

**PROSPECTORS & DEVELOPERS ASSOCIATION OF CANADA**  
**Ethical Workplace Reporting Policy and Procedures (the “Policy”)**

**1.0 Policy Statement**

The Prospectors and Developers Association of Canada (the “**Association**”) requires officers, directors, employees, volunteers and retained consultants (including external auditors) (the “**Individuals**”), to observe the highest standards of professionalism and personal and business ethics in the conduct of their duties and responsibilities. In line with this commitment, it is expected that Individuals conduct themselves with honesty and integrity in fulfilling their responsibilities, and comply with the Association’s Code of Conduct as well as all applicable laws, regulations and policies including those of the Association. The Association expects that Individuals will conduct themselves in an ethical and professional manner. No unethical, improper or unlawful conduct or action will be condoned by the Association.

It is also essential that Individuals, and those that they deal with, who have serious concerns about any aspect of the Association’s work or activities, or breaches of the Code of Conduct, have a confidential forum to come forward and voice their concerns.

**2.0 Purpose and Scope**

The purpose of the Policy is to ensure that the Association maintains the highest ethical standards on behalf of its members and to provide a process for officers, directors, employees, volunteers, members, stakeholders or others (an “**Interested Party**”) to raise serious concerns related to behaviour of Individuals as it applies to the Association.

**3.0 Reportable Activities**

This Policy covers instances in which an Interested Party has evidence or reasonable belief that a conduct, activity, or inaction, by an Individual has occurred or is occurring, that, to the Interested Party’s knowledge, may constitute unethical, improper or unlawful behaviour or wrongdoing as it applies to the Association or otherwise breaches the Association’s Code of Conduct (a “**Reportable Activity**”).

A Reportable Activity includes, but is not limited to, the following activities:

- Knowingly disclosing confidential or proprietary information, lists or data that is the property of the Association, to any outside organization or individual without Association direction or approval;
- Theft of any Association property, funds, assets or confidential or proprietary information;
- Financially defrauding or attempting to defraud the Association in any way;
- Misappropriation or misuse of the Association’s resources, such as funds, supplies, or other assets;
- Gross mismanagement of the Association’s funds or assets;
- Obtaining or attempting to obtain a personal or financial benefit from or through dealings with the Association, its vendors or other related entities, without Association pre- approval;

- Breach of, or failure to comply with, any approved Association policy;
- Abuse or use of Association power or authority for any unauthorized or ulterior purpose;
- Harassment, bullying or abusive behaviour;
- Forgery, unauthorized alteration or manipulation of documents, including computer files;
- As it relates to Association business, authorizing payment or receiving compensation for goods not received or services not performed or hours not worked; and
- A violation of any law, regulation or policy that applies to the Association.

The above list is not intended to be exhaustive; rather, it is intended to give an indication of the kind of conduct that individuals should consider as a Reportable Activity.

Failure to report a Reportable Activity upon becoming aware of such may in itself constitute a Reportable Activity.

#### **4.0 Reporting Procedure**

Any Interested Party who believes a Reportable Activity may have occurred or may be occurring (the “**Discloser**”) should disclose his or her concerns to the Association through a formal communication with one of the following:

1. their supervisor, a member of management or the executive committee;
2. by letter or email to the Chair of the Audit Committee; or
3. through the independent external reporting mechanism (the “**External Contact**” who together with the persons set out in paragraphs 1 and 2 above, are referred to herein as the “**Recipients**”) which has been set up by the Association to ensure that disclosure of a Reportable Activity can be submitted confidentially or anonymously when a Discloser so chooses. The External Contact will maintain the confidentiality of the disclosure and deal directly with the Chair of the Audit Committee or Investigator (as defined in Section 7.0) as appropriate. Details of the External Contact and this reporting protocol shall be posted in clear sight in an accessible place within the offices of the Association and on the Association’s website. A Discloser can disclose suspected Reportable Activities to the External Contact by telephone, in writing, in person or by e-mail to:

Megan E. Shortreed  
Paliare Roland Rosenberg Rothstein LLP  
155 Wellington St. West, 35<sup>th</sup> Floor  
Toronto ON, M5V 3H1

T: 416-646-4308

F: 416-646-4301

E: [megan.shortreed@paliareroland.com](mailto:megan.shortreed@paliareroland.com)

The Recipients of such concerns shall promptly forward them in written form to the Chair of the Audit Committee, subject to the protocol in section 7.0 of this policy.

A concern can be made anonymously or with the Discloser’s name included. The Discloser’s name will be kept confidential to the extent possible, and disclosed only upon the consent of the Discloser or as

reasonably necessary for the investigation of the matter or under law. In order to validate a concern, it may be necessary for the Discloser to provide additional information so in some cases it may be necessary for the Discloser to agree to loss of anonymity in respect only to the Recipient.

In order to ensure a timely and informed investigation the Discloser is encouraged to provide as complete a report as possible and include the following in any reporting:

- Describe where, when and how the Reportable Activity occurred;
- Describe the nature of the concern. Include sufficient information for an independent person to understand the concern and to enable further investigation;
- Give the full name(s) and title(s) of the individual(s) who is(are) suspected of the Reportable Activity (the “**Subject(s)**”);
- Identify how many times the Reportable Activity has taken place;
- Identify how long the Reportable Activity has been taking place; and
- Identify others subject to this Policy that the Discloser may believe have direct knowledge of an allegation made in the report.

#### **4.1 Consequences**

A Reportable Activity may result in the Subject facing remedial or disciplinary action. Under sufficiently severe circumstances this may include termination of employment, a request for resignation and/or legal action or other action determined by the Executive Committee.

#### **4.2 No Retaliation**

A Discloser will be treated in a manner that complies with all applicable laws, regulations and policies (including those of the Association).

No person subject to this Policy (whether or not the subject of the Reportable Activity) shall retaliate against any individual who believes that a Reportable Activity has occurred and:

1. has disclosed concerns or information regarding such Reportable Activity *in good faith*;
2. believes these to be substantially true; and
3. has not acted maliciously or made false allegations.

“**Retaliation**” in the context of this Policy includes, but is not limited to, the imposition or threat of discipline or penalty, the imposition or threat of any adverse change to the terms and conditions of employment, the imposition or threat of harassing or discriminatory actions or any other kind of threat or behaviour which a reasonable person would view as retaliatory action. Allegations of retaliation will be thoroughly investigated and appropriately dealt with, including, but not limited to, the request for voluntary withdrawal from any relationship (except member status) with the Association, imposition of disciplinary measures up to and including termination of employment and the severing of the relationship with volunteers, suppliers or other stakeholders and or/legal action in addition to any criminal charges which may arise (e.g. cyber bullying or cyber harassment, both of which could carry serious penalties under applicable laws).

#### **4.3 Improper Disclosure**

Concerns that are not made in good faith as determined in the Investigation Report, will be viewed as a serious offence and may be subject to disciplinary measures up to and including, but not limited to, request for voluntary withdrawal from any relationship (except member status) with the Association,

imposition of disciplinary measures up to and including termination of employment and the severing of the relationship with volunteers, suppliers, or other stakeholders and/or legal action in addition to any criminal charges which may arise (e.g. cyber bullying or cyber harassment, both of which could carry serious penalties under applicable laws).

## **5.0 The Association's Responsibilities**

It is the Association's responsibility to ensure that this Policy is adhered to. The Executive Committee is tasked with ensuring processes are in place to comply with the requirements of this Policy. The Governance & Nominating Committee shall be responsible for overseeing the administration of this Policy and establishing appropriate procedures, forms and guidelines under this Policy.

The Association is committed to ensuring that any disclosure of a Reportable Activity or concerns raised will be taken seriously and investigated, and further, that an investigation will commence within five (5) working days for all disclosed Reportable Activities. Further, the Association will take reasonable steps to ensure:

- the identity of the Discloser and Subject are kept confidential to the extent possible, and disclosed only as reasonably necessary for the investigation of the matter;
- the Discloser is not retaliated against;
- evidence of poor or unacceptable practice is taken seriously and not concealed;
- appropriate disciplinary action is taken if warranted;
- reasonable and necessary steps are taken to mitigate the possibility of any future similar violations; and
- confidentiality clauses in employment contracts do not restrict, forbid or penalize disclosure of a Reportable Activity.

## **6.0 Rights and Responsibilities of Individuals**

Every individual who participates in or is involved in any way in a report or investigation under this Policy is expected to keep information relating to such report or investigation strictly confidential, and refrain from discussing any disclosure made or the fact of their involvement, except to the extent required for the purposes of any investigation, resolution, or under applicable law.

Disclosers and Subjects (including with respect a retaliation claim) have the right to be represented or accompanied by another person of their choice (including legal counsel) under this Policy. Disclosers and Subjects shall be responsible for payment for their own legal counsel; however, the Association reserves the right, in its sole discretion, to pay (as determined by the Executive Committee acting reasonably) the reasonable legal costs of Disclosers and Subjects who have acted properly and reasonably, up to a maximum of \$10,000.00.

## **7.0 Investigation**

The Chair of the Audit Committee shall determine the appropriate person to act as investigator (the "**Investigator**") for the incident in question keeping in mind at all times the confidential nature of the investigation. The Investigator shall be one of the following as defined by the nature of the Reportable Activity and the Subject:

1. The Chair of the Audit Committee for all investigations related to financial matters;
2. The Chair of the Governance & Nominating Committee for all investigations related to Board or Committee Members that are not of a financial nature;

3. The Executive Director for matters relating to staff, volunteers or retained consultants; and
4. In the case where the appropriate choice from the above mentioned individuals is the Subject or where the independence of the Chair of the Audit Committee may be considered compromised, then an appropriate, competent, uncompromised Investigator (who could be an independent third party) will be selected by the Chair of the Audit Committee, or if necessary the Executive Committee.

Under no circumstances will a matter be referred to an Individual who is the subject of the Reportable Activity or retaliation claim, including the Chair of the Audit Committee.

The Investigator is responsible for investigating and resolving all concerns or allegations (including retaliation claims) made under this Policy. Subject to the requirements of this Policy, the Investigator may refer the matter to, or seek the assistance of, the Executive Committee, employees or others depending upon the nature of the Reportable Activity.

If required under law, at the outset of an investigation, the Discloser (if known) and the Subject will be notified that an investigation is being commenced and reminded of their respective rights and responsibilities under this Policy and relevant laws (e.g. Ontario labour and employment laws and privacy laws).

At the conclusion of the investigation, the Investigator will prepare a report including his or her findings and recommendations ("**Investigation Report**"). The Investigation Report will be delivered to the Executive Committee, or should members of the Executive Committee be the Subject of the Investigation Report, then to an appropriate subset thereof.

## **8.0 Decision**

The Executive Committee and, if deemed required by the Executive Committee considering confidentiality and privacy issues, the Board of Directors will review the Investigation Report and will decide (i) whether a Reportable Activity or retaliation claim has been established, and if so, (ii) the appropriate remedial and disciplinary steps to be imposed or taken.

Within 5 business days of receipt of the final Investigation Report, a final decision in the matter will be rendered by the Executive Committee. Once an investigation is completed:

- the Discloser or retaliation claimant, as applicable, will be advised the investigation has occurred and if there will be any further follow-up. The Discloser, or retaliation claimant will be advised whether a Reportable Activity, or retaliation claim, as applicable, has been established and, if so, what appropriate remedial steps are being considered; and the Subject or the subject of a retaliation claim, as applicable, will be advised if a Reportable Activity has been established and, if so, the remedial and disciplinary measures that will be imposed.

## **9.0 Records**

The Investigator shall ensure that the Investigation Report and associated documents are filed with the Association's external legal counsel and, if required under labour laws, with the Chief Operations Officer, who shall retain, and keep confidential, such documents for a period of not less than seven (7) years.

PREPARED BY:	Governance & Nominating Committee	ORIGINAL ADOPTION DATE:	October 17, 2017
ADOPTED BY:	Board of Directors	LAST REVISION DATE: October 2020	External Contact Updated