



## THE QUOTED COMPANIES ALLIANCE’S TEN PRINCIPLES OF CORPORATE GOVERNANCE AND HOW CALEDONIA APPLIES THEM

Caledonia Mining Corporation Plc (“Caledonia” or the “Company”) has adopted the Quoted Companies Alliance Corporate Governance Code (the “Code”). The ten principles of the Code are described below together with an explanation of how the Company applies the principles.

In addition to the disclosures set out below against the principles, the correct application of the Code requires that the Chair provides a clear explanation of how the Company applies the Code (the corporate governance statement).

<b>DELIVER GROWTH</b>	
<b>PRINCIPLE</b>	<b>APPLICATION</b>
1. Establish a strategy and business model which promote long-term value for shareholders	<p>Caledonia is an exploration, development and mining business focused on Zimbabwe and its primary asset is a 64% ownership in Blanket Mine (“Blanket”), an operating gold mine in Zimbabwe.</p> <p>Caledonia’s strategic focus is to implement the investment programme at Blanket, the main component of which is the Central Shaft project. Caledonia believes that the successful completion of the project is in the best interests of all stakeholders because it is expected to result in increased production, reduced operating costs and increased flexibility to undertake further exploration and development, thereby safeguarding and enhancing Blanket’s long-term future.</p> <p>Caledonia also continues to evaluate other investment opportunities in Zimbabwe which would not fall underneath Blanket’s ownership.</p> <p>Further details of Caledonia’s strategy and progress can be found in its latest quarterly management discussion and analysis <a href="#">here</a> and its RNS announcements <a href="#">here</a>.</p>

2.	Seek to understand and meet shareholder needs and expectations	<p>The Company engages with shareholders on a regular basis to understand and meet their needs and expectations.</p> <p>Communication to shareholders is predominantly through quarterly financial results and accompanying management discussion and analysis, RNS announcements, regulatory filings, website content, corporate presentations, video interviews, national and international media (including social media).</p> <p>Shareholders are invited to participate in annual general meetings, and investors are invited to attend conference calls on a half yearly basis to receive presentations and ask questions on financial results and the state and progress of the business.</p> <p>Management attends various shareholder and analyst industry events throughout the year at which it presents and answers questions on the strategy and development of the business.</p> <p>Caledonia welcomes the opportunity to engage with shareholders throughout the year and is regularly contacted directly via email and telephone.</p>
3.	Take into account wider stakeholder and social responsibilities and their implications for long-term success	<p>The Company recognises that its long-term success relies upon good relations with all its stakeholder groups, both internal and external, and taking account of their views.</p> <p>Stakeholders include shareholders, employees, the local community, government, suppliers, customers, regulators, industry bodies and creditors. The principal ways in which their feedback is gathered are via meetings and conversations.</p> <p>Regular dialogue is held externally with wider stakeholder group representatives, including in particular government authorities and the local community, to ensure that operations in Zimbabwe are conducted effectively and with due regard to the business' obligations to the people and environment of Zimbabwe.</p> <p>The Company's corporate and social responsibility strategy can be found <a href="#">here</a>.</p>

		[Caledonia takes its social and environmental responsibility seriously and is in the process of seeking and appointing a new Board member with the necessary skills and experience to chair a committee of the Board tasked with enhancing and progressing the Company’s sustainability strategy.]
4.	Embed effective risk management, considering both opportunities and threats, throughout the organisation	<p>The Board has ultimate responsibility for risk management and its Committees assist it in its continuous assessment and management of potential risks to the Company.</p> <p>In conjunction with risk management and in addition to its other duties, the Audit Committee is tasked with providing an open avenue of communication between management, the Company’s independent auditors and the Board to assist the Board in its oversight of:</p> <ul style="list-style-type: none"> <li>• processes for identifying the principal financial risks of Caledonia and the control systems in place to monitor them;</li> <li>• enterprise risk management; and</li> <li>• risks related to financial reporting,</li> </ul> <p>as well as making regular enquiries of management and internal and independent auditors to identify significant business, political, financial and control risks and exposures and to assess the steps management has taken to minimise such risks.</p> <p>The risk management sub-committee of the Audit Committee assists the Committee in its role by reporting on a quarterly basis to the Audit Committee management’s assessment of the risks to the business taking into account their impact and likelihood, the management of those risks, mitigation and how to properly communicate those risks.</p>
<b>MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK</b>		
<b>PRINCIPLE</b>		<b>APPLICATION</b>

5.	Maintain the Board as a well-functioning, balanced team led by the Chair	<p>The Board, led by the Chair, and the Committees regularly receive detailed and high-quality information to facilitate proper assessment of any matters requiring a decision or discussion.</p> <p>The Board consists of two executive directors (CEO and CFO) and five independent non-executive Directors. The Board must ensure that at all times the roles of Chairman and CEO are kept clearly separate.</p> <p>The Directors bring to the Board and its Committees a wide range of complementary technical skills and experience. Biographies of each of the Directors can be found <a href="#">here</a> and the composition of each of the Committees is <a href="#">here</a>.</p> <p>Succession planning is considered by the Board to be a crucial element of ensuring continued success and long-term prosperity for the business. The Nomination Committee is responsible for the succession strategy for executive management and the Board and to ensure that high-potential individuals are identified and supported appropriately.</p> <p>All Directors retire each year, and can put themselves forward for re-election, in accordance with the Company's articles of association.</p>
6.	Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	<p>Directors who have been appointed to the Board have been chosen because of the skills and experience they offer. The Board has strong, relevant experience across the areas of mining, accounting and investment banking.</p> <p>The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including in particular in the areas of gold mining and exploration. Skills and knowledge have been gained through aggregated experience in gold mining and the wider sector and these are maintained through ongoing involvement and participation within the industry.</p> <p>All Directors receive regular and timely information on the group's operational and financial performance.</p>

		<p>The Board regularly retains the services of advisors to provide guidance in the areas of mining, financial markets, acquisitions, and law.</p> <p>The Company's General Counsel, Company Secretary and Head of Risk and Compliance is tasked with ensuring that the business is compliant with relevant legislation and regulatory requirements, and keeps the Board informed of its legal responsibilities.</p>																								
7.	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	<p>The Company continually monitors the performance of all its employees and directors.</p> <p>The Corporate Governance Committee evaluates the performance of the Board and its committees at a formal meeting every year based on the work they have conducted.</p> <p>Regularly scheduled Technical Committee, Audit Committee and Board meetings are held quarterly to coincide with the Company's quarterly financial results reporting, and the Board and its Committees meet frequently to consider a variety of other matters.</p> <p>The numbers of meetings held in a year, and absences, are disclosed in the Company's management information circular in the following year. In 2019, the most recently completed year, attendance was as follows:</p> <table border="1" data-bbox="676 1018 2040 1241"> <thead> <tr> <th></th> <th>Board</th> <th>Audit</th> <th>Compensation</th> <th>Corporate Governance</th> <th>Nomination</th> <th>Technical</th> <th>Strategic Planning</th> </tr> </thead> <tbody> <tr> <td><b>Number of meetings held during 2019</b></td> <td>5</td> <td>4</td> <td>3</td> <td>1</td> <td>2</td> <td>4</td> <td>3</td> </tr> <tr> <td><b>Absences</b></td> <td>Mr Leigh Wilson (on May 8, 2019)</td> <td>-</td> <td>Mr Leigh Wilson (on May 8, 2019)</td> <td>Mr Leigh Wilson (on May 8, 2019)</td> <td>Mr Leigh Wilson (on May 8, 2019)</td> <td>Mr Steve Curtis (on January 22, 2019)</td> <td>-</td> </tr> </tbody> </table> <p>Agreed personal objectives and targets, including financial and non-financial metrics, are set each year for the executive Directors and performance is measured against these metrics.</p>		Board	Audit	Compensation	Corporate Governance	Nomination	Technical	Strategic Planning	<b>Number of meetings held during 2019</b>	5	4	3	1	2	4	3	<b>Absences</b>	Mr Leigh Wilson (on May 8, 2019)	-	Mr Leigh Wilson (on May 8, 2019)	Mr Leigh Wilson (on May 8, 2019)	Mr Leigh Wilson (on May 8, 2019)	Mr Steve Curtis (on January 22, 2019)	-
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8.	Promote a corporate culture that is based on ethical values and behaviours	<p>The Company's Code of Business Conduct, Ethics and Anti-Bribery Policy, a copy of which can be found <a href="#">here</a>, commits the Company's group, its boards of directors and employees to the highest standards of business and ethical conduct.</p> <p>All employees, directors and contractors must follow and abide by the code. The fundamentals of the code represent the basic beliefs that the Company aspires to and are expected to be reflected at all times. The Company's directors, management team and the procurement and finance teams have had specific training on the application of the code and all employees and contractors are expected to familiarise themselves with the code and acknowledge its application to them.</p> <p>Caledonia recognises the impact that the group's mining activities have on the local community in Zimbabwe. Nearly 99% of the group's employees are Zimbabwean and most are permanent residents of the mine village. The Company believes it is critical that both employees and the local community are integral stakeholders in the long-term prosperity and sustainability of the business. In 2012, the Company facilitated: the acquisition of a 10% ownership interest in the mine by a trust in favour of the employees at the mine; and the donation of a 10% ownership interest in the mine to a trust in favour of the local community, and it also paid the trust advance dividends. At the same time, it also facilitated the acquisition of a 16% ownership interest in the mine by the Zimbabwe government.</p> <p>The mine supports various local CSR initiatives as reported in the Company's quarterly management discussion and analysis and in conjunction with its CSR strategy. With the Company's focus towards future environmental sustainability, it has recently appointed a contractor to build a renewable energy plant at the mine which should, amongst other things, reduce the mine's use of fossil fuels.</p>
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9.	Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	<p>The Company has adopted, and will maintain, governance structures and processes that are fit for purpose. The Board considers that the group’s governance framework is appropriate and in line with its plans and acknowledges that it may evolve over time in parallel with the development of the business. The composition of the Committees and their roles, which are set out in their charters, are available <a href="#">here</a>. The Chair of the Board and each of the relevant Committees is as follows:</p> <table border="1" data-bbox="674 427 2033 754"> <thead> <tr> <th data-bbox="674 427 1189 470">Body</th> <th data-bbox="1189 427 2033 470">Name</th> </tr> </thead> <tbody> <tr> <td data-bbox="674 470 1189 513">Board</td> <td data-bbox="1189 470 2033 513">Leigh Wilson</td> </tr> <tr> <td data-bbox="674 513 1189 557">Audit Committee</td> <td data-bbox="1189 513 2033 557">Johan Holtzhausen</td> </tr> <tr> <td data-bbox="674 557 1189 600">Technical Committee</td> <td data-bbox="1189 557 2033 600">Nick Clarke</td> </tr> <tr> <td data-bbox="674 600 1189 643">Strategic Planning Committee</td> <td data-bbox="1189 600 2033 643">Leigh Wilson</td> </tr> <tr> <td data-bbox="674 643 1189 686">Corporate Governance Committee</td> <td data-bbox="1189 643 2033 686">John Kelly</td> </tr> <tr> <td data-bbox="674 686 1189 729">Nomination Committee</td> <td data-bbox="1189 686 2033 729">Leigh Wilson</td> </tr> <tr> <td data-bbox="674 729 1189 754">Compensation Committee</td> <td data-bbox="1189 729 2033 754">John Kelly</td> </tr> </tbody> </table>	Body	Name	Board	Leigh Wilson	Audit Committee	Johan Holtzhausen	Technical Committee	Nick Clarke	Strategic Planning Committee	Leigh Wilson	Corporate Governance Committee	John Kelly	Nomination Committee	Leigh Wilson	Compensation Committee	John Kelly
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<b>BUILD TRUST</b>																		
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10.	Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	<p>The Board attaches significant importance to providing shareholders with clear and transparent information on the Company's activities, strategy and financial position.</p> <p>Management holds investor and analyst conference calls following the release of half and full year financial results and the Company holds a general meeting each year at which shareholders have the right to speak and ask questions of the Board and management.</p> <p>The Board receives regular updates on the views of shareholders through briefings and reports from the CEO, CFO and the Company’s financial advisors, as well as feedback on meetings with investors and potential investors at industry events attended by management. In addition, analysts’ notes and brokers’ briefings are often circulated to achieve a wide understanding of investors’ views.</p>																

		<p>The Company discloses contact details on its website and on announcements released via RNS, should shareholders wish to communicate with the Company.</p> <p>Historical annual reports in the form of SEC Forms 20-F, notices of all general meetings from the last five years and the resolutions put to a vote at annual general meetings together with annual management information circulars can be found on the Company's website <a href="#">here</a>.</p> <p>Over the last five years all resolutions put to a vote at annual general meetings have been duly passed. Where a significant proportion of votes are cast against a resolution at any general meeting the Board seeks to understand the rationale for this through its engagement with shareholders.</p>
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