
DIVERSITY AND INCLUSION POLICY

1. PURPOSE

Capstone Copper Corp. and all of our subsidiaries (“Capstone” or the “Company”) are committed to creating an inclusive culture, supported by our core values, in which differences are recognized and valued. By bringing together people from diverse backgrounds and giving each person the opportunity to contribute their skills, experience and perspectives, we believe that we can deliver the best results and sustainable value for Capstone and its stakeholders.

2. DEFINITIONS

“**Diversity**” is any dimension that can be used to differentiate groups and people from one another and includes, but is not limited to, characteristics such as age, gender identity and expression, race, national or ethnic origin, religion, language and other ethnic distinctions, political beliefs, sexual orientation, physical ability, education, regional and industry experience and expertise and all other protected grounds.

“**Inclusion**” is the practice of leveraging Diversity to create a fair, equitable, healthy and high-performing organization where all individuals are respected, feel engaged and motivated, and their contributions towards meeting the Company’s goals are valued.

3. SCOPE

This Policy applies to all employees and directors of Capstone.

4. CAPSTONE’S DIVERSITY AND INCLUSION VISION

1. **Embrace Workforce Diversity** – embracing age, gender identity and expression, race, national or ethnic origin, religion, language and other ethnic distinctions, political beliefs, sexual orientation, physical ability, education, regional and industry experience and expertise and all other Diversity aspects.
2. **Value Diversity of Thought and Perspective** – leveraging the diverse thinking, skills, experience and working styles of our employees and other stakeholders.
3. **Build a Flexible Organization** – providing opportunities for work arrangements that accommodate the diverse needs of individuals at different career and life stages.
4. **Respect Stakeholder Diversity** – developing strong and sustainable relationships with diverse shareholders, communities, employees, governments and suppliers.

5. WHY DIVERSITY AND INCLUSION IS IMPORTANT

We believe Diversity and Inclusion provides a supportive work environment for all employees and lead to improved business outcomes, allowing Capstone to achieve its vision to become the best managed copper company within our peer group. Specifically, Diversity and Inclusion:

- **Enhance company culture:** Employees who experience a sense of belonging, commitment and respect are more engaged and are more likely to have higher job satisfaction and be more effective at their work.
- **Improve decision making:** Directors and employees with Diversity backgrounds bring a wider range of ideas, experiences, approaches and perspectives to their jobs resulting in more effective problem solving.

- **Increase attraction and retention of employees:** A workplace that values Diversity and supports inclusion attracts, engages and retains diverse talented employees who will help the Company achieve its goals.
- **Promote creativity, productivity and innovation:** Teams with a range of perspectives outperform groups of like-minded experts.
- **Leverage our ability to operate in diverse locations with diverse workforces:** The more diverse our workforce, the more we will be effective when operating in varied locations as we have a better understanding of the unique differences and challenges.
- **Drives business performance:** The cumulative and increased effectiveness of individuals and teams in an Inclusive work environment that includes Diversity results in overall better performance at all levels of the Company.

6. GUIDING PRINCIPLES

The following key principles and practices underpin our approach to Diversity and Inclusion:

- **Treating everyone with respect:** No matter their background, job level etc., everyone is to be treated with respect and dignity.
- **Embracing workforce diversity:** Employees must be accepting and respectful of others despite differences that may exist.
- **Valuing diverse perspectives:** We value working environments that encourage and value diverse perspectives, thinking, skills, experience and working styles.
- **Management practices:** Beyond promoting a diverse workforce, leaders strive to ensure our teams include diverse perspectives and to build diversity into their teams.
- **Stakeholders:** When engaging with stakeholders we aim to be as inclusive as possible and to develop strong relationships with diverse shareholders, communities, governments, and suppliers.

7. DIVERSITY AND INCLUSION COMMITTEE

Capstone's Diversity & Inclusion Committee was established to support the Senior Leadership Team and Human Resources in developing and implementing a diversity and inclusion strategy, addressing and reporting diversity and inclusion related issues and integrating the diversity and inclusion into Capstone's business practices and operations.

8. DIRECTOR AND SENIOR LEADERSHIP TEAM DIVERSITY

Capstone believes that a diverse Board of Directors ("Board") and senior leadership team helps to broaden the Company's range of perspectives, experiences and expertise required to deliver results for stakeholders. Capstone endeavors to ensure that i. at least 30% of the Board members are women, and ii. the Board is Inclusive of Diversity.

Capstone also recognizes that its director and its senior leadership team appointments must be based on performance, ability, merit and potential, and free of conscious and unconscious bias to attract and retain candidates and to ensure a workforce Inclusive of Diversity. Therefore, Capstone ensures a merit based competitive process for appointments.

Application to Directors



The Board's Governance, Nominating and Sustainability ("GNS") Committee is responsible for identifying qualified individuals for Board vacancies and recommending director nominees to the Board. In so doing, the GNS Committee will consider:

- the competencies and skills deemed necessary for the Board, as a whole, to possess;
- the competencies and skills each existing director possesses; and
- the competencies and skills each new nominee will bring to the role.

It is an objective of this Policy that Diversity be considered in determining the composition of the Board. In reviewing Board and committee composition and identifying suitable candidates for Board and committee appointment and nomination for election to the Board and committees, candidates will be selected based on merit and against objective criteria, and with due regard given to the benefits of Diversity, in order to enable the Board as a whole to discharge its duties and responsibilities effectively.

In order to promote Diversity, the selection process for Board appointees/nominees will involve, but is not limited to, the following steps (including where Capstone engages an external recruitment agency to identify and assess candidates):

- a short-list identifying potential candidates for appointment/nomination will be compiled and will include at least one candidate who contributes to the Diversity of the Board, ensuring Diversity is actively considered for each available Board seat; and
- if, at the end of the selection process, a Diversity candidate is not selected, the Board must be satisfied i. that there are objective reasons to support the selection; ii. that the Board is satisfied with the Diversity of the Board despite the selection; and iii. if the Board is not satisfied with the Diversity of the Board it has plans in place to increase Diversity.

Application to Senior Leadership Team

The Human Resources and Compensation ("HR&C") Committee of the Board is responsible for ensuring that Capstone has the necessary programs in place to attract and develop the highest caliber of senior leadership team members and plan for their succession. To ensure that Capstone attracts and retains the best talent in the senior leadership team and that Capstone provides equal employment opportunities for its senior leaders, Capstone will recruit and promote individuals based on performance, ability, merit and potential, and with a commitment to supporting Diversity.

It is an objective of this Policy that Diversity be considered in connection with succession planning and the appointment of members of Capstone's senior leadership team.

Capstone acknowledges the important role that women and other Diversity groups play in contributing to diversity of perspective in senior leadership positions. Accordingly, in order to promote the specific objective of Diversity, Capstone will:

- implement, review and measure practices that address impediments to Diversity;
- regularly review Diversity across all positions;
- monitor effectiveness of, and continue to expand on, initiatives designed to identify, support and develop talented leaders from Diversity groups; and



- continue to identify new ways to ensure Diversity is a priority.

9. RESPONSIBILITY

It is the responsibility of the GNS Committee to oversee this Policy as well as its application to the Board and it is the responsibility of the HR&C Committee to oversee the effectiveness of this Policy to Capstone. It is the responsibility of the Chief Executive Officer, with the support from the senior leadership team, the Diversity & Inclusion Committee and Human Resources, to oversee the application of this Policy for all employees as well as guide the development of Capstone's diversity and inclusion strategy and monitor our progress.

10. PROGRESS MEASURES

In order to achieve our Diversity and Inclusion vision, the Company will review, on an annual basis:

- the effectiveness of the director and senior leadership team appointment process in achieving its diversity objectives;
- qualitative feedback from engagement and/or targeted surveys, employee focus groups and roundtables, exit interviews, town hall meetings and other informal sources;
- demographic information; and
- customized, measurable objectives relevant to Capstone locations.

11. QUESTIONS

Any questions regarding this Policy should be directed to a member of the Capstone HR team.

12. 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.

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Authorized By: Board of Directors