
ANTI-BRIBERY POLICY

1. INTRODUCTION

The Board of Directors (the “Board”) of Capstone Copper Corp. (“Capstone”) and all of its subsidiaries (“Capstone”) has determined that it should supplement its existing policies relating to anti-bribery and anti-corruption laws in the form of this “Anti-Bribery Policy” (the “Policy”). This Policy is designed to complement and expand on Capstone’s existing Code of Conduct and Ethical Values Policy (the “Code of Conduct”).

Capstone respects all international and local anti-bribery and anti-corruption laws, even where the perception is such that standards are loosely enforced by local authorities. Corrupt acts could expose Capstone and its directors, officers and employees to the risk of prosecution, fines and imprisonment in Canada and in other countries where we do business. In addition, non-compliance threatens Capstone’s reputation, which plays a critical role in our success as a business.

2. PURPOSE

The objective of this Policy is to provide guidance and procedures to ensure that Capstone conducts business in an honest and ethical manner when dealing with government officials and all other parties, and in compliance with all applicable laws and regulations pertaining to bribery and corruption.

3. DEFINITIONS

“Employees” means directors, officers and employees of Capstone.

“Covered Third Parties” means all of Capstone’s partners, agents, consultants and other contractual counterparties who interact with government officials on Capstone’s behalf.

4. SCOPE

This Policy applies to the worldwide conduct of the directors, officers and employees of Capstone. This Policy also reflects the standard to which Capstone expects Covered Third Parties to adhere when acting on Capstone’s behalf.

5. RESPONSIBILITIES

The Board has appointed its SVP, Risk, ESG and General Counsel (“General Counsel”) to oversee the administration of this Policy and report directly to the Board.

The General Counsel may delegate his or her responsibilities under this policy to departmental or regional Compliance Officers, and all references in this Policy to the General Counsel include designated departmental or regional Compliance Officers.

Contact information for the General Counsel and any designated departmental or regional Compliance Officers can be obtained through the Human Resources Department.

6. BRIBERY AND CORRUPTION

A. What is Bribery and Corruption?

Corruption is the misuse of power by government officials or other parties for illegitimate private gain. Bribery is the offer, promise, or provision, directly or indirectly, of a loan, reward, advantage or benefit of any kind to a person in a position of power to influence that person’s views or conduct or to obtain or retain an improper advantage.

Bribery and corruption can take many forms, including the provision or acceptance of:

- Cash payments;
- Jobs or “consulting” relationships for the official or his/her family;
- Commissions or kickbacks;
- Excessive gifts, entertainment or hospitality;
- Payment of non-business related or lavish travel expenses; or
- Provision of personal favours to the official or his/her family.

Corruption and bribery are never acceptable business practices. Employees and Covered Third Parties are strictly prohibited from offering, paying, promising or authorizing any bribe to any government official directly or indirectly, or through a third party or family member.

B. Anti-bribery Laws

There are laws throughout the world combating bribery and corruption, including laws that apply to Capstone’s international activities. Three such laws are Canada’s *Corruption of Foreign Public Officials Act* (“CFPOA”), *Extractive Sector Transparency Measures Act* (“ESTMA”) and the United States’ *Foreign Corrupt Practices Act* (“FCPA”). Although Canadian and American laws respectively, the CFPOA, ESTMA and FCPA can apply to Capstone’s actions anywhere in the world. Additionally, Capstone’s international activities may also be subject to other international and local anti-bribery laws of Mexico and Chile. It is important that Capstone respect all international and local anti-bribery and anti-corruption laws, even where the perception is that such standards are loosely enforced by local authorities. Copies of all applicable legislation are available on request from the Legal Department.

C. Who are Government Officials?

Laws prohibiting bribery and corruption typically define government officials broadly to include any appointed, elected, or honorary official or any career employee of a government, of a government owned or controlled company, or of a public international organization. The definition encompasses officials in all branches and at all levels of government: federal, state or local. The definition also includes political parties and party officials and candidates for political office. A person does not cease to be a government official by purporting to act in a private capacity or by the fact that he or she serves without compensation.

Below are just a few examples of government officials relevant to Capstone’s business:

- Government ministers and their staff;
- Members of legislative bodies;
- Judges and ambassadors;
- Officials or employees of government departments and agencies including customs, immigration, environment, mines and energy and other regulatory agencies;
- Employees of state-owned mining companies, or other government-owned or controlled corporations;
- Military and police personnel;
- Political party officials and candidates for political office;
- Mayors, councillors or other members of local government;
- Employees of public international organizations such as the International Finance Corporation of the World Bank; and
- Aboriginal band officials.

If you are not sure whether a particular person is a government official, please contact the General Counsel for further guidance.

Benefits to relatives of government officials, such as spouses, children, parents or siblings, may be treated by enforcement authorities as benefits to a government official and, accordingly, may constitute violations of anti-bribery laws. Accordingly, Capstone treats relatives of government officials as government officials unless determined otherwise by the General Counsel. Any gifts, entertainment or travel expenses involving a relative of a government official must comply with sections A, B and C of this Policy. You must also consult with the General Counsel before entering into any contract or transaction with a close relative of a government official or a company owned or controlled by a close relative of a government official.

7. FACILITATION OF PAYMENTS

A “Facilitation Payment” is an occasional payment of minimal value made solely to expedite or secure the performance of a routine, non-discretionary government action such as the issuance of a permit, licence or other document to qualify a person to do business or the processing of official documents, such as visas and work permits. Facilitation payments are small bribes and are illegal in countries where Capstone operates. Accordingly, the use of Facilitation Payments is strictly prohibited.

A. Gifts for Government Officials

The provision of gifts or other benefits to a government official may be considered to be a bribe and, as a result, is prohibited in the absence of pre-approval from the General Counsel.

In appropriate circumstances and if the General Counsel deems it necessary and pre-approves in writing, reasonable gifts may be provided to a government official, but only if: (i) there is a direct connection to a legitimate business or promotional activity or the performance of an existing contract; (ii) it is consistent with normal social or business customs in the official’s country and with Capstone’s own business practices; (iii) it is provided in a transparent and open manner; (iv) the cost is reasonable; and (v) it does not create a sense of obligation on the part of the recipient. Gifts in the form of cash, stock or other negotiable instruments must never be given.

Any gift to a government official must be accurately accounted for and described in Capstone’s books and records. The description should identify the nature of the gift, its value, the date it was given and the identity of the recipient.

B. Entertainment of Government Officials

The provision of entertainment for the purpose of obtaining or retaining business or improperly influencing some matter in favour of Capstone may be considered to be a bribe and may result in violation of anti-corruption laws. Accordingly, Capstone prohibits providing, directly or indirectly, entertainment, meals or other any benefit of any kind to a government official on a scale that might be perceived as creating an obligation on that official.

In appropriate circumstances, reasonable meals, entertainment or other normal business hospitality may be provided to a government official, but only if: (i) there is a direct connection to a legitimate business or promotional activity or the performance of an existing contract; (ii) it is consistent with normal social or business customs in the official’s country and with Capstone’s own business practices; (iii) it is provided in a transparent and open manner; (iv) the cost is reasonable; and (v) it does not create a sense of obligation on the part of the recipient.

When considering the reasonableness of the expense, Employees should consider the frequency with which such expenses are incurred for a particular official. Modest costs frequently incurred can, when aggregated, amount to lavish and potentially improper payments.



Any meal, entertainment or other normal business hospitality for a government official must be reasonable and justifiable in value and must not be offered or provided in return for any favor or benefit or to influence improperly any official decision.

The provision of any meal, entertainment or other business hospitality for a government official must be accurately accounted for and described in Capstone's records. It must be accounted for in a separate expense report which identifies the type of benefit provided, its value, the date it was provided, and the identity of the recipient.

C. Payment of Travel, Expenses and Per Diems for Government Officials

In appropriate circumstances, Capstone may pay reasonable travel and expenses for government officials. The types of circumstances in which such expenses may be approved are when there is a legitimate business need for Capstone to pay such expenses, for example:

- in connection with contract negotiation or contract execution, or
- to visit Capstone's operations in order to test equipment or demonstrate specific capabilities or practices.

Such expenses may only be paid where permitted under local law and approved in advance by the General Counsel. The expenses must be reasonable in amount and directly related to the business purpose. Capstone will not pay or reimburse travel or other expenses which are predominately for recreation or entertainment, or for a government official's spouse or other family members.

Per diems or cash allowances must not be paid to government officials, except with the prior written authorization of the General Counsel.

8. POLITICAL AND CHARITABLE DONATIONS

Capstone is committed to engaging governments responsibly with respect to policy matters that are relevant to its business. Capstone's policy is that all contributions to political parties, politicians, or a candidate for public office must be approved in advance by Capstone's Chief Executive Officer.

Capstone, Employees and Covered Third Parties are prohibited from making contributions on Capstone's behalf to any charity owned or controlled by a government official. For further information regarding policies and procedures regarding political and charitable contributions, see section 6.6 of the Code of Conduct.

9. AVOIDING BRIBERY OF NON-GOVERNMENT PERSONNEL

While much of the focus of this Policy is on avoiding bribery and corruption relating to government officials, bribery of non-government personnel (such as employees of private business and union officials) is also unethical and illegal. It is therefore Capstone's policy to prohibit providing bribes to anyone, regardless of whether or not they are a government official.

However, this Policy is not intended to discourage reasonable relationship building expenses for non-government personnel, so long as: (i) it is for a legitimate business reason; (ii) it is consistent with normal business customs in the host and recipient's country; (iii) it is provided in a transparent and open manner; (iv) the cost is reasonable; and (v) it does not create a sense of obligation on the part of the recipient. Gifts in the form of cash, stock or other negotiable instruments must never be given.

10. WHAT TO DO IN THE EVENT OF A REQUEST FOR A BRIBE

If a government official, consultant, agent or any other party requests a bribe, kickback or other thing of value (including gifts, entertainment, travel or other hospitality that would be in violation of this Policy), politely turn down the request and make a record of the request as soon as possible. The



record should be marked “confidential” and promptly provided to the General Counsel and advice will be provided regarding the appropriate next steps.

11. EXIGENT CIRCUMSTANCES

Nothing in this Policy prohibits the making of payments in cash or in kind to government officials when life, safety, or health is at risk. Employees and Covered Third Parties are permitted to make a payment to avoid subjecting himself or herself to a health or safety risk. The making of such a payment in exigent circumstances should be reported to the General Counsel as soon as possible after the payment is made. Such payments must be accurately recorded and identified in expense reports and other books and records.

12. COVERED THIRD PARTIES

A. Due Diligence on Covered Third Parties

Prior to entering into a business relationship with a Covered Third Party, Employees shall report the potential engagement in writing to the General Counsel. No Covered Third Party may be engaged without the pre-approval of the General Counsel.

The General Counsel will direct due diligence on the Covered Third Party that addresses the qualifications of the Covered Third Party, the services the Covered Third Party will provide, the compensation Capstone will provide, the basis for believing that compensation is reasonable and information, as appropriate, regarding the Covered Third Party's character, reputation and history of conducting business in an ethical and legal manner that is consistent with this Policy. The process and extent of due diligence to be performed depends on the circumstances and will be determined by the General Counsel. After completing due diligence as appropriate, a written summary of the due diligence findings should be recorded. At a minimum, documentation obtained through due diligence should be preserved.

In all cases, Employees shall also use best efforts to ensure that any Covered Third Party: (i) is not a government official or does not employ, subcontract with or have a material shareholder that is a government official; (ii) does not have a history or demonstrated tendency towards bribery or corruption; (iii) performs the required services in compliance with this Policy and applicable local laws; and (iv) is compensated at a level that is reasonable, given their experience, the country where their services are to be performed, the expected results and the amount and difficulty of the work to be performed.

B. Contracts with Covered Third Parties

Capstone shall only retain a Covered Third Party using a written agreement that defines the scope of the relationship and the compensation terms. All agreements with Covered Third Parties shall include a provision that they must at all times abide by this Policy (or, at the discretion of the General Counsel, the Covered Third Party's own anti-bribery policy) and all applicable anti-corruption and anti-bribery laws.

C. Managing Covered Third Parties

Capstone shall take reasonable measures to maintain a record of the names and contract terms for all Covered Third Parties.

Capstone shall always enforce remedies, including termination if appropriate, against Covered Third Parties that breach applicable anti-corruption laws or this Policy.



Any payment made to any Covered Third Party must not represent more than the amount specified in the written agreement with the Covered Third Party and must be appropriate remuneration for the legitimate services rendered.

Periodically, or at least when a contract with a Covered Third Party is being renewed or updated, the General Counsel should reassess whether any further due diligence should be performed on the Covered Third Party based on the current circumstances. Covered Third Party contracts must not be renewed without the approval of the General Counsel.

13. INTERNAL CONTROLS

Management of Capstone shall develop, implement and maintain a system of accounting policies and internal controls to facilitate compliance with this Policy, as well as to foster a culture of integrity and maintain high ethical standards.

14. BOOK AND RECORDS

Capstone shall maintain books and records that are full, fair and accurate and understandable to reflect all transactions, use and disposition of assets, and other similar information. All Employees must ensure that:

- a) all gifts, hospitality, and other expenses are properly reported and recorded;
- b) any payment made on behalf of Capstone is supported by appropriate documentation;
- c) no payments to Covered Third Parties are made in cash, unless authorized by the General Counsel; and
- d) no Employees shall create or help create any documents for the purpose of concealing any improper activity.

In reviewing and approving expenses, or in the review of any books and records, any question which may arise in connection with this Policy shall be brought to the attention of the General Counsel.

15. COMMUNICATION OF THE POLICY

Capstone will provide a copy of the current version of this Policy and related policies to new Employees and Covered Third Parties when they are hired or contracted and will provide copies of significant changes, as necessary. Copies of this Policy and any other employment policies are available through the Human Resources Department.

16. CERTIFICATION

All Employees of Capstone together with any Covered Third Parties specified by the General Counsel shall provide periodic certification of compliance with this Policy in the form attached to this Policy as Schedule "A", or in a form recommended by General Counsel and determined appropriate by the Board.

The General Counsel will review this Policy and its effectiveness at least annually and will revise and update, as necessary. The General Counsel will also report on the Policy and its effectiveness, at least annually, to the Board.

17. VIOLATIONS

Capstone expects all Employees and Covered Third Parties to take steps to prevent any violation of this Policy. This includes identifying and raising potential issues before they lead to problems and seeking additional guidance when necessary.



A. Reporting Violations

If you believe a violation of this Policy has occurred or is occurring, you may make a report in person or anonymously by following the procedures in the following Complaints Procedure or by using the whistleblower process outlined in the Whistleblower Policy.

B. Complaints Procedure

Employees have a duty to report violations of Capstone's policies and standard. Any employee making such a report is to be free from any concern about retaliatory consequences. Reprisals or intimidation of employees who draw attention to problems or violations will not be tolerated. You can report your concerns to your supervisor or directly to:

Wendy King
SVP, Legal, Risk & Governance & General Counsel
+1 (604) 674-9040
wking@capstonecopper.com

Emails should be marked “PRIVATE AND CONFIDENTIAL”; or

Mail confidentially and anonymously to:
Chair of the Audit Committee
c/o Capstone Copper Corp.
Suite 2100 - 510 West Georgia Street
Vancouver, BC V6B 0M3

Envelopes should be marked “PRIVATE AND CONFIDENTIAL”; or

Contact Integrity Counts:

- North America - call Toll Free: 1-866-921-6714
- Mexico - call Toll Free: 001-800-099-0642
- Chile - call Toll Free: 12300203914 or 188-800-801-033
- Email: capstone@integritycounts.ca
- Website: <https://www.integritycounts.ca/org/capstone>

C. No Retaliation

In no event will Capstone take or threaten any action against an Employee as a reprisal or retaliation for making a complaint or disclosing or reporting information regarding issues relating to this Policy in good faith. However, if a reporting individual was involved in improper activity the individual may be appropriately disciplined even if they were the one who disclosed the matter to us. In these circumstances, we may consider the conduct of the reporting individual in raising the matter as a mitigating factor in any disciplinary decision.

Retaliation for reporting Code of Conduct issues in good faith is prohibited. Retaliation will result in discipline up to and including termination of employment.

We will also make known the process for reporting complaints or concerns on an anonymous and confidential basis.

18. CONSEQUENCES OF NON-COMPLIANCE WITH POLICY

In the case of Employees, failure to comply with this Policy may result in severe consequences, which could include internal disciplinary action up to termination of employment with cause or consulting arrangements without notice and without compensation where permissible under applicable laws.



Violation of this Policy may also violate applicable laws and if it appears that an Employee may have violated such laws, Capstone may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

In the case of Covered Third Parties, violation of this Policy may result in termination of a contract without notice, or such other measures that are available at law.

19. QUERIES

Any questions regarding this Policy should be directed to the General Counsel.

20. AMENDMENT

This Policy may be translated into other languages. In the event of any discrepancy between the original English version and any translation, the English version will prevail.

Issue Date: March 23, 2022
Review: Annually

Authorized By: Board of Directors