

**CORPORATE GOVERNANCE COMMITTEE CHARTER**

**Caledonia Mining Corporation Plc**

*Contents:*

<b>1.</b>	<b>Mandate .....</b>	<b>3</b>
<b>2.</b>	<b>Purpose .....</b>	<b>3</b>
<b>3.</b>	<b>Membership .....</b>	<b>3</b>
<b>4.</b>	<b>Attendance of Meetings .....</b>	<b>3</b>
<b>5.</b>	<b>Quorum .....</b>	<b>4</b>
<b>6.</b>	<b>Roles and Responsibilities .....</b>	<b>4</b>
<b>7.</b>	<b>Access to Records and Advisors .....</b>	<b>6</b>
<b>8.</b>	<b>Delegation of Authority.....</b>	<b>6</b>
<b>10</b>	<b>Confidentiality .....</b>	<b>6</b>
<b>11.</b>	<b>Amendments .....</b>	<b>7</b>
<b>12.</b>	<b>Evaluation.....</b>	<b>7</b>
<b>13.</b>	<b>Charter Enforcement.....</b>	<b>7</b>
<b>14.</b>	<b>Document Control.....</b>	<b>7</b>
<b>15.</b>	<b>Charter Approval.....</b>	<b>8</b>

## **1. Mandate**

The Corporate Governance Committee (the “Committee”) of the board of directors (the “Board”) of Caledonia Mining Corporation Plc (“Caledonia” or the “Corporation”) has adopted this charter. The Committee shall review and assess this charter every 2 years or sooner if significant changes to corporate governance practice of the Corporation occur that require amendment to this charter within that time and it shall propose any changes to the Board for approval. The duties the members of this Committee have to fulfil are addressed below.

## **2. Purpose**

The purpose of the Committee is to discharge the Board’s responsibilities relating to:

- 2.1 exercising oversight with respect to the corporate governance of the Board;
- 2.2 reviewing and reporting to the Board on matters of corporate governance and developing and recommending to the Board corporate governance principles applicable to the Corporation; and
- 2.3 leading the Board and its committees in their annual assessments of their performance, including their supervisory oversight functions.

## **3. Membership**

- 3.1 The Committee shall consist of no fewer than three members of the Board who meet the criteria for independence as established by the Board in accordance with Toronto Stock Exchange rules and any other applicable laws, rules and regulations regarding independence as they are in effect from time to time. Section 10 of the Board charter refers to detailed criteria to qualify a Director as independent.
- 3.2 The members and chairperson of the Committee (the “Chairperson”) shall be appointed and removed by the Board acting on the recommendations of the Nomination Committee.

## **4. Attendance at Meetings**

- 4.1 The Chairperson, the Company Secretary or at least two other members of the Committee have the authority to call meetings of the Committee.
- 4.2 The Chairperson shall preside over all meetings of the Committee. The agenda for the meetings shall be set under the direction of the Chairperson. In the absence of the Chairperson at a duly convened meeting, the Committee shall select a member of the Committee to serve as chairperson of the meeting. The Committee shall keep minutes of its meetings. The minutes shall be circulated in draft form to all Committee members and shall be considered for approval by the Committee at or before the subsequent meeting.
- 4.3 The Chairperson shall report the Committee’s actions, recommendations or findings to the Board at the next scheduled Board meeting following a Committee meeting.
- 4.4 All decisions of the Committee shall be made by a majority of its members present at a duly convened meeting. In lieu of a meeting, the Committee may act by unanimous written consent.

## **5. Quorum**

- 5.1 The Committee shall meet, at the discretion of the Chairperson or a majority of the members, as circumstances dictate but at least physically once a year in Jersey, Channel Islands and a majority of the members shall constitute a quorum.
- 5.2 If and whenever a vacancy shall exist, the remaining members may exercise all of its powers and responsibilities so long as the minimum number of members remain in office.

## **6. Roles and Responsibilities**

### **6.1 Overall Responsibility**

- 6.1.1 Periodically review and reassess the Corporation's organizational documents, corporate governance guidelines and policies and recommend proposed changes to the Board for approval.
- 6.1.2 Periodically review and report to the Board on matters of corporate governance, including the review of, and recommendations to, the Board regarding shareholder proposals.
- 6.1.3 Periodically review and advise the Board with respect to the charters, structure and operations of the various committees of the Board and membership thereon.
- 6.1.4 Review and approve, or ratify, any related person transactions or conflicts of interest from an independence perspective.

### **6.2 Annual Assessments**

- 6.2.1 The Committee shall oversee the self-evaluation of the Board by conducting an annual review of the Board's performance and lead itself and the Audit, Compensation, Nomination, Strategic Planning and Technical Committees of the Board in the annual assessment of their performance.
- 6.2.2 The Committee should assist the Board to review the effectiveness of all committees in fulfilling their responsibilities and duties as set out in their respective charters.

### **6.3 Internal Controls**

- 6.3.1 The Committee is responsible for overseeing the development and effective operation of the Corporation's internal control system, which enables the delivery of effective governance and demonstrates that adequate internal controls are in place and are operating satisfactorily.
- 6.3.2 The Corporation's internal control system outlines the various elements influencing and contributing to a sound internal control environment to ensure adequate control over operations, compliance and financial reporting.
- 6.3.3 The internal control system is designed to assist the Board and management and provides reasonable assurance from a control perspective that the business is being operated consistently within the:

- strategy and risk appetite set by the Board;
- agreed business objectives;
- agreed policies and processes; and
- laws and regulations.

6.3.4 Sarbanes-Oxley Act of 2002 (“SOX”) section 404 requires management of corporations to select an internal control framework and then report on the design and operating effectiveness of their internal controls.

The internal control components based on the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) are:

- the control environment;
- risk assessment;
- control activities;
- information and communication; and
- monitoring.

#### **6.4 Risk**

The Committee is responsible for overseeing the risk management function which assists the Corporation in performing specialist analysis and performing quality reviews of the risk management system, monitoring the risk management system and maintaining an organisation wide view of the risk profile.

#### **6.5 Code of Conduct**

6.5.1 The Committee is responsible for preparing a code of business conduct, ethics and anti-bribery policy for adoption by the Board and for introducing and maintaining a values-based culture in the organisation. The values-based culture represents an explicit set of values that play a key role in shaping the culture of the Corporation. Although the explicit values describe the core of the ethical behaviour, they are not exhaustive of all the ethical norms that guide the behaviour.

6.5.2 The Corporation aims to treat all its stakeholders fairly.

#### **6.6 Governance of frameworks, policies and methodologies**

The development of various other frameworks, policies and methodologies within the Corporation are to make clear what their aims are, explain how it will achieve them and contribute to the overall direction of the Corporation. In providing for good governance these documents are finalised after consultation with all affected management. The policy owner will then ensure that any proposed changes to an existing policy will be submitted to the relevant Board committee for approval and ultimately to the Board.

## **6.7 Ownership of the charter**

Ownership of this charter is vested with the Committee.

## **6.8 Drafting and Amendments**

The Committee is responsible for the co-ordination, the drafting of and the amendments to this charter. Any proposed changes to the charter will be submitted to the Board, as and when necessary.

## **6.9 Approval**

This charter must be approved by the Board.

## **6.10 Non Compliance**

Non-compliance with any of the Corporation's policies, standards, procedures, or the like, could result in disciplinary action and possible dismissal.

## **6.11 Other Delegated Responsibilities**

In such a manner as the Committee deems appropriate to fulfil its purposes, the Committee shall carry out such other duties that may be delegated to it by the Board from time to time.

## **7. Access to Records and Advisors**

The Committee shall have full access to any relevant records of the Corporation and have the power and authority to obtain, at its discretion, advice and assistance from internal or external financial, legal, accounting or other advisors (including search firms), and to hire and compensate external advisors at the Corporation's expense.

## **8. Delegation of Authority**

The Committee may form, and delegate authority to, sub-committees comprised of one or more members of the Committee, as appropriate. Each subcommittee shall have the full power and authority of the Committee as to matters delegated to it.

## **9. Reporting Requirements**

Reporting requirements for the Committee include the following:

- regularly report to the Board on all significant matters it has addressed and with respect to such other matters that are within its responsibilities; and
- oversee the preparation of and review the disclosure with respect to Caledonia's corporate governance policies and practices.

## **10 Confidentiality**

All information in whatever form and howsoever obtained by members of the Committee in the course of serving as members of the Committee must be kept confidential and members of the

Committee must not disclose any of the confidential information within their knowledge or possession in any manner to any person, company or other entity.

**11. Amendments**

The Committee shall review and reassess this charter every 2 years or sooner if significant changes occur and propose any recommended changes to the Committee. The Board may amend this charter, from time to time, upon recommendation of the Committee by action at any meeting or by unanimous written consent.

**12. Evaluation**

The Board must perform an evaluation of the effectiveness of the Committee every year and share its findings with the Board.

**13. Charter Enforcement**

Any employee found to have violated the charter may be subject to disciplinary action, up to and including termination of employment in accordance with the Corporation’s disciplinary policy.

**14. Document Control**

**Version**

**Date**

**Status**

**Author**

***Version Control***

<b>Date</b>	<b>Revision #</b>	<b>Description of Change</b>	<b>Author</b>
-------------	-------------------	------------------------------	---------------

## **15. Charter Approval**

This charter document will be assessed and updated if needed every 2 years and sooner if any significant changes have occurred. Notification of revisions of this document will be communicated to users. A copy of this document will be available from all Caledonia's offices and at [www.caledoniamining.com](http://www.caledoniamining.com)

This charter document supersedes any previous Corporate Governance Committee charters.

Recommended by the Chairperson of the Committee.

Approved by the Chairperson of the Board.

9 March 2017