ZIMPLATS HOLDINGS LIMITED

("Zimplats" or "the Company")

DIVIDEND POLICY

1. INTRODUCTION

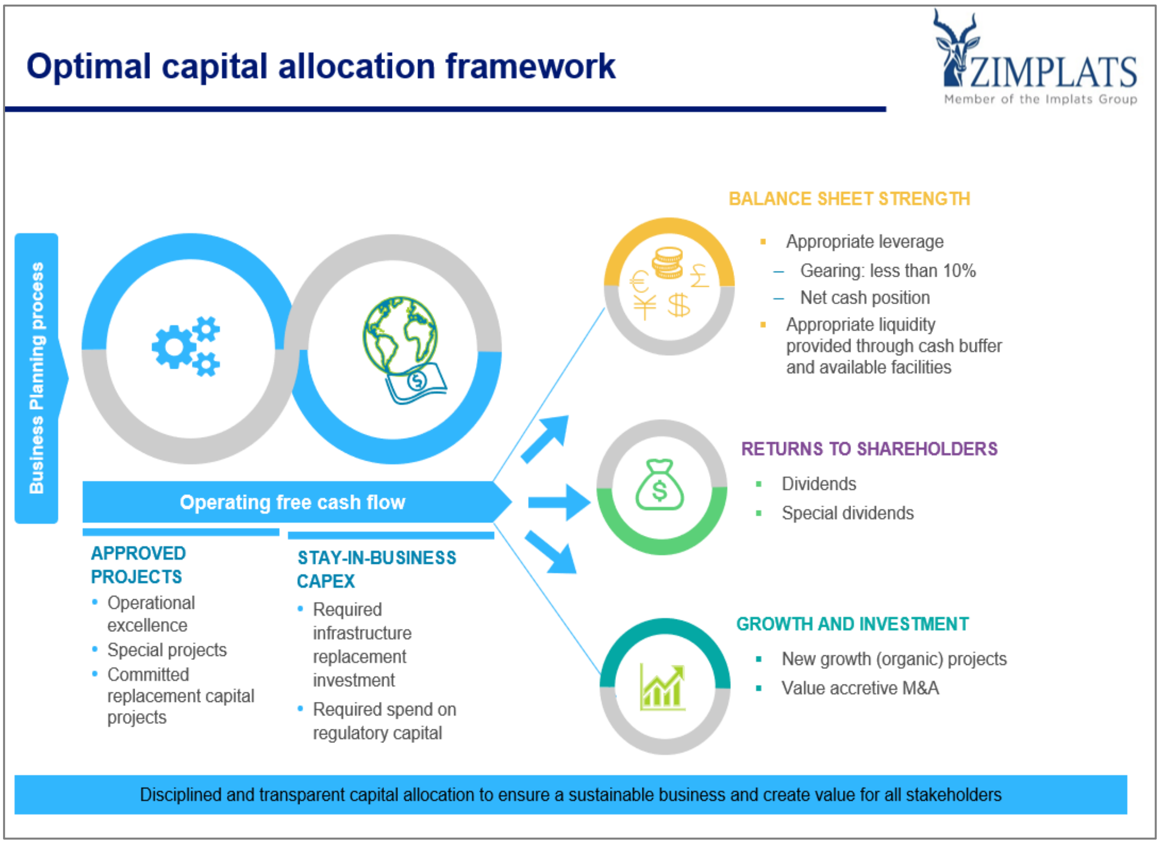
The Zimplats' capital allocation framework sets out the parameters for the discretionary allocation of free cash generated by the business after funding stay-in-business capital to:

a) strengthen the balance sheet to the desired optimal level over a specified period of time;
b) return funds to shareholders; and
c) retain and or invest funds for value accretive growth.

The framework recognises the fact that the desired optimal balance sheet would support shareholders' appetite for dividends and therefore a minimum required balance sheet tolerance level is proposed, whereby free cash flow pre-growth capital would be distributed on the principles shown in Figure 1.1 below.

The free cash flow metric has been selected as it represents the affordability of a dividend pay-out which will fluctuate in relation to profitability, and after taking into consideration working capital movements and cash flows that were already invested in stay-in-business/sustaining capital expenditure.

Figure 1.1 Optimal capital allocation framework



2. BACKGROUND

Zimplats is a single commodity group, single geography and single asset business which is susceptible to significant market volatility. In line with the approved Zimplats capital allocation framework, the approach to capital management at Zimplats seeks to ensure:

- a robust balance sheet that provides resilience in times of volatility and uncertainty and enables the Company to take advantage of opportunities should they arise;
- an appropriate balance of cash resources and debt facilities as a buffer for stress on margins and cash flows which could be brought on by market or operational volatility (liquidity buffer);
- capital expenditure that is funded from cash generated from operations to ensure that the Company's continued investment in sustaining the business is uninterrupted through the cycle;
- potential appetite for some gearing in the event of attractive value-accretive growth opportunities that meet and exceed the Company's investment criteria;
- balancing the need to return capital to shareholders in a sustainable manner while being able to pursue compelling value-accretive opportunities.

Zimplats has a disciplined and value-focused approach to capital allocation, with clear prioritization over the allocation of capital. Capital is first allocated to sustaining capital to maintain asset integrity, including ore reserves, and thereafter to support a minimum dividend, determined in line with its dividend policy. Lastly, discretionary capital is allocated, in a balanced approach, to organic growth opportunities, including upgrades to existing assets or value accretive mergers and acquisitions (M&A) or is used to provide additional returns to shareholders.

3. BOARD APPROVED DIVIDEND POLICY

At each reporting period, the Company will:

- utilise the latest forecast and/or approved 5-year business plan to model forecast cash flows;
- assess, if any, the status of growth projects or potential M&A activity not yet incorporated in the forecast/business plan and if appropriate, include the expected cash flows in these cashflow projections;
- assess the Company's liquidity requirements based on the above projected cash flows and after consideration of the available cash balances and debt facilities available to the Company;
- if required, develop plausible downside scenarios factoring in both business interruption as well as pricing volatility; and
- determine an affordable dividend to declare based on the latest forecast free cash flows.

This process is carried out at each dividend declaration (interim and final) and always remains subject to the Board discretion and circumstances/opportunities at the time, given that the Board has access to forward-looking information.

4. DIVIDEND APROVAL

To ensure compliance with the requirements of the Companies (Guernsey) Law 2008, solvency and liquidity tests need to be performed before declaring a dividend:

- the solvency test requires that immediately after paying the dividend, the assets of the Company, fairly valued, must exceed its liabilities, fairly valued;
- the liquidity test provides that the Company should be able to pay its debts in the ordinary course of business as they become due for 12 months after paying a dividend.

At the time of the declaration of a dividend, the Audit and Risk Committee is required to recommend to the Board the declaration of dividend, subject to solvency and liquidity requirements being met. If the Board deems the recommendation appropriate and that it meets the requirements of the Law as set out above, it will declare the dividend accordingly, in terms of the Law and as read with the Company's Memorandum of Incorporation.