



## WHISTLEBLOWER POLICY

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### INTRODUCTION

As part of its commitment to the highest standards of corporate governance, Sierra Metals Inc. (collectively with its subsidiaries, the “**Company**”) has established procedures for the receipt, retention and handling of complaints and concerns received relating to, among other things, alleged or suspected violations (the “**Whistleblowing Matters**”) of the Code of Business Conduct and Ethics of the Company (the “**Code**”), other internal policies and guidelines, or any applicable law or regulation. Every employee, officer and director of the Company has the responsibility to: (i) ask questions and seek guidance in respect of any Whistleblowing Matter; and (ii) promptly report any such Whistleblowing Matter in the manner set forth in this Whistleblower Policy of the Company (the “**Policy**”).

This Policy should be read in conjunction with the Company's other related policy documents, including the Company's Disclosure of Information Policy and the Code.

### WHEN TO REPORT A COMPLAINT

Employees, officers and directors should report a complaint if he or she believes that any employee, officer or director of the Company, or any agent or representative of the Company, may have engaged in, or is about to engage in, any conduct which may be:

- a violation of the Code or any internal policy or code of practice;
- a violation of, or otherwise involve questionable practices in connection with, accounting, internal accounting controls or auditing matters;
- a violation of any applicable law or regulation;
- corruption, mismanagement or fraud; or
- a danger to worker health and safety, the environment or the public.

If an employee, officer, director, agent, representative or contractor is unsure about the matter but concerned about the possibility of a violation or questionable practice, he or she should nonetheless report the matter.

### PROCEDURES FOR THE SUBMISSION OF COMPLAINTS AND CONCERNS REGARDING ACCOUNTING, AUDITING AND OTHER MATTERS

#### *Reporting of Complaints*

Any employee, officer, director, agent, representative or contractor of the Company must submit any good faith complaints or concerns regarding questionable treatment or alleged violations with respect to Whistleblowing Matters.

A complaint may be submitted anonymously by mail or may be delivered confidentially, in person, by internal mail, regular mail or electronic mail to the Chairman of the Audit Committee of the Company (the “**Audit Committee**”).

If the complaint is written and sent via mail, the individual reporting the complaint should mark the envelope as “confidential and private”. If the complainant wishes to discuss the matter orally, he or she should indicate this in the submission and include a telephone number at which he or she might be contacted.

To the extent possible, any complaint should be factual rather than speculative, and should contain as much specific information as possible to allow for proper assessment. The complaint describing an alleged violation or concern should be candid and set forth all of the information that the complainant knows regarding the allegation or concern.

With respect to Whistleblowing Matters involving the possible violation of laws or regulations, employees, officers and directors may also choose to bring such concerns to an outside regulatory authority. However, the Company is committed to taking internal action in response to such concerns and would appreciate the opportunity to do so, if appropriate.

### ***Outside service***

The Company has hired an independent third party “IntegrityCounts” to manage all of the complaints received. There are three ways to submit a complaint: 1) filing a report online; 2) calling the toll free phone number; and 3) submitting an email. These services are all provided in English and Spanish. All reports generated by the service are transmitted to the Chairman of the Audit Committee with a copy to the Compliance Officer (as designated under the Code).

### ***Contact Information***

#### Chairman of the Audit Committee

Koko Yamamoto  
  
161 Bay Street, Suite 4260  
Toronto, Ontario  
M5J 2S1  
Canada

#### IntegrityCounts

**In North America Call:** 1-866-921-6714

**In Mexico Call:** 01-800-099-0642

**In Peru, Collect Call:** 1-604-922-5963 (call the international operator and ask to make a collect call to 1-604-922-5963)

**Email:** [sierrametals@integritycounts.ca](mailto:sierrametals@integritycounts.ca)

**Website:** [www.integritycounts.ca/org/sierrametals](http://www.integritycounts.ca/org/sierrametals)

### ***Treatment and Reporting of Complaints and Investigations***

Upon receipt of a complaint, the Chairman of the Audit Committee shall make a determination, in his reasonable judgment, whether a reasonable basis exists for commencing an investigation into the complaint. To assist in making this determination, the Chairman of the Audit Committee may conduct, or delegate authority to others to conduct, an initial, informal inquiry. To the extent possible, all complaints

will be handled in a confidential manner; however, it should be noted that confidentiality could limit the investigator's ability to conduct a complete inquiry.

The Chairman of the Audit Committee shall report regularly to the Audit Committee about all complaints submitted to him since the last report, together with his determination of the complaint and the results, if any, of any informal investigations.

The Audit Committee will then determine, in its reasonable judgment, whether a reasonable basis exists for commencing a formal investigation into the complaint or whether to forward the complaint to the Corporate Governance Committee if the complaint does not relate to accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against the Company. If the Audit Committee makes a determination that: (i) there is substantive merit to the complaint; and (ii) it will assume carriage of the complaint, then it shall instruct the Compliance Officer or another appropriate person to proceed with a formal investigation.

In the event the complaint is forwarded to the Corporate Governance Committee by the Audit Committee and the Corporate Governance Committee determines that: (i) there is substantive merit to the complaint; and (ii) it will assume carriage of the complaint, then it shall instruct the Compliance Officer or another appropriate person to proceed with a formal investigation.

The Compliance Officer (or another appropriate person) shall oversee all investigations under the authority of the Audit Committee or the Corporate Governance Committee, as the case may be. The Audit Committee, the Corporate Governance Committee or the Compliance Officer, as the case may be, shall have the authority to retain outside legal or accounting expertise in any investigation as he, she or it deems necessary to conduct the investigation in accordance with its charter and this Policy.

### ***Corrective Action***

The Audit Committee, with input from the Compliance Officer and management of the Company, if requested, will determine the validity of a complaint and any corrective action, as appropriate.

It is the responsibility of the Audit Committee or the Corporate Governance Committee, as the case may be, to report to management of the Company any non-compliance with legal and regulatory requirements and to ensure that management takes corrective action, including, where appropriate, reporting any violation to the applicable federal, provincial, state or regulatory authorities. Directors, officers and employees that are found to have violated any laws, governmental regulations or policies of the Company will face appropriate, case specific disciplinary action, which may include demotion or discharge and other matters referred to in the Code.

### ***No Retaliation***

The Company will not retaliate and will not allow any retaliation or discrimination by its employees, officers or directors of any kind against any complainant who submitted a good faith complaint. Specifically, the Company will not discharge, demote, suspend, threaten, harass or in any other manner discriminate or retaliate against any complainant submitting a good faith complaint.

In addition, neither the Company nor any of its employees, officers or directors may retaliate or discriminate against any employee, officer, director, agent, representative or contractor who lawfully provides information to the proper authorities regarding any conduct which the employee, officer or director reasonably believes constitutes a violation of federal, provincial or state securities or antifraud laws, or who participates in or otherwise assists with a proceeding relating to such potential violations by the Company or its employees, officers or directors.

However, groundless or unwarranted complaints, including those with vindictive intent, are not acceptable. Appropriate disciplinary measures will be taken by the Company if allegations are initiated for malicious reasons or in bad faith.

### ***Confidentiality and Anonymity***

Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation (there may be unique circumstances when disclosing the complainant's identity may be required by law).

### ***Retention of Complaints***

All complaints submitted by an employee, officer or director regarding an alleged violation or concern shall remain confidential unless consented to by the complainant. In addition, all written statements, along with the results of any investigations relating thereto, shall be retained by the Company for a minimum of seven years.

It is illegal and against the Company's policy to destroy any corporate audit records that may be subject or related to an investigation by the Company or any federal, provincial, state or regulatory body.

### ***Approval***

This Whistleblower Policy has been re-approved by the Board of Directors of Sierra Metals Inc. this 8th day of November, 2018.