



## CHARTER OF THE INVESTMENT COMMITTEE OF THE BOARD OF DIRECTORS

### A. PURPOSE

The purpose of the Investment Committee (the "**Committee**") is to review and provide recommendations to the board of directors of Diversified Royalty Corp. (the "**Board**") with respect to proposed acquisitions and dispositions by Diversified Royalty Corp. (the "**Corporation**") and its direct and indirect subsidiaries, and related financing and capital structure needs, as may be considered from time to time by the Corporation.

### B. COMPOSITION AND TERMS OF OFFICE

The Committee shall be comprised of not less than three members of the Board, at least a majority of whom: (i) is "independent" within the meaning of Section 1.4 of National Instrument 52-110 - *Audit Committees*, as amended from time to time; and (ii) has at least five years experience in investment banking, corporate finance, mergers and acquisitions, institutional investing and/or similar acquisition/diligence related activities.

The Committee Chair shall be appointed by the Board who, unless otherwise approved by the Board, shall be an independent director. In the absence of the Committee Chair at a meeting of the Committee, the members in attendance must select one member to act as Committee Chair for that meeting.

If the Committee is not composed entirely of independent directors, it shall develop procedures to ensure an objective process is in place for determining compensation and nominees, and otherwise discharging the duties of the Committee, in coordination with the Board or Governance and Nominating Committee.

Any Committee member may be removed or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director of the Corporation. Each member shall hold office until the close of the next annual meeting of shareholders of the Corporation or until the member resigns or is replaced by the Board, whichever first occurs.

### C. MEETINGS

The Committee shall meet at least annually. Additional meetings may be held as deemed necessary by the Committee Chair or as requested by any member, or by the Chief Executive Officer of the Corporation.

A quorum for the transaction of business at all meetings of the Committee shall be a majority of the members of the Committee. Decisions of the Committee to be made at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the Committee Chair shall have a second casting vote. For the avoidance of doubt, full Board review and approval will in all instances be required prior to the completion of any proposed transaction considered by the Committee.

A resolution approved in writing by all the members of the Committee shall be as valid and effective as if it had been passed at a meeting duly called and constituted. Such resolution may be in two or more counterparts, which together shall be deemed to constitute one resolution in writing. Such resolution shall

be filed with the minutes of the proceedings of the Committee and shall be effective on the date stated thereon or on the latest date stated on any counterpart.

The Committee shall keep regular minutes of proceedings and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board at such times as the Board may, from time to time, require.

The Committee may invite Board members, management of the Corporation, advisors or consultants of the Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of any matter under consideration by the Committee.

At each meeting of the Committee, the Committee shall also meet in camera without the attendance of the Corporation's management and other persons, unless waived by the Committee Chair.

#### **D. COMMITTEE CHAIR**

The Committee Chair shall:

- (a) call and conduct the meetings of the Committee;
- (b) be entitled to vote to resolve any ties;
- (c) prepare or approve beforehand and cause to be forwarded to members of the Committee the agenda for each meeting of the Committee, and the Chair will consider any items proposed for inclusion in the agenda by any member of the Committee;
- (d) appoint a Secretary to take minutes of the meetings of the Committee; and
- (e) ensure that the Committee meetings are conducted in an efficient, effective and focused manner.

#### **E. DUTIES AND RESPONSIBILITIES**

Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board. The Committee shall:

- (a) review, consider, evaluate, provide input to management (including prioritization between alternate opportunities, transaction structuring and due diligence considerations on a target's business and financial operations, financing, tax, legal and structuring matters), and later recommend to the Board approval or rejection of, any proposed acquisition or disposition by the Corporation and its direct and indirect subsidiaries;
- (b) review, consider, evaluate, provide input to management on, and later recommend to the Board approval or rejection of, all financing arrangements (including debt financings, capital market activities, issuances and redemptions of securities) related to proposed acquisitions or dispositions by the Corporation and its direct and indirect subsidiaries;
- (c) review, consider, evaluate, provide input to management on the impact of any proposed acquisition or disposition and financing arrangements by the Corporation and its direct and indirect subsidiaries on the Corporation's dividend policy, payout ratio, liquidity and cash flow projections;
- (d) review, consider and approve any proposed non-binding letter of intent, term sheet, initial bid or similar document subject to a due diligence condition in favour of the Corporation and/or its applicable subsidiaries (each an, "LOI"), and related financing proposals (each a "Financing Proposal") prior to execution or delivery thereof by the Corporation, which

LOI and/or Financing Proposal will contain customary conditions in including, without limitation, future approval by the Board;

- (e) review, consider and approve the engagement proposal(s) for consultants and advisors in connection with these acquisition activities in items (a) through (d);
- (f) have such other powers and duties as may be delegated to it from time to time by the Board.

Notwithstanding the appointment of the Committee and the granting of any authority, the Board may consider and approve or disapprove of any matter which the Committee has the authority to consider or approve, or has provided recommendation in respect of.

#### **F. REMUNERATION**

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

#### **G. ACCOUNTABILITY**

The Committee shall report to the Board at its next regular meeting all such action, if any, it has taken since the previous report, or more frequently, as necessary, or as requested by the Board.

The Committee shall review this Charter at least annually and recommend to the Board any changes which it considers appropriate from time to time.

**These Terms were initially approved August 9, 2018.**