



## Diversified Royalty Corp. Announces Amendments to Proposal for its Special Meeting

Vancouver, BC, October 1, 2020 - Diversified Royalty Corp. (TSX: DIV and DIV.DB) (the "Corporation" or "DIV") today announced certain amendments to the proposed Articles of DIV to be voted on for adoption at the special meeting of shareholders of DIV to be held at 9:00 am (Vancouver time) on October 14, 2020 (the "Meeting") as part of DIV's proposal to have shareholders consider and, if thought advisable, pass a special resolution to approve the continuance of DIV from the *Canada Business Corporations Act* to the Province of British Columbia under *Business Corporations Act* (British Columbia) (the "Continuance").

Following discussions by DIV with Institutional Shareholder Services, a leading proxy advisory firm, as part of DIV's continued commitment to implementing good corporate governance practices, the Board of Directors of DIV has agreed to amend the following provisions of the proposed Articles attached as Schedule C to DIV's information circular dated September 14, 2020 (the "Proposed Articles"):

- (i) **Quorum.** The quorum requirement for future meetings of shareholders of DIV set forth in the Proposed Articles will be increased from 10% (which is reflective of the quorum requirement under DIV's existing By-laws) to 25%.
- (ii) **Advance Notice Provisions.** The advance notice provisions in the Proposed Articles will be revised in order to only allow additional disclosure requests from DIV outside of delineated categories if required pursuant to applicable securities laws or stock exchange rules in order to determine the independence of a proposed nominee.
- (iii) **Share Sub-Divisions and Consolidations.** The Proposed Articles will be revised to provide that subdivisions or consolidations of DIV's shares will require shareholder approval by ordinary resolution.

The above noted changes to the Proposed Articles to (i) increase the quorum requirement for shareholder meetings, is intended to encourage wide-ranging shareholder participation in future meetings of DIV shareholders, (ii) the advance notice provisions, is intended to ensure additional disclosure requests by DIV with respect to proposed nominees for election to the Board of Directors of DIV are appropriately limited in their scope, and (iii) require shareholder approval for share sub-divisions and consolidations, is intended to facilitate shareholder input on such decisions given shareholders may have unique preferences in regards thereto, notwithstanding that such capital alterations are inherently administrative.

DIV initiated the aforementioned changes to the Proposed Articles in an effort to continually improve DIV's corporate governance practices, plans and policies in order to satisfy the most current criteria of its investors and proxy advisory firms. DIV is pleased to report that Glass Lewis, another leading proxy advisory firm, has recommended DIV shareholders vote "For" the Continuance.

The Continuance and the Proposed Articles, other than the changes described herein, are more fully described in DIV's information circular dated September 14, 2020, a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com). A copy of the Proposed Articles, with the amendments described herein, is available on DIV's website at [www.diversifiedroyaltycorp.com](http://www.diversifiedroyaltycorp.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).



## About Diversified Royalty Corp.

DIV is a multi-royalty corporation, engaged in the business of acquiring top-line royalties from well-managed multi-location businesses and franchisors in North America. DIV's objective is to acquire predictable, growing royalty streams from a diverse group of multi-location businesses and franchisors.

DIV currently owns the Mr. Lube, AIR MILES<sup>®</sup>, Sutton, Mr. Mikes, Nurse Next Door and Oxford Learning Centres trademarks. Mr. Lube is the leading quick lube service business in Canada, with locations across Canada. AIR MILES<sup>®</sup> is Canada's largest coalition loyalty program with approximately two-thirds of Canadian households actively participating in the AIR MILES<sup>®</sup> Program. Sutton is among the leading residential real estate brokerage franchisor businesses in Canada. Mr. Mikes operates casual steakhouse restaurants primarily in western Canadian communities. Nurse Next Door is one of North America's fastest growing home care providers with locations across Canada and the United States as well as in Australia. Oxford Learning Centres is one of Canada's leading franchised supplemental education services in Canada and the United States.

DIV intends to increase cash flow per share by making accretive royalty purchases and through the growth of purchased royalties. DIV intends to pay a monthly dividend to shareholders and increase the dividend as cash flow per share increases allow.

## Forward Looking Statements

*Certain statements contained in this news release may constitute "forward-looking information" within the meaning of applicable securities laws that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. The use of any of the words "anticipate", "continue", "estimate", "expect", "intend", "may", "will", "project", "should", "believe", "confident", "plan" and "intends" and similar expressions are intended to identify forward-looking information, although not all forward-looking information contains these identifying words. Specifically, forward-looking information in this news release includes, but is not limited to, statements made in relation to: the date and other details of the Meeting, the Continuance and the Proposed Articles; DIV's intention to pay monthly dividends to shareholders; and DIV's corporate objectives. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events, performance, or achievements of DIV to differ materially from those anticipated or implied by such forward-looking information. DIV believes that the expectations reflected in the forward-looking information included in this news release are reasonable but no assurance can be given that these expectations will prove to be correct. In particular there can be no assurance that: the Continuance and the Proposed Articles will be approved by shareholders at the Meeting; DIV will be able to make monthly dividend payments to the holders of its common shares; or DIV will achieve any of its corporate objectives. Given these uncertainties, readers are cautioned that forward-looking information included in this news release are not guarantees of future performance, and such forward-looking information should not be unduly relied upon. More information about the risks and uncertainties affecting DIV's business and the businesses of its royalty partners can be found in the "Risk Factors" section of its Annual Information Form dated March 18, 2020 and in its most recent Management's Discussion and Analysis, copies of each of which are available under DIV's profile on SEDAR at [www.sedar.com](http://www.sedar.com).*

*In formulating the forward-looking information contained herein, management has assumed that DIV will generate sufficient cash flows from its royalties to service its debt and pay dividends to shareholders; lenders will provide any necessary waivers required in order to allow DIV to continue to pay dividends; the impacts of COVID-19 on DIV and its royalty partners will be consistent with DIV's expectations and the expectations of management of each of its Royalty Partners, both in extent and duration; DIV and its royalty partners will be able to reasonably manage the impacts of the COVID-19 outbreak on their respective businesses. These assumptions, although considered reasonable by management at the time of preparation, may prove to be incorrect.*



*All of the forward-looking statements made in this news release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, DIV. The forward-looking information included in this news release is presented as of the date of this news release and DIV assumes no obligation to publicly update or revise such information to reflect new events or circumstances, except as may be required by applicable law.*

THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR THE ACCURACY OF THIS RELEASE.

Additional Information

Additional information relating to the Corporation and other public filings, is available on SEDAR at [www.sedar.com](http://www.sedar.com).

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