

## PURPOSE

Capstone Mining Corp. (“Capstone”) recognizes and embraces the benefits of having diversity on the board of directors (the “Board”) and in Capstone’s senior management. Diversity is important to ensure that members of the Board and Capstone’s senior management provide the necessary range of perspectives, experience and expertise required to achieve Capstone’s objectives and deliver for its stakeholders.

Capstone also recognizes that the Board and its senior management appointments must be based on performance, ability, merit and potential. Therefore, Capstone ensures a merit based competitive process for appointments. Capstone’s commitment to diversity will include ensuring that diversity is fully considered in determining the composition of the Board and the appointment of its senior management.

### Meaning of Diversity

“**Diversity**” is any dimension that can be used to differentiate groups and people from one another and includes gender and age, race, nationality, culture, language and other ethnic distinctions, education, regional and industry experience, and expertise.

## APPLICATION OF THIS POLICY TO THE BOARD

The Corporate Governance and Nominating Committee of the Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board the new director nominees for the next annual general meeting of the shareholders. In so doing, the Corporate Governance and Nominating Committee will consider:

- i. the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- ii. the competencies and skills that the Board considers each existing director to possess; and
- iii. the competencies and skills each new nominee will bring to the boardroom.

It is an objective of this policy that diversity be considered in determining the optimal composition of the Board and, when possible, the Board should be balanced appropriately. In reviewing Board composition and identifying suitable candidates for Board appointment or nomination for election to the Board, candidates will be selected based on merit and against objective criteria, and due regard will be given to the benefits of diversity in order to enable the Board to discharge its duties and responsibilities effectively.

Capstone recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that women with the right competencies and skills can play in contributing to diversity of perspective in the boardroom. Accordingly, in order to promote the specific objective of gender diversity, the selection process for Board appointees/nominees will involve 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 must be compiled and should include at least one female candidate for each available Board seat; and

- if, at the end of the selection process, no female candidates are selected, the Board must be satisfied that there are objective reasons to support this determination.

On an annual basis, the Corporate Governance and Nominating Committee will (i) assess the effectiveness of the Board appointment/nomination process at achieving Capstone's diversity objectives; and (ii) consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity on the Board. At any given time the Board may seek to adjust one or more objectives concerning its diversity and measure progress accordingly.

#### **APPLICATION OF THIS POLICY TO SENIOR MANAGEMENT**

The Human Resources and Compensation Committee of the Board is responsible for ensuring Capstone has in place programs to attract and develop management of the highest calibre and a process to provide for the orderly succession of management. To ensure that Capstone attracts and retains the best talent in senior management and that Capstone provides equal employment opportunities for its senior management, Capstone will recruit and promote individuals based on performance, ability, merit and potential, and with a commitment to supporting diversity at Capstone.

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 management.

Capstone recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that women with the right competencies and skills can play in contributing to diversity of perspective in senior management positions. Accordingly, in order to promote the specific objective of gender diversity, Capstone will:

- implement practices which address impediments to gender diversity in the workplace and review their availability and utilisation;
- regularly review the proportion of women at all levels of Capstone;
- monitor effectiveness of, and continue to expand on, existing initiatives designed to identify, support and develop talented women with leadership potential; and
- continue to identify new ways to entrench diversity as a cultural priority across Capstone.

On an annual basis, the Human Resources and Compensation Committee will (i) assess the effectiveness of the senior management appointment process at achieving Capstone's diversity objectives; and (ii) consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity in senior management. At any given time the Board may seek to adjust one or more objectives concerning senior management diversity and measure progress accordingly.

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**Authorized By:**  
  
Board of Directors