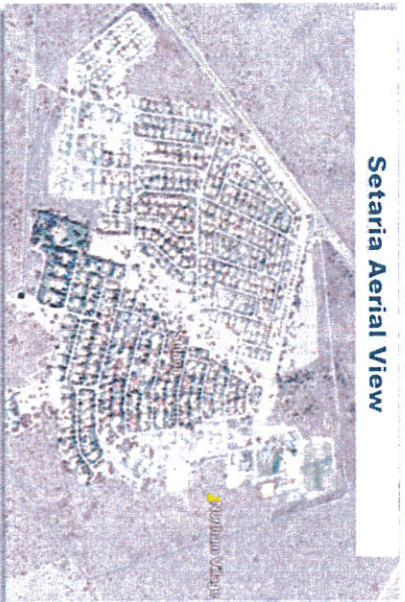
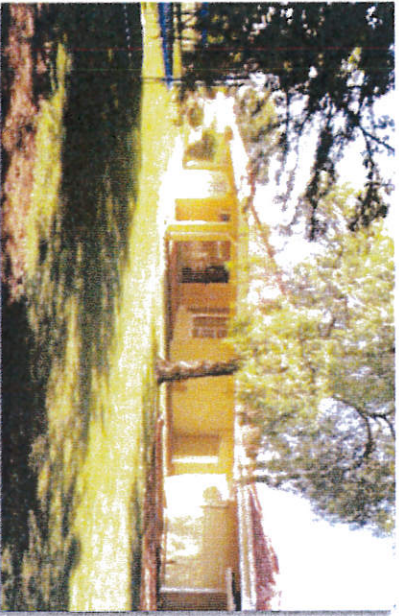


Figure 32: Hostel Conversion



To accommodate family units, Northam Platinum's employees with families are housed in its Setaria housing scheme, which boasts 602 stand-alone houses.



In addition to this, a 1 000 person capacity Industrial Living-out Change House is under construction, which was initiated in 2016, and will be in use in early 2017. This facility will be used by living-out employees for safe keeping of their belongings whilst in the workplace.



3.5.3 Home ownership

Sadly, due to the historic socio-economic imbalances in South Africa, many employees have not previously had access to home ownership – a trend Northam Platinum is actively endeavouring to reverse. Against this unfortunate backdrop, Northam Platinum believes the provision of housing solutions should be accompanied by active engagement with employees to educate them on the various considerations associated with home ownership. Chartwell Housing Finance Solution (Pty) Ltd has been contracted by Northam Platinum to provide information, training and counselling on financial planning, home ownership, home maintenance, budgeting, planning and servicing. In addition, Setsmol CC provides training on credit literacy and wellbeing. The company intends to consistently support employees with awareness, consultation services and facilitation of finance opportunities to purchase their own homes.

Northam Platinum introduced the Mojuteng home ownership scheme and the first in-take was in January 2011, actively promoting home ownership among its Zondereinde employees. This scheme offers employees a home loan, debt consolidation facility and structured housing subsidy, which has benefitted employees by increasing their disposable income level, making it easy for home application approvals and access. It offers units of different sizes with four options to choose from. As at end September 2016, a total of 386 units have been sold to the employees.

In addition to the above, and to addressing pressing needs to meet and deliver on short-term housing demands, 24 free standing units were procured by Northam Platinum in Mogwase, a town in Bojanala District Municipality, of which 6 units have subsequently been sold to employees further advancing the overall home ownership scheme.



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To further strengthen Northam Platinum's commitment towards home ownership, an open market, partial interest-free home financing solution has been made available to qualifying employees and indirect employees to support their home procurement wishes. To date, 14 employees have taken advantage of this option with the total bond purchases of over R 19.5 million. The option is based on a policy summarised in the table below, which is dependent on the employee's level within the company.

Level	Max. Bond Supported	Soft Loan (%)
A, B or C	R 1 000 000	30%

Norplats Properties Pty Ltd

A wholly owned subsidiary of Northam Platinum Limited was established with the objective of assisting employees of Northam Platinum Limited to have access to affordable home ownership that meets certain minimum standards for its employees. Since inception, R102 144 000 has been invested by Northam Platinum Limited into Norplats Properties Pty Ltd, which moneys have been allocated toward:

- The procurement of land for purposes of housing in the Mojuteng housing project
- The development of housing on this land; and
- Long term loans to employees guaranteed by Northam Platinum.

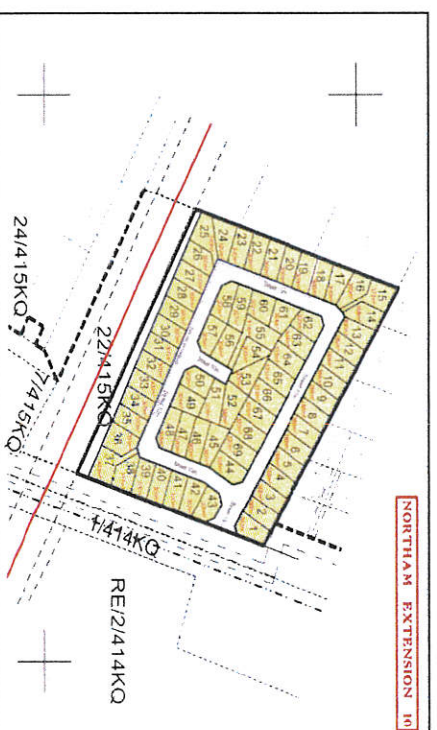


Figure 33: Home Ownership Options

3.5.4 Challenges we continue to address and overcome

The availability of adequate land to build and facilitate home ownership in a rapid manner, does continue to pose a challenge for Northam Platinum, as efforts continue to deliver on ambitions with regards to home ownership for employees. To temporarily address this issue, a total of 2 408 employees have been provided with living-out allowances, which has been agreed to and formalised in agreements subsequent to engagement between Northam Platinum, its employees and their representative unions.

Further to this, locations are being identified by Northam Platinum to investigate the possibility of increasing the number of company constructed housing properties and further provide access to, and home ownership options, for all of Northam employees. Through engagements with Thabazimbi Local Municipality, Northam Platinum has managed to source and procure land, Extension 10 with the capacity of 69 units. This should be able to address land availability issues and further assist Northam Platinum to deliver on its home ownership strategy.



3.5.5 The housing strategy moving forward

Northam Platinum has developed and approved a revised "Accommodation Strategy 2020." The headline aspirations of this strategy are to:

- Promote home ownership as a preferred sustainable tenure option while acknowledging that rental, residence units and company accommodation will also be required.
- Acknowledge that Northam Platinum cannot provide any one accommodation type in isolation, something that is further necessitated by the geographic diversity of our mines.
- Northam Platinum will continue to make every effort to facilitate and create opportunities for employees leveraging financial and other resources to secure best prices and quality in home ownership for employees.
- Accommodation provided to staff must be secure, decent and affordable. An employee must be confident that his or her tenure is legally secure, that it is affordable on his/her salary and that it is well designed and of quality construction.

It should be noted that the strategy takes account of the economic conditions prevailing in the industry. Implementation is based on a five-year roll-out programme. Building programmes will be demand driven within the constraints of the group's financial position as well as serviced land. The strategy represents a commercially and financially prudent use of group resources. The elements of the strategy include:

- The final phase of the remodelling of existing residences into single quarters, upgrade of visiting quarters and the improvement of social amenities around the residence
- The building of freehold home ownership units for employees
- The building of freehold home ownership units for public participation
- The building of freehold rental units for employees

- Company owned houses to be made available to employees for home ownership
- To provide various financing options for employees interested in housing purchases

Further building into our strategy would be **Section 2.7 of the reviewed Mining Charter** which elaborates further on the mine requirements with respect to home ownership. These would be:

- Mining companies offering different building packages to interested employees
- Subsidising such workers to buy houses
- Mining companies partnering with finance institutions to issue guarantees for home ownership on behalf of the mining employees
- Mining companies must ensure that where the company is offering housing for its employees, such housing must be integrated within communities in the mining and labour sending areas in line with the Department of Human Settlement policies on Sustainable Integrated Human Settlement

Although the mine has started to tap into these requirements, with different housing options and further subsidising home purchases, it further commits to keep on developing strategies to ensure that the livelihoods of its employees, and that of the communities in which the mine operates, benefit moving forward.

3.6 Nutrition

In order to maintain a healthy and productive workforce, Northam Platinum has developed a high quality nutrition plan in conjunction with a consulting dietician. This is monitored on an ongoing basis. While the current food plan is meeting the nutritional requirements of the mineworkers, the mine will formulate new plans to further enhance its dietary programme and commits to continuous improvement in all facets of nutrition. Three well-balanced meals per 24-hour cycle are provided to all employees residing at the mine's hostels. Meals are prepared in a fully equipped kitchen and served in a fully serviced dining hall. These meals are fully subsidised by the company.

Research has been carried out on the energy and nutritional requirements of various work categories and care has been taken to ensure that these requirements are met. It is therefore possible for an employee to choose the necessary food to meet all nutritional requirements.

3.6.1 Implementation plan

Established nutritional principles and guidelines, available research and the input of a clinical dietician were used to prepare meal plans that provide adequate nutrition to ensure the productivity and well-being of the mineworkers.

A weekly menu was drawn up in consultation with a dietician, management and labour, taking into account energy and nutritional requirements. This menu is revised on a regular basis, depending on the season. Strict quality control of nutritional intake continues, as well as regular visits by dieticians from Platinum Health and by inspectors from the Department of Health.

All food programmes and food suppliers will adhere to the provisions/criteria of:

- Northam Platinum Food Specifications
- Hazard Analysis and Critical Control Point (HACCP)
- Health and Food Act and
- Cosmetics Act.

Food plans are prepared based on the South African food-based dietary guidelines. These guidelines specify the following daily energy requirements for individuals engaged in the degree of activity relevant to the average mineworker as listed below:

- Total daily energy requirements: 12 000-13 000 kJ;
- Protein requirement: 15-20% of energy contribution;
- Carbohydrate requirement: 55-60% of total energy contribution; and
- Fat requirement: 20-30% of total energy requirements.

The dietician at Platinum Health will give an employee more information about healthy and better nutritional choices if an employee is diagnosed as having a specific disease such as diabetes, high cholesterol or arthritis. The menus in the hostels will accommodate all these recommendations. Furthermore, fresh seasonal fruit is served once a day as part of the breakfast meal. Two cooked vegetables and a fresh salad are provided at each main meal.

SECTION 4

MEASURES TO AMELIORATE THE IMPACT OF DOWNSCALING AND RETRENCHMENTS

4. MEASURES TO AMELIORATE THE IMPACT OF DOWNSCALING AND RETRENCHMENTS

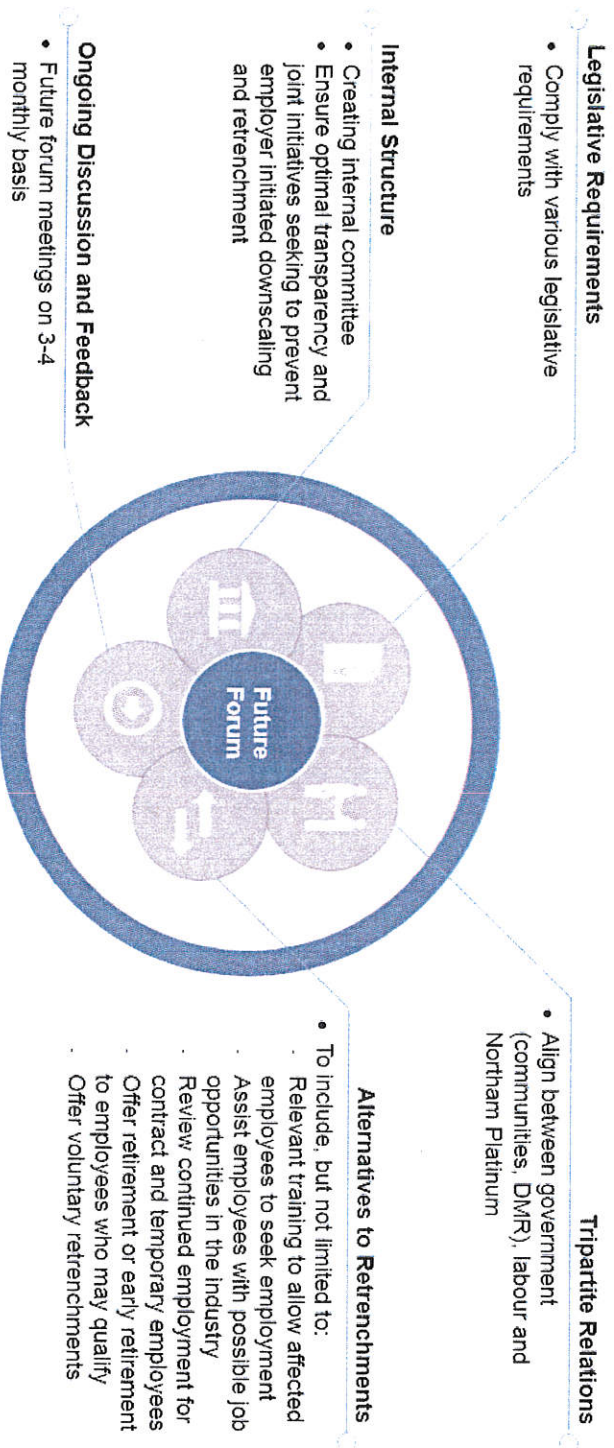


Figure 34: Future Forum

Northam Platinum is dedicated to manage downscaling and retrenchments in a manner that accounts for the value we place on our employees, and in adherence of the requirements set upon Northam Platinum by labour legislation, the MPRDA Minerals and Petroleum Resources Development Act (MPRDA), and the Charter for the Socio Economic Development of the Mining Industry of South Africa (Mining Charter).

While managing downscaling and retrenchment, Northam Platinum wishes to apply the utmost importance to the relationship between Northam Platinum, its employees (inclusive of their unions), as well as government stakeholders, each of which play an important role in times of assessment of possible downscaling and retrenchments, and amelioration of the impacts thereof.

In managing employee downscaling and retrenchments, Northam Platinum's approach entails:



4.1 Establishment of the Future Forum

In establishing the future forum, Northam Platinum have taken the time (and continue to do so) to engage with relevant stakeholders in the form of employees, government and relevant community leaders. In doing so, the purpose has been to determine the structure and important participants to future forums to take place on a regular basis during this SLP period.

In addition, and post these engagements, Northam Platinum have set up their internal structures (inclusive of restructuring plenary, joint central and business unit restructuring committees) to manage and give effect to future forums.

The key prescribed functions of the future forum are to:

- Promote ongoing discussions between worker representatives and employers about the future of the mine
- Look ahead to identify problems, challenges and possible solutions with regard to productivity and employment
- Develop turnaround and redeployment strategies to help reduce job losses and to improve business sustainability; and
- Implement strategies agreed upon by both employer and worker parties.

Though challenges have existed in the past, during which time limited engagement has taken place in the form of future forums, a 'Revitalisation' Strategy 2020 has been initiated in 2016, whereby the future forum process received far greater attention, structure, and emphasis.

The 'Revitalisation' Strategy 2020 aims to:

- (1) Begin and complete a re-engagement process with key stakeholders to update and define the future forum's goals and ambitions as they have evolved,
- (2) Re-frame internal structures in order to improve their effectiveness in giving effect to future forums; and

(3) Plan for three (3) future forum's per annum in which the above functions are given effect to.



Figure 35: Revitalisation Strategy

In order to appropriately manage downscaling and restructuring, regular meetings of the Internal Stakeholder Engagement Planning and Joint Stakeholder Committees is proposed to take place to ensure optimal transparency and joint initiatives seeking to prevent unilaterally initiated downscaling and retrenchment. Their respective functions, participants and mandates are set out below:

Internal Stakeholder Engagement Planning Committee	Joint Stakeholder Committee
<ul style="list-style-type: none"> • To engage internally around progress updates related to the SLP programmes. • To engage internally around company performance and ongoing strategy, insofar as it may result in downscaling and retrenchments • To plan for future forum presentations related to the above • To receive reports and recommendations the various business units, SLP project leaders and validate progress in respect thereof • To ensure ongoing and regular internal communication and awareness around the critical importance of future forums and stakeholder engagement 	<ul style="list-style-type: none"> • To bring together key stakeholders from Northam Platinum, labour, communities, and the like, in a forum that consults and engages on the key functions of the future forums. • To enable a transparent and open consultative forum whereby engagements are progressive and appreciative of the differing stakeholder viewpoints. • To present and discuss SLP progress • To assess alternative options to ameliorate retrenchments where and if applicable. • To engage with third parties that might bring value in respect of the above mandates

4.2 Compliance with legislative requirements to avoid job losses

In terms of S189 and 189A of the Labour Relations Act (including S189(3) correspondence to labour unions), Northam Platinum is required to consult with employees with regard to contemplated retrenchment, and attempt to reach consensus on appropriate measures to avoid the dismissals, to minimize the number of dismissals, to change the timing of the dismissals, and to mitigate the adverse effects of the dismissals.

Northam Platinum is obligated to comply with Section S52 of the Minerals Act notification to Minerals and Mining Development Board where retrenchment of 500 employees or 10 per cent of the labour force (whichever is the lesser) is contemplated in a 12-month period, or where prevailing economic conditions cause the profit to revenue ratio of the mine to be less than six per cent for a continuous period of six months. Northam Platinum is lastly obligated to comply with basic conditions of Employment Act.

4.3 Alternative solutions to create job security where job losses cannot be avoided

Northam Platinum is already committed to avoid job losses, and in fact has planned for growth in the near future through the expansion plans at Zondereinde and the new smelter plant being established at a cost in the region of R850 million which with it brings increased job opportunities. This said, and due to the cyclical nature of the minerals and resources industry, which has witnessed a lengthened down-turn, circumstances exist where job losses cannot be avoided, Northam Platinum will seek adequate ways to ameliorate the impact on affected employees.

A variety of alternatives to retrenchment to be considered by conducting a cost benefit analysis (CBA) prior to embarking on a retrenchment process. A CBA involves comparing the total expected direct and indirect cost/risk of retrenching employees against the commercial viability and practicality of implementing alternative measures to termination of employment, in order to establish whether the benefits of other alternative measures outweigh the costs/risks of retrenchment, and by how much.

Alternative measures that can be considered include:

- Layoffs: the temporary suspension of a contract of employment because of an employer deciding to reduce his or her operations as a result of a shortage of orders, a temporary decline in the market, or other factors over which the employees have no control
- Voluntary retrenchment: Employees who wish to be 'retrenched' voluntarily may be permitted to leave with severance to leave with severance benefits
- Early retirement: Employees who have attained, or who will have attained normal retirement age at the date of the proposed retrenchment may be retired in terms of the rules of the employer's retirement fund
- Hiring freeze: This is probably the least painful method of avoiding large-scale retrenchment

To ameliorate the impact of job losses, the following alternatives are considered:

- Identifying and considering training interventions to lessen the impact of unemployment and to encourage self-employment, specifically through portable skills training
- Assisting employees with counselling to lessen the impact on affected employees and help facilitate understanding their future goals and establishing how to plan for their retirement and post life of mine
- Interaction with neighboring mines and other local community business to assess possible opportunities for employees that might be retrenched.
- Enabling and advising employees on registration with the Department of Labour through the Employment Services of South Africa (ESSA) initiative.

In the event of possible retrenchments, the Section 189 process will be followed and the structures in place will be utilised.

SECTION 5


FINANCIAL PROVISIONS

5. FINANCIAL PROVISIONS

In order to meet requirements of Regulation 46 (e) of the MPRDA, Northam Platinum's financial provisions will cater for all components of the Social and Labour Plan.

Provisions for the Social and Labour Plan 2016-2020 is indicated in the table below.

FINANCIAL PROVISIONS					
	2016	2017	2018	2019	2020
Human Resource Development	R 41 800 000	R 83 000 000	R 88 000 000	R 93 000 000	R 99 000 000
Mine & Community Development	R 1 100 000	R 12 050 000	R 19 450 000	R 22 400 000	R 15 000 000
Housing & Living Conditions	R 31 890 000	R 52 900 000	R 62 350 000	R 55 900 000	R 39 450 000
Downscaling & Retraining					R 600 000
TOTAL	R 74 790 000	R 147 950 000	R 169 800 000	R 171 300 000	R 154 050 000



TOTAL SPEND
R718m

Table 24: Financial Provisions (2016 – 2020)

5.1 Human Resources Development (HRD) Provision

The HRD financial provisions are calculated based on a progressive growth toward full application of 5% of payroll by 2020 and taking cognisance of the necessary improvements required in the training facilities, systems and resources at the Zondereinde mine.

5.2 Local Economic Development Provision

Northam Platinum plans to make financial provisions of 1% NPAT or higher for each of the 2016 – 2020 years, and toward local economic development initiatives aimed at addressing the needs of the communities. These needs are guided by various stakeholders and partners, and aim to address the areas of education, poverty alleviation, community assistance, infrastructure and local economic development projects as well as donations.

5.3 Housing and Living

Northam Platinum has actively improved the lives and dignity of its employees through the various house and living conditions initiatives addressed above. The financial provision for the 2016 – 2020 period relates to the final stages of the de-densification process and new home builds, alongside open market financial support

5.4 Downscaling and Retrenchments Provision

The provision for retrenchment and individual severance packages will be calculated using the specifications detailed below:

- One (1) week for each completed year of employment
- Double normal notice period with a maximum of 3 months. In an effort to assist the employee to find alternative employment, the employee will not be required to work this notice period

- All leave due to the employee will be paid out

The above provision is consistent with the Northam Platinum Ltd. Zondereinde Division retrenchment process, however this may be altered in terms of applicable legislation and/or collective agreements with stakeholders.

SECTION 6

UNDERTAKING

6. UNDERTAKING

I, DJ GONSALVES _____ the undersigned and duly authorized thereto by
NORTHAM ZONDEREINDE _____ (Company) undertake to adhere to the information, requirements, commitments and conditions
as set out in the social labour plan.

Signed at NORTHAM _____ on this 30th day June _____ 2017 _____

Signature of responsible person

Designation GENERAL MANAGER _____

Approved

Signed at _____ on this _____ day _____ 20 _____

Signature of responsible person

Designation _____