

# FALCO RESOURCES LTD.

## POLICY<sup>1</sup> ON THE PREVENTION OF HARASSMENT IN THE WORKPLACE AND THE HANDLING OF COMPLAINTS

### OBJECTIVE

In accordance with the principles of its Code of Ethics, Falco Resources Ltd. (“**Falco**” or the “**Corporation**”) does not tolerate nor accept any form of harassment, such as workplace violence (including domestic violence), psychological or sexual harassment, and discrimination, and is committed to providing a respectful work environment. Respect among individuals is one of Falco’s fundamental values. This *Policy on the prevention of harassment in the workplace and the handling of complaints* (the “**Policy**”) is intended to affirm the commitment of the Corporation to prevent and put an end to any situation of harassment in its business. It is also intended to establish the principles of intervention that are applied when a harassment complaint is filed or when harassment is reported to Falco or to its representatives, if any.

### SCOPE

This Policy applies to all workplaces and settings, including teleworking, where the employees (at all hierarchical levels) or individuals who provide services to Falco (collectively the “**employees**”) carry out their tasks, as well as wherever they need to be as part of their job (e.g. meetings, training, travel, social activities organized by Falco). The Policy also applies to communications by any means, technological or other (e.g. social media, emails, texts, posters, letters, etc.).

### DEFINITION

For the purposes of this Policy,

“**Harassment**” means<sup>2</sup>, in accordance with the *Act respecting Labour Standards*, any vexatious behaviour in the form of repeated and hostile or unwanted conduct, verbal comments, actions or gestures, that affects an employee’s dignity or psychological or physical integrity and that results in a harmful work environment; **and**

“**Sexual violence**” means<sup>3</sup> any form of violence targeting sexuality or any other misconduct, including unwanted gestures, practices, comments, behaviors or attitudes with sexual connotations, whether they occur once or repeatedly, including violence relating to sexual and gender diversity.

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<sup>1</sup> In this Policy, the use of the masculine to designate persons has no other purpose than to lighten the text.

<sup>2</sup> See Schedule 1 of this Policy for additional information.

<sup>3</sup> See Schedule 1 of this Policy for additional information.

A single serious incidence of such behaviour that has a lasting harmful effect on an employee may also constitute Harassment.

For greater certainty, Harassment includes such behaviour in the form of such verbal comments, actions or gestures of a sexual nature.

It is important however to distinguish Harassment from other situations such as interpersonal conflict, work-related stress, difficult professional constraints or the normal exercise of management rights (pertaining to workplace presence, organization of work, disciplinary measures, etc.).

## **DOMESTIC VIOLENCE**

Falco is also aware of the risk of domestic violence occurring in the workplace. Accordingly, the Corporation will take reasonable precautions to protect its employees in the workplace from domestic violence. Employees who are at risk or who believe that they are at risk of being subjected to domestic violence in the workplace will be supported by Falco and will be provided with appropriate and confidential outside support, as appropriate.

## **POLICY STATEMENT**

Falco does not tolerate Harassment in the workplace or during its activities, either:

- by Board members to employees;
- by management to employees;
- by employees to their supervisors, management or Board members;
- between employees;
- by employees to contract workers;
- by contract worker to employees;
- by any other person associated with Falco including representatives, agents, clients, suppliers, visitors or others.

Falco hereby undertakes to take all reasonable measures to offer a work environment free of any form of Harassment in order to protect the dignity as well as the physical and psychological integrity of all its employees.

In accordance with its legal obligations, Falco implements measures to identify, control, and eliminate the risks of Harassment, including by:

- disseminating and providing access to the Policy to all Falco employees, as well as to its Board members;
- ensuring that all employees and members of its Board of Directors understand and comply with the Policy;

- implementing a training and awareness program for employees and those designated to receive and handle complaints and reports, which includes:
  - an overview of the elements of this Policy, including the definition of Harassment;
  - guidance on how to recognize, reduce, and prevent Harassment in the workplace;
  - a presentation of the procedure for reporting and handling complaints.
- implementing and maintaining promptly a procedure for reporting and processing complaints of Harassment, while deploying its best efforts to protect the privacy of all employees or other individuals involved with any complaints or reports or any situation relating to Harassment;
- offering adequate support to those affected by a situation of Harassment;
- taking measures and actions adapted to each specific situation.

## EXPECTATIONS

It is the responsibility of all employees to behave in a manner that promotes and maintains a work environment free from Harassment in accordance with the present Policy.

In particular, all employees must, both in the workplace and outside the traditional office setting:

- ensure that their conduct is appropriate at all times, including during social activities organized by Falco, and that they do not engage in Harassment;
- contribute to maintaining a harassment-free workplace;
- respect any and all individuals in the context of their work;
- report any situation of Harassment that they witness or are subject to as soon as possible to one of the responsible persons designated by Falco;
- collaborate to any investigations of Harassment conducted or mandated by Falco.

## HANDLING OF COMPLAINTS AND HARASSMENT REPORTS

Whenever possible (but without any obligation), an employee who believes that he witnessed or is the subject of Harassment, and **as long as he feels comfortable or appropriate to do so**, should first inform the person concerned that his behaviour is undesirable and unacceptable, and that such behaviour must stop (“**first intervention**”). The employee should also, to the extent possible, note the date and details of the incidents as well as the steps he took to try to resolve the situation, if applicable. **However, at no point** should the employee feel obliged to deal with the situation alone and should seek help by contacting one of the responsible persons designated by Falco (the “**Designated Persons**”) as provided below.

If the particular context makes the first intervention difficult, or if the Harassment continues, such employee should report the situation to one of the Designated Persons in order to identify the problematic behaviour and all necessary measures.

A complaint may be made verbally or in writing. The alleged conduct and details of the incident(s) should be described as accurately as possible so that an intervention may be carried out quickly to put an end to the situation.

The Designated Persons are the following:

**Mireille Tremblay**

Vice President, Legal Affairs and Corporate Secretary

Phone contact details (will be circulated separately)

[mtremblay@falcores.com](mailto:mtremblay@falcores.com)

**Members of the Board of Directors of Falco**

An individual complaining or witnessing Harassment may also approach a member of the Board of Directors of Falco<sup>4</sup> exclusively, who will then allow for another individual to be designated and to receive the complaint or report.

Upon receipt of a complaint or report, the Designated Person(s) will promptly notify the Chair of the Nominating and Corporate Governance Committee of Falco to determine and implement the appropriate intervention process.

One of the Designated Persons shall report on a quarterly basis to the Nominating and Corporate Governance Committee on any complaints received.

The reporting procedure set forth in this Policy for employees who witness or are victims of Harassment applies in the same way to situations of discrimination and workplace violence, including domestic violence in the workplace referred to in this Policy.

**PRINCIPLES OF INTERVENTION**

**Principles of Intervention**

The Corporation undertakes to take reasonable action to prevent and stop Harassment in accordance with the following principles of intervention:

- act promptly and objectively;
- preserve the dignity and deploy its best efforts to protect the privacy of the individuals concerned, (*i.e. the individual who made the complaint, the individual who is the subject of the complaint and the witnesses*);
- ensure that all individuals concerned are treated with humanity, fairness and objectivity and that adequate and reasonable support is provided;

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<sup>4</sup> See Schedule 2 of this Policy for their contact details.

- protect the confidentiality of the intervention process, including information related to the complaint, report or incident, so long as doing so remains consistent with the enforcement of this Policy or unless disclosure is necessary to protect individuals, to investigate the complaint or incident, to take corrective action, or as required by law;
- offer alternative resolution methods with the consent of the individuals concerned. Such alternative resolution methods may include facilitating a meeting with the individuals concerned, in order to resolve the situation;
- take all reasonable measures to resolve the situation, including administrative measures or appropriate disciplinary actions (e.g., termination of employment or contract or any other appropriate action in the circumstances);
- review the existing Harassment prevention measures to ensure they remain effective, in order to prevent similar events from occurring again.

### **Preliminary Analysis**

Upon receipt of a complaint or report, Falco will conduct a prompt and objective preliminary analysis of the situation, or assign an external party to conduct such analysis. This process consists of assessing whether the alleged facts present a sufficient appearance of Harassment to initiate and conduct an investigation.

If, based on this preliminary analysis, it is concluded that the complaint or report is frivolous, vexatious, or made in bad faith, or that the alleged facts giving rise to the complaint or report (considered true for the purposes of the preliminary analysis) do not constitute a violation of this Policy or the law, the complaint or report will be considered inadmissible and the Corporation will consider the matter closed.

In the case of a frivolous, vexatious, or bad faith complaint, disciplinary measures may be taken against the person who made it.

If, based on this preliminary analysis, the complaint or report is considered admissible, the Corporation will further investigate the situation in accordance with the section below titled “Investigation”.

### **Investigation**

If the complaint or report is considered admissible following the preliminary analysis, Falco will conduct a prompt and objective investigation or assign an external party to conduct such investigation. The Corporation may also investigate any situations that may constitute Harassment of which it becomes aware, whether or not a complaint or report has been received.

Steps taken by the investigator will vary depending on the nature of the allegations, but will generally involve private interviews with the employees involved as well as a review of any documents relevant to the complaint or report.

Falco reserves the right to take action as necessary for the protection of its employees or its business without following the investigation process set out in this Policy.

The Corporation does not undertake, and is not required, to prepare a written report of the investigation. Further, in circumstances where such a report is prepared, the Corporation does not undertake, and is not required, to communicate it to the employees involved. Only the merit or lack thereof of the complaint will be communicated to the parties.

### **Interim and Alternative Resolution Measures**

Upon receipt of a complaint or report, or during an investigation, the Corporation may take interim administrative measures as appropriate to the circumstances to avoid that the alleged situation of Harassment continues. Such measures may include, without limitation, temporary transfer, adjustment of working hours, remote work, or suspension with pay. The Corporation may also implement alternative resolution measures at any time prior, during or after an investigation.

### **CONFIDENTIALITY**

All the information obtained about a complaint or report of Harassment, including identifying information about any employees (and other individuals as the case may be) involved, will be kept confidential so long as doing so remains consistent with the enforcement of the Policy or unless disclosure is necessary to protect an employee, to investigate the complaint or report, to take administrative measures or disciplinary actions, or otherwise as required by law.

All employees (and other individuals as the case may be) involved in a complaint, report, or investigation will be advised to keep all information related to the complaint, report, and investigation strictly confidential and not to discuss such information with each other, witnesses, or other parties (except for the purposes of consulting with a lawyer at his costs).

Falco reserves the right to require confidentiality undertakings in connection with any investigation conducted under this Policy.

### **PROHIBITION AGAINST RETALIATIONS**

Falco will not tolerate any retaliation against any employee who makes a complaint of Harassment or reports an incident in good faith, assist another individual in reporting an incident, or participates in an investigation or legal proceeding. Retaliation will result in disciplinary measures up to, and including, dismissal for just and sufficient cause.

### **CONSEQUENCES OF NON-COMPLIANCE**

Any employee who engages in Harassment will be subject to administrative measures or disciplinary actions up to, and including, dismissal for a serious reason without notice of termination or pay in lieu thereof. Falco reserves the right to sanction conduct that violates this Policy by any means under applicable laws.

An employee who makes false accusations with the aim of causing harm will also be subject to administrative measures or disciplinary actions up to, and including, dismissal for a serious reason without notice of termination or pay in lieu thereof.

Failure to comply with any obligations set forth in this Policy, including, without limitation, the obligations to engage in appropriate behaviour and collaborate to any investigations conducted pursuant to this Policy, may also result in administrative measures or disciplinary actions up to and including dismissal for a serious reason without notice of termination or pay in lieu thereof. For clarity, Falco will not tolerate any inappropriate behaviour in the workplace whether or not it constitutes Harassment.

## **OTHER REMEDIES**

An employee who believes that he is or has been subjected to Harassment in relation to his work may also file a complaint at any time directly with the *Commission des normes, de l'équité, de la santé et de la sécurité du travail* (the "CNESST"). The maximum time limit to do so is **two (2) years** from the last harassment event. The complaint can be filed online [Complaints and recourses](#) or by phone at 1.844.838.0808.

The choice of an employee to first file a complaint with Falco does not prevent such employee from also filing a complaint with the CNESST.

## **REVIEW**

The Nominating and Corporate Governance Committee shall review the Policy annually and recommend appropriate changes to the Falco Board for approval.

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*This Policy was adopted by the Board of Directors on February 13, 2019 and was amended on September 18, 2024.*

## **SCHEDULE 1 IDENTIFYING HARASSMENT**

The *Act respecting labour standards* provides criteria for determining what can be considered Harassment:

1. vexatious (hurtful, humiliating) behaviour;
2. repetitive in nature or in a single serious act;
3. in a hostile (aggressive, threatening) or unwanted manner;
4. violating the dignity or integrity of the person;
5. resulting in a harmful (toxic, damaging) work environment for such person.

### **1. Vexatious behaviour**

The behaviour is humiliating, offensive or abusive for the person on the receiving end. It injures the person's self-esteem and causes anguish. It exceeds what a reasonable person considers appropriate within the context of their work.

### **2. Repetitive in nature**

Considered on its own, a verbal comment, a gesture or a behaviour may seem innocent. It is the accumulation of such behaviours which may become Harassment. However, a single serious action can constitute Harassment if it has a lasting, harmful effect.

### **3. Verbal comments, gestures or behaviours that are hostile or unwanted**

The comments, gestures or behaviours in question must be considered hostile or unwanted. If they are sexual in nature, they could be considered Harassment even if the victim did not clearly express that they were unwelcome.

### **4. Affect the person's dignity or integrity**

Harassment has a negative effect on the person. The victim may feel put down, belittled, denigrated, both at the personal and professional levels. The physical health of the harassed person may also suffer.

### **5. Harmful work environment**

Harassment makes the work environment harmful for the victim. Harassed persons may, for example, be isolated from colleagues due to the hostile verbal comments, acts or behaviours directed towards or concerning them.

These conditions include words, acts or gestures of a sexual nature.



Discrimination based on any of the prohibited grounds enumerated in section 10 of the *Quebec Charter of human rights and freedoms* (race, colour, sex, gender identity or expression, pregnancy, sexual orientation, civil status, age except as provided by law, religion, political convictions, language, ethnic or national origin, social condition, a handicap or the use of a means to palliate a handicap) may also constitute harassment.

For example, the following behaviours could be considered as vexatious behaviour constituting Harassment if they meet all of the criteria provided by law.

### **Behaviours that may be related to psychological harassment**

- bullying, cyberbullying;
- threats, isolation;
- offensive or defamatory comments or actions towards a person or their work;
- verbal abuse;
- disparagement.

### **Behaviours that may be related to sexual harassment**

- Any form of unwanted attention or advance with a sexual connotation, for example:
  - insistent solicitation;
  - looks, physical contacts;
  - sexist insults, rude comments;
  - exposure to words, comments, jokes or images with sexual connotations by any means, technological or otherwise.

## **SCHEDULE 2**

### **FALCO DESIGNATED PERSONS**

Falco shall ensure that the Designated Persons are properly trained to assume the responsibilities entrusted to them and that they have the necessary tools at their disposal to process and follow up on the complaint or report, including having access to specialized resources and external service providers, as the case may be.

The following persons are designated to act as the persons responsible for the application of the Policy:

**Mireille Tremblay**, Vice President, Legal Affairs and Corporate Secretary

#### **Members of the Board of Directors of Falco**

(Contact details of Board members will be provided to employees separately)

These Designated Persons' primary responsibilities are to:

- inform employees who work for Falco about the Policy by disseminating same;
- offering explanations on the Policy as requested, to ensure a good understanding of the Policy;
- receive complaints and reports on behalf of Falco;
- intervene promptly to reported Harassment and recommend actions to stop the Harassment;
- deciding, following a report and discussion with the Compensation Committee, as the case may be, the interventions recommended or to be carried out.