HUDBAY MINERALS INC.

SUPPLIER CODE OF CONDUCT AND ETHICS

Purpose and Scope

This Supplier Code of Conduct and Ethics (“Supplier Code of Conduct”) sets out the minimum standards of conduct expected to be adhered to by all Suppliers who wish to do business with, or on behalf of, Hudbay.

The Supplier Code of Conduct supplements the requirements, guidelines and standards set out in Hudbay’s other compliance policies that may apply to a Supplier doing work for, or on behalf of, Hudbay, including Hudbay’s Statement on Anti-Corruption, Human Rights Policy and Environmental, Health and Safety Policy (collectively, “Applicable Compliance Policies”) and other site-specific procedures communicated to the Supplier as well as the requirements of any contract between Hudbay and the Supplier. The Applicable Compliance Policies are available on Hudbay’s website at www.hudbay.com.

All Suppliers must read, accept and comply with the Supplier Code of Conduct and all of the Applicable Compliance Policies.

For purposes of this policy, “Supplier” means a third party individual, corporation or other entity that provides goods or services to Hudbay in return for payment and includes such party’s affiliates and subcontractors and their respective directors, officers, employees and representatives.

Compliance with Laws

Suppliers are expected to comply in good faith at all times with all applicable laws, rules and regulations in every jurisdiction in which they do business with, or on behalf of, Hudbay.

Local laws may in some instances be less restrictive than the principles set forth in this Supplier Code of Conduct and the Applicable Compliance Policies. In those situations, Suppliers are expected to comply with the Supplier Code of Conduct and Applicable Compliance Policies, even if the conduct they are contemplating would otherwise be legal under local laws.

Ethical Conduct

Hudbay is committed to conducting business honestly, ethically and in compliance with the laws and social codes of the jurisdictions in which it operates and owns assets, and expects its Suppliers to act in the same manner when performing work for, or on behalf of, Hudbay. Operating our company openly, fairly and with integrity, and insisting that others with whom we do business and who act on our behalf do the same, is the proper way to run our business and the right way to treat our stakeholders.

As in effect March 2017
In addition to acting honestly, ethically and with integrity, Suppliers should avoid any relationship or activity that might create, or appear to create, a conflict between their own interests and the interests of Hudbay.

**Anti-Corruption**

Suppliers must comply with all laws prohibiting improper payments to government officials, including the *Corruption of Foreign Public Officials Act* (Canada) and the *Foreign Corrupt Practices Act* (US). These laws prohibit, among other things, offering, promising or giving (or authorizing an offer, promise or gift of) anything of value, directly or indirectly, to a foreign government official, official of a political party or political candidate, or to any official of any public international organization, to influence any of their acts or decisions or to obtain or retain business or secure any other improper advantage.

Any bribe, or improper gift or payment to any third party with the intent to obtain an improper advantage or to retain business, is prohibited.

Facilitation payments are unofficial payments (as opposed to legitimate and official fees and taxes) made to an individual for the purpose of securing or accelerating the performance of a service or a routine government action to which the person or company paying is already entitled. These types of payments by Suppliers acting on behalf of Hudbay are prohibited, regardless of applicable laws.

Suppliers are expected to inform Hudbay if any of their directors, officers, shareholders who hold 10% or more of their shares (directly or indirectly), or senior managers responsible for the goods or services provided to Hudbay are government officials. Suppliers are also expected to follow Hudbay’s due diligence and vendor on-boarding processes by providing information requested by Hudbay.

**Information and Records**

Suppliers may be exposed to certain information that is considered confidential by Hudbay or entrusted to Hudbay by persons with whom Hudbay does business. Suppliers shall not disclose such confidential information to any other person, including family members, and should share it only with Supplier personnel who have a “need to know” such information for purposes of performing Supplier’s work for Hudbay, unless the disclosure is specifically authorized by Hudbay or legally mandated.

Suppliers must have internal accounting controls sufficient to prevent improper payments and shall maintain books, accounts and records that properly, fairly and accurately record and report all transactions related, directly or indirectly, to its agreement with Hudbay.

*As in effect March 2017*
Human Rights and Non-Discrimination

Hudbay has adopted a Human Rights Policy that sets forth our commitment to protecting human rights through ethical business practices, fair labour practices, community participation, and security measures that respect human rights. Hudbay expects its Suppliers to share this commitment and to ensure they are not complicit in any human rights abuses. Suppliers must observe Hudbay’s Human Rights Policy in all of their dealings with workers, community members and others affected by their activities while working with or on behalf of Hudbay.

Hudbay values diversity and fosters a work environment in which all individuals are treated with respect and dignity. Hudbay expects its Suppliers to share this same commitment and will not tolerate discrimination or harassment of any kind while working on behalf of Hudbay.

Health, Safety and the Environment

Protecting the health and welfare of our employees and contractors and reducing the impact of our operations on the environment are among Hudbay’s core values.

Hudbay expects all Suppliers to have in place practices and procedures designed to ensure the health and safety of workers and the environment. Suppliers are required to adhere to Hudbay’s Environmental, Health and Safety Policy and all other site-specific environmental, health and safety practices and procedures that apply to the Supplier’s activities.

Vendor On-boarding

Hudbay has a Global Supplier Due Diligence Policy that governs the process of vendor on-boarding and due diligence. From time to time, Suppliers will be required to certify their acceptance of and compliance with Hudbay’s Supplier Code of Conduct. Hudbay may perform further due diligence and validation prior to on-boarding a Supplier, which may involve additional information being requested from the Supplier.

Supplier Reporting

Suppliers are expected to report suspected violations of the Supplier Code of Conduct and Applicable Compliance Policies by any Supplier or Hudbay personnel. Any Supplier who has reason to believe that an anti-corruption law has been violated in connection with the Supplier’s provision of goods or services to Hudbay must immediately report the suspected violation to Hudbay.

Suppliers are expected to promptly investigate any allegations that their personnel have violated the Supplier Code of Conduct. Supplier personnel may also raise concerns about illegal or unethical behaviour through Hudbay’s third-party confidential and anonymous whistleblower service, which is provided by ClearView Connects. ClearView’s website can be accessed at www.clearviewconnects.com.

As in effect March 2017
If Hudbay believes any Supplier is not acting in accordance with this Supplier Code of Conduct, it will take all action it deems necessary, which may include terminating the services provided by such Supplier and notifying the appropriate authorities.