

# FALCO RESOURCES LTD.

## POLICY REGARDING TENURE ON THE BOARD OF DIRECTORS

### OBJECTIVE AND SCOPE

The Board of Directors (the “**Board**”) of Falco Resources Ltd. (the “**Corporation**”) is committed to a process of Board renewal and succession-planning for non-executive directors (the “**Directors**”) in order to balance the benefits of experience with the need for new perspectives to the Board while maintaining an appropriate degree of continuity and adequate opportunity for transition of Board and Board Committee’s roles and responsibilities.

The Nominating and Corporate Governance Committee (the “**Committee**”) is responsible for recommending nominees for election to the Board and, in furtherance of such responsibility, it analyzes the competencies and skills of existing Directors, oversees an annual director evaluation process, and assesses the current and future needs of the Board, including the need to comply with the Corporation’s Policy regarding the Diversity of the Board of Directors.

The purpose of this Policy regarding Tenure on the Board of Directors (the “**Policy**”) is to communicate the importance the Corporation places on the renewal of its Board.

### GENERAL PRINCIPLES

In order to assist the Committee and the Board in succession-planning for Directors and appropriate Board renewal, the Board hereby adopts limits on Board tenure. Directors will not be re-nominated for election at an annual meeting after the earlier of the following has occurred:

- (a) such Director has served 12 years following the later of (a) September 23, 2020 and (b) the date on which the Director first began serving on the Board (the “**Term Limit**”); or
- (b) such Director has reached the age of 72 years old on or before the date of the annual or special meeting of shareholders of the Corporation called in respect of the election of Directors (the “**Retirement Age**”);

provided that, for greater certainty, there should be no expectation that a non-executive Director will serve on the Board for the periods contemplated by the Term Limit or until such Director reaches the Retirement Age (collectively the “**Board Tenure Limits**”).

### SPECIFIC EXCEPTIONS

Notwithstanding the General Principles stated above, the foregoing Board Tenure Limits shall not apply to a non-executive Director who has yet to be elected annually for the fifth consecutive time by the shareholders. Once a non-executive Director has been elected or re-elected for five (5) times, these Board Tenure Limits apply notwithstanding that such Director has continued to receive solid annual performance evaluations, has needed skills and experience and meets other Board policies or legal requirements for Board service.

Exceptionally, on a case-by-case basis and on the recommendation of the Committee, a non-executive Director who has reached the Term Limit or the Retirement Age may be nominated to serve on the Board for up to a maximum of two (2) additional years.

In determining whether to make such a recommendation to the Board, the Committee shall consider the following factors, among others:

- (a) the Director has received positive annual performance assessments; and
- (b) the Committee believes it is in the best interests of the Corporation that the Director continues to serve on the Board.

Notwithstanding the foregoing, the Board retains full discretion in approving such recommendation by the Committee.

### **CHANGE OF OCCUPATION**

In addition, Directors are expected to inform the Chair of the Board or the Lead Director, of any major change in their principal occupation so that the Board would have the opportunity to decide the appropriateness of such Director's continuance as a member of the Board or of a Board Committee. Directors are also expected to provide the Chair of the Board or the Lead Director, with information as to all boards of directors that they sit on or that they have been asked to join so as to allow the Board to determine whether it is appropriate for such Director to continue to serve as a member of the Board or of a Board Committee. The Committee will apply Board nominee selection criteria, including Directors' past contributions to the Board and availability to devote sufficient time to fulfill their responsibilities, prior to recommending Directors for re-election for another term.

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*This Policy was approved by the Board of Directors on September 23, 2020 and was last reviewed on September 20, 2023.*