

CAPSTONE TURBINE CORPORATION

COMPLAINT PROCEDURES FOR ACCOUNTING, INTERNAL ACCOUNTING CONTROLS AND AUDITING MATTERS

Any Capstone Turbine Corporation (“Capstone”) employee may submit to Capstone a good faith complaint or concern regarding accounting, internal accounting controls and auditing matters (collectively, “Accounting Matters”) without fear of termination or retaliation. Capstone will also receive and process any complaints or concerns regarding Accounting Matters raised by parties outside Capstone. The Audit Committee of Capstone’s Board of Directors (the “Audit Committee”) has adopted the following procedures for (1) the receipt, retention and treatment of complaints regarding Accounting Matters and (2) the confidential, anonymous submission by Capstone employees of concerns regarding questionable Accounting Matters (collectively, “Complaints”).

RECEIPT OF COMPLAINTS

Employees and Non-Employees may submit Complaints to the Audit Committee through the Corporate Ethics Manager (“Ethics Manager”) or Capstone’s primary outside counsel (“Outside Counsel”). Both will act as the agent of the Audit Committee and forward Complaints to the Audit Committee for appropriate response. All Complaints to the Ethics Manager or to Outside Counsel should include a clear description of the issue as well as the name, address, telephone number and email address of the individual submitting the Complaint (unless the Complaint comes from an employee who wants to remain anonymous).

Methods to communicate with the Ethics Manager:

By Intranet Form (**For Employees Only**): Complete the Capstone Ethics Complaint Form on the home page of Capstone’s intranet. When the form is completed, click “send” and it will forward on an anonymous email directly to the Ethics Manager.

By email: Send an email to ethicsmanager@capstoneturbine.com. This email will not be anonymous.

By telephone: Call 818-734-5199. Record a message and it will forward to the Ethics Manager.

By mail: Write a letter address to Capstone Audit Committee Complaint, c/o Ethics Manager, 16640 Stagg Street, Van Nuys, CA 91406.

Methods to communicate with the Outside Counsel:

By email: jarel@goodwinlaw.com

By telephone: 617-570-1067

By mail: Jocelyn Arel
Goodwin Law
100 Northern Avenue
Boston, MA 02210

TREATMENT OF COMPLAINTS

The treatment of all Complaints will be subject to the oversight of the Audit Committee.

Upon receipt of a Complaint, the Ethics Manager or Outside Counsel, as applicable, will promptly forward such Complaint to the Audit Committee Chair. Unless otherwise instructed by the Audit Committee Chair, the Ethics Manager or Outside Counsel will review the Complaint and determine a recommended course of action, which may include an investigation conducted with the involvement of the Ethics Manager, the Chief Financial Officer, Outside Counsel, and such other persons as the Ethics Manager or Outside Counsel deems appropriate, and will report to the Audit Committee any recommendations. Any investigation resulting from a Complaint will be conducted under the direction of the Ethics Manager or Outside Counsel, subject to the Audit Committee's oversight, except if, in the judgment of the Audit Committee Chair, the Ethics Manager or Outside Counsel, such investigation should be conducted under the direction of the Audit Committee directly. The Audit Committee Chair will report the Complaint at the Audit Committee's next meeting (or sooner if the Complaint requires the Committee's immediate attention) and will also send a copy of the Complaint to the Manager of Internal Audit. At each regularly scheduled meeting of the Audit Committee and at such other times as is warranted, the status of the Company's response to each Complaint will be reviewed with the Audit Committee.

Prompt and appropriate corrective action will be taken in response to all Complaints as warranted in the judgment of management, subject to the oversight of the Audit Committee. Confidentiality will be maintained to the extent reasonably possible throughout the course of all such investigations, consistent with the need to carry out an appropriate and adequate evaluation or investigation of the matters described in a Complaint.

Capstone will not terminate, demote, suspend, threaten, harass, or in any manner discriminate or retaliate against any employee in the terms and conditions of employment based upon any lawful actions of such employee with respect to good faith reporting of Complaints, nor take any other action prohibited by Section 806 of the Sarbanes-Oxley Act of 2002.

RETENTION OF COMPLAINTS

The Ethics Manager will maintain a log of all Complaints. The log will note the receipt, investigation and resolution of each Complaint. Copies of the Complaints will be retained for five (5) years following the termination of the course of action taken in response thereto, and the log for each calendar year will be retained for ten (10) years.

Adopted February 5, 2019