



NOTICE OF ANNUAL GENERAL MEETING
and
MANAGEMENT INFORMATION CIRCULAR
of
DIVERSIFIED ROYALTY CORP.

to be held on

June 28, 2021

May 19, 2021



330-609 Granville Street,
Vancouver, British Columbia, V7Y 1A1

LETTER TO SHAREHOLDERS

May 19, 2021

Dear Shareholder:

It is my pleasure to invite you to join your board of directors (the "**Board**") and the senior management (the "**Management**") of Diversified Royalty Corp. ("**DIV**" or the "**Corporation**") for an annual general meeting of the holders of common shares of DIV (the "**shareholders**"), which is scheduled to convene at 9:00 a.m. (Vancouver time) on Monday, June 28, 2021 (the "**Meeting**").

In order to ensure the safety of our shareholders, colleagues, stakeholders and the community at large and to comply with physical distancing recommendations and mandates of public health authorities associated with COVID-19, including restrictions on the size of indoor gatherings, we will hold our Meeting in a virtual only format, which will be conducted via live audio webcast. Registered shareholders and duly appointed proxy holders will be able to attend the Meeting and cast their votes in real time.

Over the past year, the COVID-19 pandemic has resulted in various government restrictions. Although these restrictions can be challenging and disruptive, the management teams of our royalty partners remain resilient and dedicated to supporting their respective businesses and franchisees.

Management and the Board continue to focus on the creation of sustainable long-term shareholder value. In 2020, DIV completed the acquisition of the Oxford Learning Centres trademarks on February 21, 2020 and a \$34.6 million bought deal public offering on March 5, 2020, the net proceeds of which were used to partially pay down our acquisition credit facility. The annual increases to the royalties paid by Sutton Group Realty Services Ltd. and Nurse Next Door Professional Homecare Services Inc. continued in accordance with their contractual terms. In addition, on May 1, 2021 the royalty rate paid by Mr. Lube Canada Limited Partnership on non-tire sales at its flagship locations included in the royalty pool was increased by 0.5% to 7.95%, and 13 additional flagship locations were added to the Mr. Lube royalty pool.

Should you have any questions for the Board or Management, the Meeting is an excellent place to raise those questions. Although voting by registered shareholders and duly appointed proxy holders can occur through the live audio webcast, we strongly encourage you to exercise the power of your proxy in advance of the Meeting, which is well explained in the accompanying information circular.

On behalf of the Board, thank you for your continued support of DIV.

Sincerely,

"Paula Rogers"

Paula Rogers
Chair

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NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual general meeting (the “**Meeting**”) of the holders of the common shares of Diversified Royalty Corp. (“**DIV**” or the “**Corporation**”) is scheduled to be held on Monday, June 28, 2021 at 9:00 a.m. (Vancouver time) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2020, together with the report of the auditors thereon;
2. to elect directors of the Corporation for the ensuing year; and
3. to appoint KPMG LLP as auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix their remuneration.

Accompanying this Notice of Meeting are: (1) the information circular of the Corporation dated May 19, 2021 (the “**Circular**”); (2) a form of proxy if you are a Registered Shareholder (as defined in the Circular under the heading “*Virtual Meeting Format – Voting at the Meeting*”), or a voting instruction form if you are a Beneficial Shareholder (as defined in the Circular under the heading “*General Proxy Information – Beneficial Shareholders*”); and (3) a reply card for use by shareholders who wish to receive the Corporation’s interim and/or annual financial statements and accompanying management’s discussion and analysis.

This year, in order to ensure the safety of our shareholders, colleagues, stakeholders and the community at large and to comply with physical distancing recommendations and mandates of public health authorities associated with COVID-19, including restrictions on the size of indoor gatherings, we will hold our Meeting in a virtual only format, which will be conducted via live audio webcast.

Registered Shareholders and duly appointed proxyholders can attend the Meeting online at <https://web.lumiagm.com/287863625> where they can participate, vote, or submit questions during the Meeting’s live audio webcast.

If you are a Registered Shareholder of DIV and are unable to attend the Meeting, please date and execute the accompanying form of proxy and either fax it to Computershare Investor Services Inc. at 416-263-9524 or toll-free to 1-866-249-7775 or mail or hand deliver it to Computershare Investor Services Inc. at 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, Attention: Proxy Department. Registered Shareholders may also submit their proxy online or by telephone by following the instructions set forth on the form of proxy. In order to be valid, proxies must be submitted no later than 9:00 a.m. (Vancouver time) on Thursday, June 24, 2021 or, in the event that the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for any adjournment or postponement of the Meeting. The Chair of the Meeting may waive this cut-off at his or her discretion without notice.

If you are a Beneficial Shareholder of DIV and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the voting instruction form provided to you by your broker or such other intermediary well in advance of the Meeting in order to ensure your vote is counted. **If you fail to follow these instructions, your shares may not be eligible to be voted at the Meeting. Beneficial Shareholders who have not appointed themselves as a proxyholder will not be permitted to vote or ask questions through the Meeting’s live audio webcast.**

Vancouver, British Columbia
May 19, 2021

By Order of the Board

“Sean Morrison”

Sean Morrison

President & Chief Executive Officer

DIVERSIFIED ROYALTY CORP.
MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies by or on behalf of the management (the “Management”) of Diversified Royalty Corp. (“DIV” or the “Corporation”) for use at the annual general meeting (the “Meeting”) of the holders (“shareholders”) of the common shares (“DIV Shares”) of the Corporation scheduled to be held on Monday, June 28, 2021 at 9:00 a.m. (Vancouver time) for the purposes set out in the accompanying notice of meeting (the “Notice of Meeting”). Registered Shareholders (defined below) and duly appointed proxyholders can attend the Meeting online at <https://web.lumiagm.com/287863625> where they can participate, vote, or submit questions during the Meeting’s live audio webcast.

INFORMATION CONTAINED IN THIS MANAGEMENT INFORMATION CIRCULAR

No person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The information contained herein is given as of May 19, 2021, except as otherwise indicated. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date of this Circular.

All dollar amounts in this Circular are in Canadian dollars unless specifically otherwise indicated. Unless the context otherwise requires, all references to the “Meeting” in this Circular include all adjournments and postponements thereof.

NOTICE AND ACCESS

The Corporation is sending meeting materials for the Meeting to Registered Shareholders (defined below) and Beneficial Shareholders (defined below) using the “notice and access” provisions under applicable Canadian securities laws, which allow the Corporation to provide shareholders with electronic access to this Circular instead of sending a paper copy. This means that this Circular is posted online for shareholders to access, rather than being mailed to shareholders. Notice and Access is more environmentally friendly, as it helps reduce paper and energy use and also reduces printing and mailing costs.

Registered Shareholders and Beneficial Shareholders, will however, still receive a form of proxy or a voting instruction form in the mail so they can vote their DIV Shares. However, unless a shareholder requests a paper copy, rather than receiving a paper copy of this Circular, a Shareholder will receive a notice that has instructions on how to access and review an electronic copy of this Circular and how to request a paper copy. The notice also provides instructions on voting your DIV Shares using the various different voting methods provided (internet, telephone, mail). If a shareholder would like to receive a paper copy of this Circular, please follow the instructions in the notice.

VIRTUAL MEETING FORMAT

In order to ensure the safety of our shareholders, colleagues, stakeholders and the community at large and to comply with physical distancing recommendations and mandates of public health authorities associated with COVID-19, including restrictions on the size of indoor gatherings, we will hold our Meeting in a virtual only format, which will be conducted via live audio webcast.

Overview

The virtual Meeting will be conducted via live audio webcast. **Shareholders will not be able to attend the Meeting in person.** Registered Shareholders and duly appointed proxyholders can attend the Meeting online by going to <https://web.lumiagm.com/287863625>.

- Registered Shareholders and duly appointed proxyholders can participate in the Meeting by clicking “**I have a login**” and entering a Username and Password before the start of the Meeting.
 - Registered Shareholders – The 15-digit control number located on the form of proxy or in the email notification you received is the Username, and the Password is “**drc2021**”.
 - Duly appointed proxyholders – Computershare (as defined below) will provide the proxyholder with a Username after the voting deadline has passed. The Password to the Meeting is “**drc2021**”.
- Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. Beneficial Shareholders who have not appointed themselves as a proxyholder may attend the Meeting by clicking “**I am a guest**” and completing the online form, but will not be permitted to vote or ask questions through the Meeting’s live audio webcast. However, all shareholders may vote in advance of the Meeting by submitting their proxy or voting instruction form (as applicable).

Shareholders who wish to appoint themselves or a third party proxyholder to represent them at the online Meeting **must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a shareholder has submitted their proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting.** To register a proxyholder, shareholders MUST visit <https://www.computershare.com/diversified> before 9:00 a.m. (Vancouver time) on June 24, 2021 and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with a Username via email.

It is important that any Registered Shareholder and duly appointed proxyholder is connected to the internet at all times during the Meeting in order to vote when balloting commences. In order to participate online, Registered Shareholders must have a valid 15-digit control number and duly appointed proxyholders must have received an email from Computershare containing a Username.

Participating at the Meeting

The Meeting will be hosted online by way of a live audio webcast. **Shareholders will not be able to attend the Meeting in person.** A summary of the information shareholders will need to attend the online Meeting is provided below. The Meeting will begin at 9:00 am (Vancouver time) on June 28, 2021.

- Registered Shareholders that have a 15-digit control number, along with duly appointed proxyholders who were assigned a Username by Computershare Trust Company of Canada / Computershare Investor Services Inc. (“**Computershare**”) (see details under the heading “*General Proxy Information – Appointment of Proxies*”), will be able to vote and submit questions during the Meeting. To do so, please go to <https://web.lumiagm.com/287863625> prior to the start of the Meeting to login. Click on “I have a login” and enter your 15-digit control number or Username along with the password “**drc2021**”. Beneficial Shareholders (as defined below) who have not appointed themselves as proxyholder to vote at the Meeting, may login as a guest, by clicking on “I am a Guest” and complete the online form, but will not be permitted to vote or ask questions through the Meeting’s live audio webcast. Beneficial Shareholders wishing to appoint themselves or a third party as a duly appointed proxy holder in order to vote at the Meeting, please see the instructions below under the heading “*General Proxy Information – Appointment of Proxies*”.
- To attend and vote at the virtual Meeting, United States Beneficial Shareholders must first obtain a valid legal proxy from their broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from the broker or bank included with these proxy materials, or contact the broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from the broker, bank or other agent, to then register to attend the Meeting, United States Beneficial Shareholders must submit a copy of their legal proxy to Computershare. Requests for registration should be directed to:

Computershare
 100 University Avenue
 8th Floor
 Toronto, Ontario

M5J 2Y1

OR

Email at uslegalproxy@computershare.com

Requests for registration must be labeled as “Legal Proxy” and be received no later than 9:00 a.m. (Vancouver time) on June 24, 2021. Thereafter United States Beneficial Shareholders will receive a confirmation of their registration by email after Computershare receives their registration materials. United States Beneficial Shareholders may so registered may attend the Meeting and vote their shares at <https://web.lumiagm.com/287863625> during the Meeting. Please note that United States Beneficial Shareholders are required to register their appointment as proxyholder at www.computershare.com/diversified.

- Beneficial Shareholders who do not have a 15-digit control number or Username will only be able to attend as a guest, which allows them listen to the Meeting; however, they will not be able to vote or submit questions. Please see the information under the heading “*General Proxy Information – Beneficial Shareholders*” for an explanation of why certain shareholders may not receive a form of proxy.
- Registered Shareholders and duly appointed proxyholders using a 15-digit control number or Username to login to the online Meeting that accept the terms and conditions will be revoking any and all previously submitted proxies. However, in such a case, Registered Shareholders and duly appointed proxyholders will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If a Registered Shareholder or duly appointed proxyholder DOES NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions when logging in to the online Meeting, in which case such Registered Shareholders and duly appointed proxyholders can only enter the Meeting as a guest, and will not be permitted to vote when ballots are called for at the Meeting or ask questions and their votes will be recorded on the basis of their previously duly completed and submitted proxy, if any.
- It is important that any Registered Shareholder and duly appointed proxyholder is connected to the internet at all times during the Meeting in order to vote when balloting commences. It is the responsibility of Registered Shareholders and duly appointed proxyholders to ensure internet connectivity for the duration of the Meeting.

Voting at the Meeting

A registered shareholder of DIV Shares (a “**Registered Shareholder**”), or a Beneficial Shareholder who has duly appointed themselves or a third party proxyholder to represent them at the Meeting, will appear on a list of shareholders prepared by Computershare, the transfer agent and registrar for the Meeting. To vote their DIV Shares at the Meeting, each Registered Shareholder or duly appointed proxyholder will be required to enter their control number or Username provided by Computershare at <https://web.lumiagm.com/287863625> prior to the start of the Meeting. In order to vote, Beneficial Shareholders who appoint themselves as a proxyholder **MUST** register with Computershare at www.computershare.com/diversified **AFTER** submitting their voting instruction form in order to receive a Username (please see the information under the headings “*General Proxy Information – Appointment of Proxies*” below for details). It is important that any Registered Shareholder and duly appointed proxyholder is connected to the internet at all times during the Meeting in order to vote when balloting commences. It is the responsibility of Registered Shareholders and duly appointed proxyholders to ensure internet connectivity for the duration of the Meeting. Beneficial Shareholders who have not appointed themselves as proxyholder to vote at the Meeting, may login as a guest, by clicking on “I am a Guest” and complete the online form, but will not be permitted to vote or ask questions through the Meeting’s live audio webcast. Notwithstanding the foregoing, all shareholders may vote in advance of the Meeting by submitting their proxy or voting instruction form (as applicable).

GENERAL PROXY INFORMATION

Solicitation of Proxies

The enclosed form of proxy is being solicited by Management in connection with the Meeting and the associated costs of solicitation will be borne by DIV. The solicitation of proxies will be made primarily by telephone and mail but proxies may also be solicited personally or by facsimile or email by officers, directors or

regular employees of DIV or by a proxy solicitation agent retained by DIV. Employees of DIV will not receive any extra compensation for such activities.

Appointment of Proxies

The persons named in the form of proxy accompanying this Circular are officers and/or directors of the Corporation. **A shareholder has the right to appoint a person, who need not be a shareholder, other than the persons specified in such form of proxy to attend and act for and on behalf of such shareholder at the Meeting. Such right may be exercised by either striking out the names of the persons specified in the form of proxy accompanying this Circular and inserting the name of the person to be appointed in the blank space provided in such form of proxy or by completing and executing another form of proxy and, in either case, returning such completed and executed form of proxy in the manner described herein.**

Shareholders who wish to appoint a third party proxyholder to represent them at the online Meeting and vote **must submit their proxy or voting instruction form (if applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once the shareholder has submitted its proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting.** To register a proxyholder, shareholders MUST visit <https://www.computershare.com/diversified> before 9:00 a.m. (Vancouver Time) on June 24, 2021 and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with a Username via email.

Without a Username, proxyholders will not be able to vote at the Meeting.

A form of proxy must be in writing and signed by the shareholder or by the shareholder's attorney duly authorized in writing or, if the shareholder is a body corporate or association, under its seal or by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing. A proxy will not be valid unless the completed form of proxy is: (i) faxed to Computershare Investor Services Inc. at 416-263-9524 or toll-free to 1-866-249-7775; (ii) hand-delivered or mailed to Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, Attention: Proxy Department; (iii) submitted online at www.investorvote.com; or (iv) submitted by telephone at 1-866-732-VOTE (8683). In order to be valid, proxies must be submitted no later than 9:00 a.m. (Vancouver time) on June 24, 2021 or, in the event that the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for any adjournment or postponement of the Meeting. The Chair of the Meeting may waive this cut-off at his or her discretion without notice.

DIV shareholders who hold their DIV Shares through an intermediary/broker are not entitled, as such, to vote at the Meeting through a proxy form, but may appoint a proxyholder to attend and vote at the online Meeting on their behalf by following the instructions set forth above. Regulatory policy requires intermediaries/brokers to seek voting instructions from non-registered shareholders in advance of the Meeting. Such shareholders should carefully follow the instructions of their intermediary/broker, including those on how and when voting instructions are to be provided, in order to have their DIV Shares voted at the Meeting. See “– Beneficial Shareholders”.

Revocation of Proxies

In addition to revoking a proxy by any other manner permitted by law, a shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast by completing an instrument in writing executed by the shareholder or his or her attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, and by depositing such instrument of revocation either with the Secretary of DIV, c/o Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, Attention: Proxy Department, at any time up to and including the last business day preceding the day of the Meeting. In addition, a proxy may be revoked by a Registered Shareholder or duly appointed proxyholder by using a 15-digit control number or Username to login to the online Meeting and accepting the terms and conditions to attend the Meeting. If a Registered Shareholder or duly appointed proxyholder DOES NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions when logging in to the online Meeting, in which case such Registered Shareholders and duly appointed proxyholders can only enter the Meeting as a guest, and will not be permitted

to vote when ballots are called for at the Meeting or ask questions and their votes will be recorded on the basis of their previously duly completed and submitted proxy, if any.

Voting of Proxies

The persons named in the form of proxy accompanying this Circular will vote the DIV Shares in respect of which they are appointed proxy in accordance with the instructions in the form of proxy and including on any ballot that may be called for at the Meeting. The persons named in the form of proxy accompanying this Circular may be instructed to vote for or to withhold from voting with respect to election of directors and appointment of auditors. In the absence of instructions, such persons will vote such DIV Shares in favour of or for each of the matters referred to in the accompanying Notice of Meeting.

The form of proxy accompanying this Circular confers discretionary authority upon the persons named therein with respect to amendments to or variations of the matters identified in the Notice of Meeting and with respect to other matters, if any, which may properly be brought before the Meeting. At the date of this Circular, Management knows of no such amendment or variations to the matters identified in the Notice of Meeting to be brought before the Meeting. However, if any other matters which are not now known to Management should properly be brought before the Meeting, the DIV Shares represented by any proxy will be voted on such matters in accordance with the judgment of the person named in such proxy.

Beneficial Shareholders

The information set forth in this section is important to all shareholders. These meeting materials are being sent to both registered and non-registered shareholders. If you are a non-registered shareholder and DIV or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the broker, intermediary or agent holding your DIV Shares on your behalf.

Shareholders whose DIV Shares are not registered in their own name are referred to in this Circular as “**Beneficial Shareholders**”. There are two kinds of Beneficial Shareholders: those who have objected to their name being made known to the Corporation (called “**OBOs**” for Objecting Beneficial Owners) and those who have not objected (called “**NOBOs**” for Non-Objecting Beneficial Owners). **Beneficial Shareholders should note that only a shareholder whose name appears on the records of DIV as a registered holder of DIV Shares or a person they duly appoint as a proxy can be recognized and vote at the Meeting.** The majority of issued and outstanding DIV Shares are held in a book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). Consequently, the majority of DIV Shares are registered under the name of CDS & Co. (the registration name for CDS). CDS also acts as nominee for brokerage firms through which Beneficial Shareholders hold their DIV Shares. DIV Shares held by CDS can only be voted upon the instructions of the Beneficial Shareholders provided through their intermediaries/brokers or through the completion of the procedures for participation by duly appointed proxyholders in the online Meeting set out above under “ – *Appointment of Proxies*”.

Proxy-related materials will be delivered indirectly to the Corporation’s OBOs and NOBOs. As a result, both OBOs and NOBOs can expect to receive Meeting materials from their intermediary/broker, including a voting instruction form as more particularly described immediately below. The Corporation intends to pay for intermediaries/brokers to deliver Meeting materials to the Corporation’s NOBOs and OBOs.

Applicable regulatory policy requires intermediaries/brokers to whom meeting materials have been sent to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their DIV Shares are voted at the Meeting. Often, the voting instruction form supplied to a Beneficial Shareholder by its intermediary/broker is identical to the form of proxy provided to Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of intermediaries/brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a special voting instruction form, mails those forms to the Beneficial Shareholders and asks for appropriate instructions respecting the voting of DIV

Shares to be represented at the Meeting. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number or access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and vote the DIV Shares held by them. Broadridge then tabulates the results of all voting instructions received and provides appropriate instructions respecting the voting of DIV Shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote DIV Shares directly at the Meeting. The voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the DIV Shares voted. Beneficial Shareholders who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their DIV Shares at the Meeting.

Without specific instructions, intermediaries/brokers are prohibited from voting shares for their clients. If you are a Beneficial Shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or agent is returned according to their instructions, sufficiently in advance of the deadline specified by the broker, intermediary or agent, to ensure that they are able to provide voting instructions on your behalf.

Beneficial Shareholders cannot be recognized at the Meeting for purposes of voting their DIV Shares at the online Meeting or by way of depositing a form of proxy. If you are a Beneficial Shareholder and wish to vote at the online Meeting, please see the voting instructions you received or contact your intermediary well in advance of the Meeting to determine how you can do so, as well as the instructions for the completion of the procedures required for participation by duly appointed proxyholders in the online Meeting set out above under “– Appointment of Proxies”.

Beneficial Shareholders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their DIV Shares voted at the Meeting.

Registered Shareholders

There are five ways for Registered Shareholders to vote. Registered Shareholders can vote by mail, fax, online, phone or at the online Meeting. If your DIV Shares are held in your own name, you are a “Registered Shareholder” and must submit your proxy in the postage paid envelope in sufficient time to ensure your votes are received **no later than 9:00 a.m. (Vancouver time) on June 24, 2021**, by:

- **Mail:** To the offices of Computershare Investor Services Inc. Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; or
- **Fax:** Computershare Investor Services Inc.: 416-263-9524 toll free 1-866-249-7775; or
- **Online:** Visit www.investorvote.com and enter your 15 digit control number; or
- **Phone:** 1-866-732-VOTE (8683) toll free to cast your vote over the telephone by quoting your 15 digit control number located at the bottom left hand corner of your proxy.

Alternatively, Registered Shareholders can vote at the online Meeting (for further details see “*Virtual Meeting Format*” above”).

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Circular, which includes, without limitation, the letter to shareholders, the Notice of Meeting and all schedules thereto, contains certain information that may constitute forward-looking information within the meaning of Canadian securities laws. In some cases, forward-looking information can be identified by the use of terms such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “potential”, “continue” or other similar expressions concerning matters that are not statements about the present or historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future financial position, business strategy and strategic goals, projected costs, financial results, taxes and plans and objectives of, or

involving, the Corporation. Specific forward-looking information in this Circular includes, without limitation, statements with respect to: proxy advisory firms possibly recommending that shareholders withhold their votes for a certain director nominee; the compensation outlook for the Corporation's President and Chief Executive Officer and Chief Financial Officer and VP Acquisitions; the duration of each director nominee's appointment if elected at the Meeting; the Corporation's expectation that it will enter into the Maxam Capital Services Agreement and the details thereof; and the date by which shareholder proposals are required be delivered in respect of the 2021 annual general meeting.

Forward-looking information is based on certain factors and assumptions regarding, among other things, the Meeting will be carried out in accordance with the timing and by the means currently expected, no matters will be put forth for consideration by shareholders at the Meeting other than those described in this Circular, and each of the President and Chief Executive Officer and the Chief Financial Officer and VP Acquisitions will continue to be employed by the Corporation. While the Corporation considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward-looking information is subject to certain factors, including risks and uncertainties, which could cause actual results to differ materially from what the Corporation currently expects. These include, without limitation, those risks noted below and the risks and uncertainties affecting DIV's business and the businesses of its royalty partners found in the "Risk Factors" section of DIV's most recent Annual Information Form, a copy of which is available under DIV's profile on SEDAR at www.sedar.com. Undue importance should not be placed on forward-looking information, nor should reliance be placed upon this information as of any other date. DIV believes that the expectations reflected in the forward-looking information contained in this Circular 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 Meeting will be held at the time or the location expected; technical difficulties will not arise with the online Meeting, which technical difficulties may prevent Registered Shareholders and duly appointed proxyholders from voting or asking questions and from all attendees from following the progress of the Meeting; the Record Date (as defined below) for the Meeting will not change; and additional matters which are not currently contemplated, and thus not described in this Circular, will not be put forth for consideration by shareholders at the Meeting. Given these uncertainties, readers are cautioned that forward-looking information included in this Circular is not a guarantee of future performance, and such forward-looking information should not be unduly relied upon.

All of the forward-looking information in this Circular, including the accompanying letter to shareholders and Notice of Meeting, is 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 is made as of the date of this Circular and DIV assumes no obligation to update or revise such information to reflect new events or circumstances, except as may be required by applicable law.

RECORD DATE AND QUORUM

DIV's board of directors (the "**Board**" or the "**Directors**") has set the close of business on May 19, 2021 as the record date (the "**Record Date**") for determining which shareholders shall be entitled to receive notice of and to vote at the Meeting. Only shareholders of record as of the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting. Shareholders who acquire DIV Shares after the Record Date will not be entitled to vote such shares at the Meeting. Each DIV Share is entitled to one vote on those items of business identified in the Notice of Meeting.

The quorum for the transaction of business at the Meeting consists of two persons present in person or by proxy entitled to vote at the Meeting representing, in the aggregate, not less than 25% of the total number of DIV Shares issued and outstanding on the Record Date. Under the terms of DIV's articles Registered Shareholders and duly appointed proxyholders attending an online Meeting are deemed to be present at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

DIV's authorized capital consists of an unlimited number of DIV Shares. As of the date of this Circular, 121,746,772 Shares were issued and outstanding. Each DIV Share held at the Record Date is entitled to one vote on a ballot.

As of the date of this Circular, to the knowledge of the directors and officers of DIV, no person beneficially owns or controls or directs, directly or indirectly, more than 10% of the issued and outstanding DIV Shares.

ADVANCE NOTICE POLICY

The Corporation's Articles, which were approved by shareholders of the Corporation at the shareholders' meeting held on October 14, 2020, include provisions to: (i) ensure that all shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or special meetings of shareholders of the Corporation (the "**Advance Notice Policy**"). The Advance Notice Policy fixes the deadlines by which holders of record of DIV Shares must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in a written notice to the Corporation for any director nominee to be eligible for election at such annual or special meeting of shareholders.

In the case of an annual general meeting of shareholders, notice to the Corporation must be given no less than 30 days prior to the date of the annual general meeting provided, however, that in the event that the annual general meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual general meeting was made, notice may be given no later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of shareholders (which is not also an annual general meeting) called for any purpose which includes the election of directors to the Board, notice to the Corporation must be given no later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

As at the date hereof, no director nominations for the Meeting have been received by the Corporation under the Advance Notice Policy.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Canadian securities regulatory authorities have adopted National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which requires disclosure of the approach of the Corporation to corporate governance, and National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"), which provides guidance on corporate governance practices. A detailed description of the Corporation's governance practices is provided in Schedule A to this Circular.

BOARD COMPOSITION AND INDEPENDENCE

Board Size

The Board is currently comprised of four directors; however, the Board had been comprised of five directors until Lawrence Haber retired from the Board at the end of January, 2021. The Board believes that the current Board size should be increased by one to five directors. The Board is currently undergoing a search to identify a suitable candidate with a mix of skills and experience that would compliment those of the existing Directors to be added as a fifth independent director. The Board believes that a five member board is optimal given the size and nature of the Corporation's business.

The Board believes that all of the four nominated directors will continue to make valuable contributions to the Board and the Corporation. Moreover, the Board's ability to exercise independent judgment is further

supported by the fact that none of the Corporation's executives have a seat on the Board, not even its President and Chief Executive Officer.

Independence of the Board

NI 58-101 defines an "independent director" as one who has no direct or indirect material relationship with the Corporation. It further defines a "material relationship" as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Board member's independent judgment. This Circular adopts such definitions.

In the view of the Board, all of its members are independent directors, as no director is in a material relationship with the Corporation, which could in the view of the Board in any way reasonably be expected to interfere with that director's independent judgment.

Notwithstanding the Board's view on the independence of its members, some proxy advisory firms have previously determined that one of the members of the Board that is currently nominated for re-election (Mr. Johnny Ciampi) is not an independent director through the application of their own more expansive tests for "independence" which are beyond the scope of the applicable securities laws and stock exchange policies in Canada. As a result, such proxy advisory firms have in the past, and may again in the future, recommend that shareholders withhold their votes for Mr. Ciampi. Although the Board recognizes the importance of the function of such proxy advisory firms, the Board respectfully disagrees with their conclusions as the Board feels their conclusions are made without the application of judgment based on a substantive analysis of the independence of some or all of such directors.

Specifically, Mr. Johnny Ciampi has in the past been determined by certain proxy advisory firms to be non-independent due to his past and ongoing business relationship with the Corporation's President and Chief Executive Officer. Mr. Ciampi has an indirect interest in Maxam Capital Corp., which provides certain administrative and office space services to DIV. The provision of these services to DIV will terminate effective May 31, 2021. During the period from January 1, 2020 to April 30, 2021, a total of \$127,500 was paid by DIV to Maxam Capital Corp. This arrangement was not material to DIV, Maxam Capital Corp. or Mr. Ciampi and does not in the view of the Board interfere in any way with Mr. Ciampi's ability to exercise independent judgment as a member of the Board. Mr. Ciampi is a valued member of the Board as he brings significant business and public company experience and provides strategic input for major transactions. For further details see "*Interests of Informed Persons in Material Transactions – Maxam Services Agreement*" below.

At each annual and quarterly meeting of the Board and at Committee meetings, in camera sessions are held in the absence of Management. In addition, the Board members are sensitive to conflicts of interest and excuse themselves from deliberations and voting in appropriate circumstances. For further details with respect to how the Board facilitates its exercise of independent judgment in carrying out its responsibilities, see "*Board Functioning and Independence*" in the attached Schedule A.

All members of the Board possess extensive knowledge of the Corporation's business and/or have extensive business experience, both of which have proven to be beneficial to the other directors, and their participation as directors contributes to the effectiveness of the Board.

Ms. Paula Rogers, Mr. Garry Herdler and Ms. Lorraine McLachlan are also independent director nominees. For further details with respect to their qualifications and the qualifications of each of the nominees of the Board see "*Particulars of Matters to be Acted Upon – Election of the Board – Profile of the Board*" below.

BOARD COMMITTEES

The Board has developed charters governing the purpose and composition of three standing committees: an audit committee (the "**Audit Committee**"), a governance, nominating and compensation committee (the "**GNC Committee**") and an investment committee (the "**Investment Committee**") each a "**Committee**" and together, the "**Committees**".

The Board from time to time appoints *ad hoc* committees to assist Management and the Board on specific matters, such as acquisitions or financings. No *ad hoc* committees were formed in 2020.

The following sections discuss the mandates and activities of the current Committees of the Board.

AUDIT COMMITTEE

Composition of Audit Committee

The Audit Committee is currently composed of Ms. Paula Rogers (Chair), Mr. Garry Herdler and Ms. Lorraine McLachlan, each of whom is independent. Between January 1, 2020 and December 31, 2020, the Audit Committee met a total of four times.

The Audit Committee is discussed in further detail in DIV's Annual Information Form dated March 11, 2021 ("**AIF**") under the heading "*Audit Committee Information*". The full text of the charter of the Audit Committee is attached as Schedule A to the AIF.

INVESTMENT COMMITTEE

Composition of Investment Committee

The Investment Committee is currently composed of Mr. Garry Herdler (Chair) and Mr. Johnny Ciampi. The Investment Committee was composed of Mr. Garry Herdler, Mr. Johnny Ciampi and Mr. Lawrence Haber from January 1, 2020 to December 31, 2020. On January 28, 2021, Mr. Haber retired from DIV's board of directors. All members of the Investment Committee are independent in the view of the Board, consistent with the requirements of the Charter of the Investment Committee. In addition, all members have at least five years of experience in investment banking, corporate finance, mergers and acquisitions, institutional investing and/or similar acquisition/diligence related activities. The Investment Committee Chair is appointed by the Board and must be an independent director.

Purpose

The Investment Committee is appointed by the Board for the purpose of reviewing and providing recommendations to the Board with respect to proposed acquisitions and dispositions by 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.

Committee Authority and Responsibilities

Subject to the powers and duties of the Board, the Board has delegated to the Investment Committee the following powers and duties to be performed by the Investment Committee on behalf of and for the Board. The Investment Committee will:

1. review, consider, evaluate, provide input to Management (including prioritization between alternate opportunities, transaction structuring and due diligence considerations (including any environmental, social, governance and sustainability 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;
2. 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;
3. 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;
4. 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;
5. review, consider and approve the engagement proposal(s) for consultants and advisors in connection with these acquisition activities in items (1) through (4);
 6. (i) review and discuss with Management the Corporation's implementation of procedures for identifying, assessing, monitoring and managing environmental, social, governance and sustainability risks related to the business and affairs of the Corporation and its royalty partners; (ii) review and discuss with management the Corporation's integration of environmental social and sustainability policies, practices and goals into its business strategy and decision making; (iii) review and discuss with Management the Corporation's and its royalty partners' environmental, social, governance and sustainability reporting; and (iv) review annually the Corporation's Environmental, Social and Governance Policy and make recommendations to the Board with respect to any amendments thereto; and
 7. have such other powers and duties as may be delegated to it from time to time by the Board.

Notwithstanding the appointment of the Investment Committee and the granting of any authority, the Board may consider and approve or disapprove of any matter which the Investment Committee has the authority to consider, recommend or approve.

GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE

The GNC Committee is currently composed of Ms. Lorraine McLachlan (Chair), Mr. Johnny Ciampi and Ms. Paula Rogers. Between January 1, 2020 and December 31, 2020, the GNC Committee met once.

The Chair of the GNC Committee and each of its members are independent in the view of the Board, consistent with the requirements of the Charter of the GNC Committee. The members and chair of the GNC Committee are appointed by the Board. Recommendations of the GNC Committee with respect to compensation of directors and officers of the Corporation and nominations of directors are ratified by the full Board in order to ensure that there is an objective process for determining compensation of the Corporation's directors and officers and for director nominations.

All of the current members of the GNC Committee have served as directors of other public companies or have advised boards of directors and others on compensation arrangements and, as such, are believed to have the necessary experience to make recommendations regarding the compensation plans of the Corporation. See "*Particulars of Matters to be Acted Upon – Election of Directors – Profile of the Board*" for additional details with respect to the background and experience of each of the current GNC Committee members who are proposed as nominees for election to the Board.

The GNC Committee currently operates according to the charter of the GNC Committee. The purpose, authority and responsibilities of the GNC Committee under the charter of the GNC Committee are summarized below:

Purpose

The GNC Committee is appointed by the Board for the following purposes:

1. to establish, administer and evaluate the compensation philosophy, policies and plans for non-employee directors and executive officers, to make recommendations to the Board regarding director and executive compensation and to review the performance and determine the compensation of the Chair and Chief Executive Officer, based on criteria including the Corporation's performance and accomplishment of long-term strategic objectives;
2. to establish criteria for the election and re-election of a director in regards to independence, competencies and skills; to identify individuals qualified to become Board members; to recommend to the Board proposed nominees for Board membership; to recommend to the Board directors to serve

on each standing committee; to develop and recommend to the Board corporate governance principles applicable to the Corporation; to oversee the evaluation of the Board and management; and

3. to take such other actions within the scope of its charter as the GNC Committee deems necessary or appropriate.

Committee Authority and Responsibilities

Human Resources and Compensation Responsibilities

1. **Compensation Objectives.** The GNC Committee reviews and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer and other executive officers to ensure that such compensation goals and objectives are aligned with the Corporation's objectives and shareholder interests.
2. **CEO Compensation.** Based upon an annual evaluation of the Chief Executive Officer's performance, the GNC Committee reviews, determines and recommends to the Board the Chief Executive Officer's compensation. In making its determination, the GNC Committee may consider the Corporation's performance and relative shareholder return, the compensation of chief executive officers at comparable companies, the awards given to the Chief Executive Officer in past years, and such other factors as the GNC Committee deems relevant. The Chief Executive Officer shall not be present during voting or deliberations about the Chief Executive Officer's compensation.
3. **Compensation of Other Executives.** The GNC Committee reviews with the Chief Executive Officer their recommendation with respect to compensation and other benefits with respect to the other corporate officers of the Corporation. The GNC Committee takes account of each individual corporate officer's performance, the Corporation's overall performance and comparable compensation paid to similarly-situated officers in comparable companies. The GNC Committee makes recommendations to the Board.
4. **Directors Fees.** The GNC Committee reviews and makes recommendations to the Board with respect to non-employee directors' annual fees and compensation for participating in Board and Committee meetings.
5. **Executive Agreements.** The GNC Committee reviews, and if appropriate, approves employment agreements, severance arrangements, retirement arrangements, change in control agreements and provisions, and any special or supplemental benefits for each officer of the Corporation.
6. **Incentive Compensation Plans.** The GNC Committee administers the Corporation's Stock Option Plan (as defined below), LTIP (as defined below) and other incentive compensation, variable pay and stock programs as may be adopted by the shareholders or the Board from time to time within the authority delegated by the Board.
7. **Annual Report.** The GNC Committee reviews and, after making any modifications deemed necessary by the GNC Committee, approves the annual report prepared by Management on executive compensation for inclusion in the Corporation's information circular.

Identification and Evaluation of Director Candidates

1. The GNC Committee establishes and recommends to the Board criteria for the selection of new candidates to serve on the Board (including the range of skills and expertise that should be represented by the Board and independence from management).
2. The GNC Committee seeks individuals qualified to become Board members, including evaluating persons suggested by share owners or others. The GNC Committee determines each proposed nominee's qualifications for service on the Board and conducts appropriate inquiries into the backgrounds and qualifications of possible nominees. Each nominee should be a person of integrity and be committed to devoting the time and attention necessary to fulfill his or her duties to the

Corporation. The GNC Committee evaluates the independence of directors and potential directors, as well as his or her business experience, or specialized skills or experience. Diversity of background and experience are also important factors in evaluating candidates for Board membership, and are considered in accordance with the Board Diversity Policy (see Schedule A – Statement of Corporate Governance Practices, for a summary of the Board Diversity Policy). The GNC Committee considers issues involving possible conflicts of interest of directors or potential directors.

3. The GNC Committee recommends to the Board the director nominees for the next annual general meeting of shareholders. The GNC Committee evaluates the performance of each director before recommending to the Board his or her nomination for an additional term as director.
4. The GNC Committee evaluates and recommends to the Board when new members should be added to the Board. When a vacancy occurs on the Board by reason of disqualification, resignation, retirement, death or an increase in the size of the Board, the GNC Committee is responsible for recommending a replacement member to the Board.
5. The GNC Committee annually reviews the composition of each Board committee and presents recommendations for committee memberships to the Board as needed.

Corporate Governance Matters

The GNC Committee has responsibility for developing and monitoring the Corporation's approach to corporate governance and its corporate governance principles, and makes recommendations to the Board as it may consider appropriate from time to time concerning the corporate governance of the Corporation, including:

- (a) the adequacy of the Corporation's corporate governance principles, including developing and recommending to the Board for adoption additional or revised principles as appropriate;
- (b) the effectiveness of the Corporation's system of corporate governance, including methods for assessing the effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors;
- (c) oversight of the evaluation of the Board and management;
- (d) the size and composition of the Board and the criteria for eligibility for election, re-election or appointment of any individual to the Board (i) at any meeting of the shareholders; and (ii) at any meeting of the Board during the year to fill a vacancy which occurs on the Board during the year;
- (e) communication processes between the Board and management, including monitoring the quality of the relationship between management and the Board, assessing the adequacy and quality of the information provided to the Board prior to and during its meetings and recommending improvements as deemed necessary or advisable; including where appropriate (i) the frequency and content of meetings of the Board; and (ii) developing agendas of issues to be presented to the Board at its meetings;
- (f) appropriate committee structure and the mandates, composition and membership of each committee of the Board;
- (g) an appropriate orientation and education program for new members of the Board;
- (h) a retirement tenure policy for members of the Board and any modifications or exceptions thereto; and
- (i) procedures to enable directors or committees of directors to engage special advisors at the expense of GNC Corporation in appropriate circumstances.

Report of the GNC Committee on Human Resources and Compensation

The GNC Committee's approach to executive compensation is to pay for performance and to ensure compensation programs are aligned with effective risk management. The GNC Committee believes that approaching compensation in this way creates sustainable shareholder value over the long term. From a risk oversight perspective, the GNC Committee has designed and developed a compensation policy, comprised largely of incentive-compensation plans and equity-based plans, which are designed to promote alignment of executive compensation with shareholder interests. The objectives, principles and practices that are the foundation of the GNC Committee's approach to executive compensation are explained further under the heading "– *Executive Compensation – Compensation Philosophy*" below.

Executive Compensation

Compensation Philosophy

Compensation programs must be designed to attract and retain the talent needed for the Corporation's continued success in a competitive marketplace, having regard to the strategic direction of the Corporation. The GNC Committee's approach to compensation is to align executive compensation with shareholder interests. In particular, the compensation of the President and Chief Executive Officer and the Chief Financial Officer and VP Acquisitions is designed to provide a significant portion of their compensation as equity incentive awards, motivating them to focus on strategic transactions to propel DIV's longer-term success.

As of May 19, 2021, there were 3,116,667 outstanding stock options issued under the Corporation's Stock Option Plan, with exercise prices ranging from \$2.521 to \$3.53 per DIV Share and 609,410 RSUs outstanding which were issued under the Corporation's LTIP (as defined below) which vest between September 6, 2021 and May 18, 2024 in the form of 604,410 DIV Shares. During the 2020 fiscal year: (i) 5,779 RSUs were issued to certain directors of the Corporation in lieu of compensation otherwise payable in cash, all of which will vest on March 12, 2022; (ii) 93,810 RSUs were issued to certain directors, all of which will vest on May 21, 2023; (iii) 166,056 RSUs were issued to the President and CEO in lieu of compensation otherwise payable in cash, all of which vested on March 31, 2021; (iv) 105,504 RSUs were issued as dividend equivalents over the course of the 2020 fiscal year; and (v) 813,529 RSUs were settled net of withholding taxes for 410,061 DIV Shares.

On May 6, 2021, as part of the GNC Committee's and Board's comprehensive review of the compensation arrangements of the Corporation's Management, the Board approved the grant to the Corporation's Management of: (i) an aggregate of 229,238 RSUs having a grant date fair value of \$2.521 per RSU, which RSUs will vest over a period of three years in the form of cash or DIV Shares at the election of the individual, and (ii) an aggregate of 816,667 stock options having an exercise price of \$2.521 per underlying DIV Share, which stock options will vest over three years and expire on the fifth anniversary of the grant date. The grant date fair value per RSU and the exercise price of the stock options were each based on the five-day volume weighted average trading price of the DIV Shares on the Toronto Stock Exchange ("**TSX**") ending on the date prior to the grant date. The President and Chief Executive Officer, Chief Financial Officer and VP Acquisitions and the Corporate Controller received: (i) 185,938; 38,489; and 4,811 RSUs, respectively; and (ii) 666,667; 125,000; and 25,000 stock options, respectively. See "– *President and Chief Executive Officer*" and "– *Chief Financial Officer and VP Acquisitions*" and "– *Compensation Consultant*" for further details with respect to these recent grants.

For the fiscal year ended December 31, 2020, compensation of executive officers was mainly comprised of fixed salaries, short term cash bonuses, and certain options-based compensation and share-based compensation granted in prior years meant to form part of the executive officers' compensation over a five-year or three-year period, as applicable.

President and Chief Executive Officer

The GNC Committee and the Board continue to be of the view that the President and Chief Executive Officer should provide leadership to enable the Corporation to achieve its strategic objectives.

Mr. Morrison's services as President and Chief Executive Officer are currently provided to the Corporation and its subsidiaries pursuant to an amended and restated executive employment agreement between the

Corporation and Mr. Morrison dated May 11, 2021, but effective January 1, 2021 (the “**Amended and Restated CEO Employment Agreement**”). Prior to the Amended and Restated CEO Employment Agreement, Mr. Morrison’s services as President and Chief Executive Officer were provided to the Corporation and its subsidiaries pursuant to the executive employment agreement between the Corporation and Mr. Morrison dated December 1, 2017, but effective August 1, 2017 (the “**Prior CEO Employment**”). The Amended and Restated CEO Employment Agreement was negotiated with Mr. Morrison by the Chair of Board in consultation with the GNC Committee and the other members of the Board. The GNC Committee and the Board believe the Amended and Restated CEO Employment Agreement is commensurate with the role, responsibilities and objectives for Mr. Morrison’s position.

As part of the GNC Committee’s comprehensive review of the Corporation’s executive compensation practices and arrangements, the GNC Committee retained Lane Caputo Compensation Inc. (“**Lane Caputo**”) to review, among other things, the existing, and proposed new, compensation arrangements with the President and CEO and to determine the supportability of those arrangements relative to the Corporation’s peer group (see “– *Compensation Consultant*”, below) prior to the Corporation entering into the Amended and Restated CEO Employment Agreement. The GNC Committee sought to design a compensation package that was competitive with market requirements for a Chief Executive Officer, but which also reflected the nature of the Corporation’s business and the strategic objectives of the Corporation. That strategy involves completing additional royalty transactions and thereby increasing the Corporation’s distributable cash and encouraging the individual in the highest leadership position of the Corporation to accomplish such transactions. In addition, in formulating the revised compensation arrangements reflected in the Amended and Restated CEO Employment Agreement, the Chair of the Board, the GNC Committee and Board considered Mr. Morrison’s unique skill set, which includes Mr. Morrison effectively acting as the Corporation’s in-house M&A advisor and investment banker, saving the Corporation significant transaction fees that would otherwise be incurred by the use of outside advisors in connection with royalty acquisitions. The GNC Committee and Board also considered the Corporation’s unique organizational structure, in that it only has three employees, meaning the loss of any one employee could cause significant organizational disruption thus highlighting the importance of employee retention.

Following consultation with Lane Caputo and deliberations with the Board, in order to align the compensation package for Mr. Morrison with the above noted goals, the GNC Committee recommended to the Board that:

1. The annual base salary paid to Mr. Morrison be increased by \$45,000 to \$345,000 (which amount remains well below the median base salary relative to the Corporation’s peer group, which the GNC Committee considers appropriate given Mr. Morrison’s ability to earn significant additional cash compensation through incentive payments).
2. Mr. Morrison’s cash incentive payment (defined as the Morrison Incentive Amount) related to royalty acquisitions be adjusted to (i) include roll-ins and incremental royalty rate increases, and (ii) be calculated in relation to distributable cash generated from such transactions as opposed to dividends paid by the Corporation. The GNC Committee approved a related one-time retroactive payment to Mr. Morrison of approximately \$15,000. For details as to the calculation of the Morrison Incentive Amount, see “*Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts – Sean Morrison*”.
3. A further cash incentive be provided in respect of the 2021, 2022 and 2023 financial years whereby Mr. Morrison will be paid a quarterly cash performance incentive equal to 1.0%, 0.875% and 0.75% of the Corporation’s distributable cash, as an incentive to offset the decline in the cash incentive under the Prior CEO Employment Agreement, due to the difficulty to structure deals during the COVID-19 pandemic.
4. An annual grant under the Stock Option Plan of 666,667 stock options in 2021 and in each of the next two financial years, issued at market price on the grant date, vesting in equal tranches over three years and having a term of five years in order to further align Mr. Morrison’s interests with that of the Corporation’s shareholders and incentivize retention by spacing the grant and vesting periods over multiple periods as opposed to a larger one-time grant with a single vesting date.

5. An annual grant under the LTIP of \$468,750 of RSUs in 2021 and in each of the next two financial years issued at market price on the grant date, vesting in equal tranches over three years, which may be settled in the form of DIV Shares or cash at the election of Mr. Morrison in accordance with the terms of the LTIP in order to further align Mr. Morrison's interests with that of the Corporation's shareholders and incentivize retention by spacing the grant and vesting periods over multiple periods as opposed to a larger one-time grant with a single vesting date.

The Board adopted the GNC Committee's recommendations when approving the Amended and Restated CEO Employment Agreement, which reflected such modifications to the compensation arrangements for Mr. Morrison. In approving the equity awards summarized in paragraphs 4 and 5 above (with the first such annual grants having been made on May 6, 2021), the GNC Committee and Board considered the one-time option and RSU grants made to Mr. Morrison in 2017, which had been intended to form part of his compensation over a five year period. The GNC Committee and the Board concluded that these additional grants were warranted in order to continue to incentivize the continued performance and retention of Mr. Morrison given the previously granted stock options were significantly out-of-the-money due to the unforeseen impacts of the COVID-19 pandemic on the Corporation and its royalty partners and all previously issued RSUs had vested removing any further retention incentive related to the prior grants.

Altogether, the components of the compensation package balance risk and reward, and support the strategic intent of the Corporation in that compensation is very much dependent upon performance, particularly the completion of additional accretive royalty transactions which increase the Corporation's distributable cash and support the payment of dividends to the Corporation's shareholders, and incentivize continued service to the Corporation (which is critical given the Corporation's unique corporate structure, having only three employees).

For further details with respect to the CEO Employment Agreement, see "*Termination of Employment, Change in Responsibilities and Employment Contracts – Current Executives – Sean Morrison*" below.

Chief Financial Officer and VP Acquisitions

Mr. Gutmanis' services as Chief Financial Officer and VP Acquisitions are currently provided to the Corporation and its subsidiaries pursuant to an amended and restated executive employment agreement between the Corporation and Mr. Gutmanis dated May 11, 2021, but effective January 1, 2021 (the "**Amended and Restated CFO Employment Agreement**"). Prior to the Amended and Restated CFO Employment Agreement, Mr. Gutmanis' services as Chief Financial Officer and VP Acquisitions were provided to the Corporation and its subsidiaries pursuant to the executive employment agreement between the Corporation and Mr. Gutmanis dated September 1, 2015, as amended (the "**Prior CFO Employment**"). The Amended and Restated CFO Employment Agreement was negotiated with Mr. Gutmanis by the Chair of Board in consultation with the GNC Committee and the other members of the Board. The GNC Committee and the Board believe the Amended and Restated CFO Employment Agreement is commensurate with the role, responsibilities and objectives for Mr. Gutmanis' position.

As part of the GNC Committee's comprehensive review of the Corporation's executive compensation practices and arrangements, the GNC Committee retained Lane Caputo to review, among other things, the existing, and proposed new, compensation arrangements with the Chief Financial Officer and VP Acquisitions and to determine the supportability of those arrangements relative to the Corporation's peer group (see "*– Compensation Consultant*", below) prior to the Corporation entering into the Amended and Restated CFO Employment Agreement. The GNC Committee sought to design a compensation package that was competitive with market requirements for a Chief Financial Officer and VP Acquisitions, but which also reflected the strategic objectives of the Corporation. That strategy involves completing additional royalty transactions and thereby increasing the Corporation's distributable cash and encouraging Mr. Gutmanis to source, review and complete such transactions. In addition, in formulating the revised compensation arrangements reflected in the Amended and Restated CFO Employment Agreement, the Chair of the Board, the GNC Committee and Board sought to align Mr. Gutmanis' compensation package with that of the President and Chief Executive Officer. The GNC Committee and Board also considered the Corporation's unique organizational structure, in that it only has three employees, meaning the loss of any one employee could cause significant organizational disruption thus highlighting the importance of employee retention.

Following consultation with Lane Caputo and deliberations with the Board, in order to align the compensation package for Mr. Gutmanis with the above noted goals, the GNC Committee recommended to the Board that:

1. The annual base salary paid to Mr. Gutmanis remain unchanged at \$300,000 as it was already above the median for the Corporation's peer group.
2. Mr. Gutmanis' cash incentive payment (defined as the Gutmanis Incentive Amount) related to royalty acquisitions be adjusted to (i) also include roll-ins and incremental royalty rate increases, (ii) be calculated in relation to distributable cash generated from such transactions as opposed to dividends paid by the Corporation, and (iii) be extended to apply to a period of five years, as opposed to four years, after each royalty acquisition, consistent with the Morrison Incentive Amount. The GNC Committee approved a related one-time retroactive payment to Mr. Gutmanis of approximately \$29,000. For details as to the calculation of the Gutmanis Incentive Amount see "*Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts – Greg Gutmanis*".
3. An annual grant under the Stock Option Plan of 125,000 stock options in 2021 and in each of the next two financial years, issued at market price on the grant date, vesting in equal tranches over three years and having a term of five years in order to further align Mr. Gutmanis' interests with that of the Corporation's shareholders and incentivize retention by spacing the grant and vesting periods over multiple periods as opposed to a larger one-time grant with a single vesting date.
4. An annual grant under the LTIP of \$97,031 of RSUs in 2021 and \$150,000 in each of the next two financial years issued at market price on the grant date, vesting in equal tranches over three years, which may be settled in the form of DIV Shares or cash at the election of Mr. Gutmanis in accordance with the terms of the LTIP in order to further align Mr. Gutmanis' interests with that of the Corporation's shareholders and incentivize retention by spacing the grant and vesting periods over multiple periods as opposed to a larger one-time grant with a single vesting date.

The Board adopted the GNC Committee's recommendations when approving the Amended and Restated CFO Employment Agreement, which reflected such modifications to the compensation arrangements for Mr. Gutmanis. In approving the equity awards summarized in (3) and (4) above (with the first such annual grants having been made on May 6, 2021), the GNC Committee and Board considered the one-time option and RSU grants made to Mr. Gutmanis in 2017 and 2018, respectively, which had been intended to form part of his compensation over a five-year and three-year period, respectively. The GNC Committee and the Board concluded that these additional grants were warranted in order to continue to incentivize the continued performance and retention of Mr. Gutmanis given the previously granted stock options were significantly out-of-the-money due to the unforeseen impacts of the COVID-19 pandemic on the Corporation and its royalty partners and the majority of previously issued RSUs had vested removing significant further retention incentive related to the prior grants.

Consistent with the President and Chief Executive Officer's remuneration package, the components of the Chief Financial Officer and VP Acquisitions' compensation package balances risk and reward, and supports the strategic intent of the Corporation in that compensation is very much dependent upon performance, particularly the completion of additional accretive royalty transactions which increase the Corporation's distributable cash and support the payment of dividends to the Corporation's shareholders and incentivize continued service to the Corporation (which is critical given the Corporation's unique corporate structure, having only three employees).

For further details with respect to Mr. Gutmanis' employment agreement with DIV, see "*Termination of Employment, Change in Responsibilities and Employment Contracts – Current Executives – Greg Gutmanis*" below.

Compensation Consultant

In early 2021 management requested that the GNC Committee review the Corporation's executive compensation arrangements with a view to better optimizing management incentives and retention. Following such request, the GNC Committee retained Lane Caputo as its external independent compensation advisor in February 2021 to review the compensation arrangements and philosophy for the Corporation's executive management and Board with a mandate to, among other things:

- suggest revisions to the Corporation's existing compensation peer group that reflect changes in the competitive landscape and the Corporation's current size and stage of development;
- benchmark the Corporation's executive and Board compensation arrangements (both current and revisions proposed by management) against those of its revised compensation peer group and versus its compensation philosophy; and
- analyze the requests of management recommended changes to executive compensation, to achieve the Corporation's stated compensation philosophy, while adhering to those best practices in compensation governance and maintaining compensation levels within the range of the Corporation's peers.

In formulating its reports, Lane Caputo benchmarked the President and Chief Executive Officer's, Chief Financial Officer and VP Acquisitions' and Corporate Controller's respective then current and then proposed revised compensation arrangements to those of the executives of the below noted issuers comprising the Corporation's peer group, which have reasonably similar business models to that of the Corporation. The issuers comprising the peer group were identified by Lane Caputo with input from the GNC Committee with the main criteria for inclusion being public companies similar in size to the Corporation (by revenue, market capitalization and/or enterprise value) that pursue predominantly royalty and or alternative finance focus, as well as those that approach the structure of royalties from a more technical or private-equity-like approach. In formulating the below peer group the GNC Committee and Lane Caputo also sought to maintain as much overlap with the peer group developed in 2017, when Lane Caputo was last retained to review the Corporation's executive compensation arrangements, to help ensure that any material changes in market compensation levels or structure are reflecting structural changes in the market, versus merely a change in peer group members.

2021 Peer Group

Abitibi Royalties Inc.
Alaris Royalty Corp.
Altius Minerals Corp.
Clairvest Group Inc.
Crown Capital Partners Inc.
EMX Royalty Corp.
Freehold Royalties Ltd.
Maverix Metals Inc.
Metalla Royalty & Streaming Ltd.

2017 Peer Group

Abitibi Royalties Inc.
Alaris Royalty Corp.
Clairvest Group Inc.
Crown Capital Partners Inc.
EMX Royalty Corp.
Founders Advantage Capital Corp.
Input Capital Corp.
Sandstorm Gold Ltd.

Following the competitive market benchmarking review, Lane Caputo provided the GNC Committee with preliminary analysis and recommendations with respect to proposed revised compensation arrangements for the executive management of the Corporation and the Board, intended to cover a three year time horizon. The GNC Committee considered the preliminary report and held two meetings with Lane Caputo to review the preliminary report and provide further instruction to Lane Caputo in advance of Lane Caputo issuing its final report.

Lane Caputo issued its final report on the Corporation's executive and Board compensation practices and proposed revised compensation arrangements to the GNC Committee on May 11, 2021. The GNC Committee considered the advice, guidance and recommendations provided by Lane Caputo as part of its deliberations and in making its recommendations to the Board with respect to (i) the revised compensation arrangements included in the Amended and Restated CEO Employment Agreement, the Amended and Restated CFO Employment Agreement and the Corporate Controller's employment agreement, including in respect of salary, cash performance incentives and long-term equity-based incentives; and (ii) adjustments to Board compensation, including in respect of annual retainers, meeting fees and equity based compensation.

The GNC Committee's recommendations were adopted by the Board, and the revised compensation arrangements were reflected in the Amended and Restated CEO Employment Agreement, Amended and Restated CFO Employment Agreement and the Corporate Controller's employment agreement. For further details with respect to the revised compensation arrangements, see "*Executive Compensation – Compensation Philosophy – President and Chief Executive Officer*" and "*Executive Compensation – Compensation Philosophy – Chief Financial Officer and VP Acquisitions*". Note that this Circular does not include detailed compensation discussion and analysis with respect to the Corporate Controller's compensation given the Corporate Controller is not a "Named Executive Officer" within the meaning of applicable Canadian Securities Laws.

For further details with respect to adjustments made to Board compensation see "*Compensation of Directors*".

The GNC Committee is required to pre-approve any other services that Lane Caputo may provide to the Corporation at the request of Management. Lane Caputo has not provided the Corporation, or any of its directors or members of Management with any services in addition to consulting with regard to the compensation arrangements of DIV's executive officers.

The table below shows the fees paid to Lane Caputo in 2019, 2020 and 2021 to-date.

Services Performed	Fees Paid in 2019	Fees Paid in 2020	Fees Paid in 2021 to date
Executive Compensation-Related Fees ⁽¹⁾	Nil	Nil	\$24,000
All Other Fees	Nil	Nil	Nil

(1) Amounts exclude taxes paid.

Anti-Hedging Policy

The Board has determined that it is inappropriate for directors and senior management, including its Corporate Controller, of the Corporation to hedge or monetize transactions to lock in the value of equity and equity-linked holdings in the Corporation. Such transactions would allow the holder to own securities of the Corporation without the full risks and rewards of ownership and potentially separate the holder's interests from those of shareholders. Accordingly, the Corporation has adopted an Anti-Hedging Policy which provides that no director or member of senior management may, directly or indirectly, engage in any kind of hedging transaction that could reduce or limit the director's or senior management member's economic risk with respect to the director's or senior management member's holdings, ownership or interest in or to common shares, convertible debentures or other securities of the Corporation, including, without limitation, outstanding stock options, restricted share units, deferred share units or other compensation awards the value of which are derived from, referenced to or based on the value or market price of DIV Shares or other securities of the Corporation. Prohibited transactions include the purchase by a director or member of senior management of financial instruments, including, without limitation, prepaid variable forward contracts, equity swaps, collars, puts, calls or other derivative securities that are designed to hedge or offset a decrease in market value of securities of the Corporation.

EXECUTIVE COMPENSATION

Executive compensation is also discussed under the heading "*Governance, Nominating, and Compensation Committee*" in this Circular.

SUMMARY COMPENSATION TABLE FOR NAMED EXECUTIVE OFFICERS

The following table sets forth all compensation paid in the years ended December 31, 2018, 2019 and 2020 to individuals who were NEOs during the year ended December 31, 2020.

Name and principal position	Year				Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
		Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Annual incentive plans	Long-term incentive plans			
Sean Morrison President and Chief Executive Officer ⁽¹⁾	2020	300,000	Nil	Nil	648,211 ⁽²⁾	Nil	Nil	164,736 ⁽³⁾	1,112,947
	2019	300,000	Nil	Nil	726,388 ⁽²⁾	Nil	Nil	159,109 ⁽³⁾	1,185,497
	2018	300,000	Nil	Nil	715,468 ⁽²⁾	Nil	Nil	149,635 ⁽³⁾	1,165,103
Greg Gutmanis Chief Financial Officer and VP Acquisitions ⁽⁴⁾	2020	298,276	Nil	Nil	131,439 ⁽⁶⁾	Nil	Nil	61,478 ⁽⁷⁾	491,193
	2019	256,084	Nil	Nil	62,240 ⁽⁶⁾	Nil	Nil	76,442 ⁽⁷⁾	394,766
	2018	237,500	639,960 ⁽⁵⁾	Nil	51,707 ⁽⁶⁾	Nil	Nil	56,770 ⁽⁷⁾	985,937

- (1) Various changes were made to the President and Chief Executive Officer's compensation arrangements following the end of the 2020 fiscal year. For a summary of those changes see the above discussion under the heading "Governance, Nominating and Compensation Committee – Executive Compensation – Compensation Philosophy – President and Chief Executive Officer".
- (2) The Corporation paid Mr. Morrison a bonus of \$648,211 in 2020, \$726,388 in 2019 and \$715,468 in 2018 related to the Morrison Incentive Amount, under its previous formulation (which was calculated relative to dividends as opposed to distributable cash) pursuant to the Prior CEO Employment Agreement. In 2020, 50% of the Morrison Incentive Amount under the Prior CEO Employment Agreement was settled in cash and the remaining 50% was settled in RSUs. In 2019 and 2018, the Morrison Incentive Amount under the Prior CEO Employment Agreement was settled in cash. For a description of the "Morrison Incentive Amount" as has been modified by the Amended and Restated CEO Employment Agreement, see "Termination of Employment, Change in Responsibilities and Employment Contracts – Current Executives – Sean Morrison" below.
- (3) Other compensation in 2020 was composed of a health and welfare benefit allowance of \$30,000, dividends accrued but not paid on unvested RSUs then held by Mr. Morrison of \$130,025, and a parking allowance of \$4,711. Other compensation in 2019 was composed of a health and welfare benefit allowance of \$30,000, dividends accrued but not paid on unvested RSUs then held by Mr. Morrison of \$124,605, and a parking allowance of \$4,504. Other compensation in 2018 was composed of a health and welfare benefit allowance of \$30,000, dividends accrued but not paid on unvested RSUs then held by Mr. Morrison of \$115,442, and a parking allowance of \$4,193. For clarity, the dividends accrued but not paid on unvested RSUs will be settled in DIV shares (not cash), and are calculated at an average price per share of \$1.94 for 2020, \$3.02 for 2019 and \$3.10 for 2018.
- (4) Various changes were made to the Chief Financial Officer and VP Acquisitions compensation arrangements following the end of the 2020 fiscal year. For a summary of these changes see the above discussion under "Governance, Nominating and Compensation Committee – Executive Compensation – Compensation Philosophy – Chief Financial Officer and VP Acquisitions".
- (5) The Corporation granted 200,000 RSUs to Mr. Gutmanis on September 6, 2018 at a grant date fair value of \$3.20 per RSU for total consideration of \$639,960. The grant date fair value was determined with reference to the closing price on DIV's shares on the TSX on September 6, 2018.
- (6) The Corporation paid Mr. Gutmanis a cash bonus of \$86,439 in 2020, \$62,240 in 2019 and \$51,707 related to the Gutmanis Incentive Amount, under its previous formulation (which was calculated relative to dividends as opposed to distributable cash) pursuant to the Prior CFO Employment Agreement. In addition, the Corporation paid Mr. Gutmanis a discretionary cash bonus of \$45,000 in 2020, of which \$25,000 relates to his performance in the 2019 fiscal year. For a description of the "Gutmanis Incentive Amount" as has been modified by the Amended and Restated CFO Employment Agreement, see "Termination of Employment, Change in Responsibilities and Employment Contracts – Current Executives – Greg Gutmanis" below.
- (7) Other compensation in 2020 was composed of a health and welfare benefit allowance of \$30,000, dividends accrued but not paid on unvested RSUs then held by Mr. Gutmanis of \$26,767, and a parking allowance of \$4,711. Other compensation in 2019 was composed of a health and welfare benefit allowance of \$30,000, dividends accrued but not paid on unvested RSUs then held by Mr. Gutmanis of \$41,938, and a parking allowance of \$4,504. Other compensation in 2018 was composed of a health and welfare benefit allowance of \$30,000, dividends accrued but not paid on unvested RSUs then held by Mr. Gutmanis of \$22,577, and a parking allowance of \$4,193. For clarity, the dividends accrued but not paid on unvested RSUs will be settled in DIV shares (not cash), and are calculated at an average price per share of \$1.96 for 2020, \$3.02 for 2019 and \$2.97 for 2018.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

Current Executives

Sean Morrison

Mr. Morrison has served as the Corporation's President and Chief Executive Officer since August 6, 2013. Mr. Morrison is employed by the Corporation pursuant to the Amended and Restated CEO Employment

Agreement (see “*Governance, Nominating and Compensation Committee – Executive Compensation, Compensation Philosophy – President and Chief Executive Officer*”). The Amended and Restated CEO Employment Agreement was entered into on May 11, 2021 and is effective January 1, 2021. The below summary is provided in respect of the terms of the Amended and Restated CEO Employment Agreement and not the Prior CEO Employment Agreement.

The Amended and Restated CEO Employment Agreement is for an indefinite term and provides for the payment of a base salary of \$345,000 per annum.

In addition, the Amended and Restated CEO Employment Agreement provides for:

- (a) the payment to Mr. Morrison of three percent per fiscal quarter of the Corporation’s aggregate distributable cash that is derived from any new royalties (including roll-ins and incremental royalty rate increases) (the “**Morrison Incentive Amount**”) for the sixty (60) month period following the closing of each such new transaction, subject to adjustment at the end of such sixty (60) month period;
- (b) the payment to Mr. Morrison of a cash performance incentive in respect of the 2021, 2022 and 2023 financial years equal to 1.0%, 0.875% and 0.75% of the Corporation’s distributable cash, respectively, payable quarterly (the “**Distributable Cash Incentive Amount**”);
- (c) an annual grant under the Stock Option Plan of 666,667 stock options in 2021 and in each of the next two financial years, issued at market price, vesting in equal tranches over three years and having a term of five years (with the first such annual grant having been made on May 6, 2021); and
- (d) an annual grant under the LTIP of \$468,750 of RSUs in 2021 and in each of the next two financial years issued at market price on the grant date, vesting in equal tranches over three years, which may be settled in the form of DIV Shares or cash at the election of Mr. Morrison in accordance with the terms of the LTIP (with the first such annual grant having been made on May 6, 2021).

Subject to limited exceptions, the Amended and Restated CEO Employment Agreement contains non-competition, non-solicitation and confidentiality covenants in favour of the Corporation which apply during the term of agreement and will continue for a specified period of time after termination.

In addition, Mr. Morrison is entitled to five weeks of vacation, and receives a health and welfare benefit allowance of \$2,500 per month (where Mr. Morrison elects to not obtain coverage under the Corporation’s benefits plans).

The Amended and Restated CEO Employment Agreement may be terminated at any time, for the following reasons:

- (a) by the Corporation for cause (as defined therein) immediately upon written notice of termination;
- (b) automatically upon the death of Mr. Morrison;
- (c) by the Corporation without cause by:
 - (i) providing notice of termination or, at the Corporation’s sole discretion, Base Salary in lieu of such notice, equal to 18 months (the “**Morrison Notice Period**”) of Base Salary, as in effect at the date of termination;
 - (ii) providing to Mr. Morrison any (A) accrued but unpaid Base Salary for services rendered to the date of termination, (B) the value of prorated vacation leave, and (C) unpaid business expenses reasonably incurred by Mr. Morrison up to the date of termination and required to be reimbursed;

- (iii) continuing to provide any Morrison Incentive Amount earned for the duration of the relevant periods for each royalty transaction completed prior to the date of termination;
 - (iv) RSUs will be governed by the LTIP, which provides that any unvested RSUs shall fully vest in the event of the Board approved retirement of Mr. Morrison, death or long-term disability of Mr. Morrison, the termination of Mr. Morrison without cause or the resignation of Mr. Morrison for good reason;
 - (v) stock options will be governed by the Stock Option Plan, which provides that vested stock options shall cease to be exercisable no later than 180 days after the termination of Mr. Morrison, and unvested stock options shall not be exercisable; and
 - (vi) continuing Mr. Morrison's participation in the benefits plans in which Mr. Morrison was participating at the date of termination to the end of the Morrison Notice Period, subject to the benefit provider's ability to continue same.
- (d) by the Corporation without cause within a period of six months following a change of control, by:
- (i) providing notice of termination or, at the Corporation's sole discretion, Base Salary in lieu of such notice, equal to 24 months' (the "**Morrison Change of Control Notice Period**") of Base Salary, as in effect at the date of termination;
 - (ii) providing to Mr. Morrison any (A) accrued but unpaid Base Salary for services rendered to the date of termination, (B) the value of the accrued prorated vacation leave, and (C) unpaid business expenses reasonably incurred by Mr. Morrison up to the date of termination and required to be reimbursed;
 - (iii) continuing to provide any Morrison Incentive Amount earned for the duration of the relevant periods for each royalty transaction completed prior to the date of termination;
 - (iv) RSUs will be governed by the LTIP; which provides that any unvested RSUs shall fully vest in the event of the Board approved retirement of Mr. Morrison, death or long-term disability of Mr. Morrison, the termination of Mr. Morrison without cause or the resignation of Mr. Morrison for good reason;
 - (v) stock options will be governed by the Stock Option Plan, which provides that each option shall immediately vest and be exercisable in full at any time up to the expiry date or 12 months after the termination date, whichever comes first; and
 - (vi) continuing Mr. Morrison's participation in the benefits plans in which Mr. Morrison was participating at the date of termination to the end of the Morrison Change of Control Notice Period, subject to the benefit provider's ability to continue same.

The Amended and Restated CEO Employment Agreement defines a "change in control" as:

- (a) a merger, a consolidation, a reorganization, an amalgamation or an arrangement that results in a transfer of more than 50% of the total voting power of the Corporation's outstanding securities to a person or a group of persons different from a person or a group of persons holding those securities immediately prior to such transaction (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation);
- (b) a direct or indirect sale or other transfer of beneficial ownership of securities of the Corporation, possessing more than 50% of the total combined voting power of the Corporation's outstanding securities, to a person or a group of persons different from a person or a group of persons holding those securities immediately prior to such transaction (other than the

Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation);

- (c) a direct or indirect sale or other transfer of all or substantially all of the assets of the Corporation to a person or a group of persons different from a person or a group of persons holding those assets immediately prior to such transaction (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation); or
- (d) a complete liquidation, dissolution or winding-up of the Corporation.

The Amended and Restated CEO Employment Agreement may be terminated by Mr. Morrison by providing eight weeks' prior written notice of termination to the Corporation.

The incremental payments that would have been required to be made to Mr. Morrison had he been terminated without cause on December 31, 2020, assuming the Amended and Restated CEO Employment Agreement was then in effect, are estimated as follows:

Category	Terminated without cause (\$)	Terminated without cause in connection with a change in control (\$)
Salary and benefits	562,500	750,000
Morrison Incentive Amount ⁽¹⁾	1,635,665	1,635,665
RSUs ⁽²⁾	412,130	412,130
Stock options	Nil ⁽³⁾	Nil ⁽³⁾

- (1) The determination of the Morrison Incentive Amount requires assumptions to be made related to, among other things, the Corporation's forecasted revenues, and distributable cash. If any of the assumptions underlying the calculation of the Morrison Incentive Amount prove to be incorrect, the amount payable to Mr. Morrison in respect of the Morrison Incentive Amount in such circumstances could be materially different than the amounts presented.
- (2) The market value of the RSUs was calculated by multiplying 173,164 outstanding RSUs at December 31, 2020, which would immediately vest and would be exchanged for 173,164 DIV Shares, by the closing price of the DIV Shares on the TSX of \$2.38 on December 31, 2020.
- (3) Mr. Morrison had 2,000,000 outstanding stock options at December 31, 2020 that vested on October 11, 2020. However, because the closing price of the DIV Shares on the TSX of \$2.38 on December 31, 2020 was lower than the strike price of \$3.22 per stock option, the market value of the stock options was deemed to be nil.

In order to ensure a smooth and orderly transition, at the reasonable request of the Corporation, Mr. Morrison is required to provide, following the termination of the Amended and Restated CEO Employment Agreement and for a reasonable period of time thereafter, services to transition Mr. Morrison' role as Chief Executive Officer to a new Chief Executive Officer, for a per diem fee of \$1,000 per day (pro-rated for partial days), together with reimbursement of out-of-pocket expenses reasonably and properly incurred by Mr. Morrison in connection with its transitioning services thereunder.

Greg Gutmanis

Mr. Gutmanis has served as the Corporation's Chief Financial Officer, VP Acquisitions since September 1, 2015. Mr. Gutmanis is employed by the Corporation pursuant to the Amended and Restated CFO Employment Agreement (see "Governance, Nominating and Compensation Committee – Executive Compensation, Compensation Philosophy – Chief Financial Officer and VP Acquisitions"). The Amended and Restated CFO Employment Agreement was entered into on May 11, 2021 and is effective January 1, 2021. The below summary is provided in respect of the terms of the Amended and Restated CFO Employment Agreement and not the Prior CFO Employment Agreement.

The Amended and Restated CFO Employment Agreement is for an indefinite term and provides for the payment of a base salary of \$300,000 per annum.

In addition, the Amended and Restated CFO Employment Agreement provides for:

- (a) the payment to Mr. Gutmanis of 0.75% per fiscal quarter of the Corporation's aggregate distributable cash that is derived from any new royalties (including roll-ins and incremental royalty rate increases) (the "**Gutmanis Incentive Amount**") for the sixty (60) month period following the closing of each such new transaction, subject to adjustment at the end of such sixty (60) month period;
- (b) an annual grant under the Stock Option Plan of 125,000 stock options in 2021 and in each of the next two financial years, issued at market price on the grant date, vesting in equal tranches over three years and having a term of five years (with the first such annual grant having been made on May 6, 2021); and
- (c) an annual grant under the LTIP of \$97,031 of RSUs in 2021 and \$150,000 in each of the next two financial years issued at market price on the grant date, vesting in equal tranches over three years, which may be settled in the form of DIV Shares or cash at the election of Mr. Gutmanis in accordance with the terms of the LTIP (with the first such annual grant having been made on May 6, 2021).

Subject to limited exceptions, the Amended and Restated CFO Employment Agreement contains non-solicitation and confidentiality covenants in favour of the Corporation which apply during the term of agreement and will continue for a specified period of time after termination.

In addition, Mr. Gutmanis is entitled to five weeks of vacation per annum, and receives a health and welfare benefit allowance of \$2,500 per month.

The Amended and Restated CFO Employment Agreement may be terminated at any time, for the following reasons:

- (a) by the Corporation for cause (as defined therein) immediately upon written notice of termination;
- (b) automatically upon the death of Mr. Gutmanis;
- (c) by the Corporation without cause by:
 - (i) providing notice of termination or, at the Corporation's sole discretion, base salary in lieu of such notice, equal to 12 months (the "**Gutmanis Notice Period**") of base salary, as in effect at the date of termination;
 - (ii) providing to Mr. Gutmanis any (A) accrued but unpaid base salary for services rendered to the date of termination, (B) the value of the accrued prorated vacation leave, and (C) the value of unpaid business expenses reasonably incurred by Mr. Gutmanis up to the date of termination and required to be reimbursed;
 - (iii) continuing to provide any Gutmanis Incentive Amount earned for the duration of the relevant periods for each royalty transaction completed prior to the date of termination;
 - (iv) RSUs will be governed by the LTIP, which provides that any unvested RSUs shall fully vest in the event of the Board approved retirement of Mr. Gutmanis, the death or long-term disability of Mr. Gutmanis, the termination of Mr. Gutmanis without cause or the resignation of Mr. Gutmanis for good reason;
 - (v) stock options will be governed by the Stock Option Plan, which provides that vested stock options shall cease to be exercisable no later than 180 days after the termination of Mr. Gutmanis, and unvested stock options shall not be exercisable; and

- (vi) continuing Mr. Gutmanis' participation in the benefits plans in which Mr. Gutmanis was participating at the date of termination to the end of the Gutmanis Notice Period, subject to the benefit provider's ability to continue same.
- (d) by the Corporation without cause within a period of six months following a change of control, by:
- (i) providing notice of termination or, at the Corporation's sole discretion, base salary in lieu of such notice, equal to 18 months (the "**Gutmanis Change of Control Notice Period**") of base salary;
 - (ii) providing to Mr. Gutmanis any (A) accrued but unpaid base salary for services rendered to the date of termination, (B) the value of the accrued prorated vacation leave, and (C) unpaid business expenses reasonably incurred by Mr. Gutmanis up to the date of termination and required to be reimbursed;
 - (iii) continuing to provide any Gutmanis Incentive Amount earned for the duration of the relevant periods for each royalty transaction completed prior to the date of termination;
 - (iv) RSUs will be governed by the LTIP, which provides that any unvested RSUs shall fully vest in the event of the Board approved retirement of Mr. Gutmanis, the death or long-term disability of Mr. Gutmanis, the termination of Mr. Gutmanis without cause or the resignation of Mr. Gutmanis for good reason;
 - (v) stock options will be governed by the Stock Option Plan, which provides that each option shall immediately vest and be exercisable in full at any time up to the expiry date or 12 months after the termination date, whichever comes first; and
 - (vi) continuing Mr. Gutmanis' participation in the benefits plans in which Mr. Gutmanis was participating at the date of termination to the end of the Gutmanis Change of Control Notice Period, subject to the benefit provider's ability to continue same.

The Amended and Restated CFO Employment Agreement defines a "change in control" as:

- (a) a merger, a consolidation, a reorganization, an amalgamation or an arrangement that results in a transfer of more than 50% of the total voting power of the Corporation's outstanding securities to a person or a group of persons different from a person or a group of persons holding those securities immediately prior to such transaction (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation);
- (b) a direct or indirect sale or other transfer of beneficial ownership of securities of the Corporation, possessing more than 50% of the total combined voting power of the Corporation's outstanding securities, to a person or a group of persons different from a person or a group of persons holding those securities immediately prior to such transaction (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation);
- (c) a direct or indirect sale or other transfer of all or substantially all of the assets of the Corporation to a person or a group of persons different from a person or a group of persons holding those assets immediately prior to such transaction (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation); or
- (d) a complete liquidation, dissolution or winding-up of the Corporation.

The Amended and Restated CFO Employment Agreement may be terminated by Mr. Gutmanis by providing 30 days prior written notice of termination to the Corporation.

The incremental payments that would have been required to be made to Mr. Gutmanis had he been terminated without cause on December 31, 2020, assuming the Amended and Restated CFO Employment Agreement was then in effect, are estimated as follows:

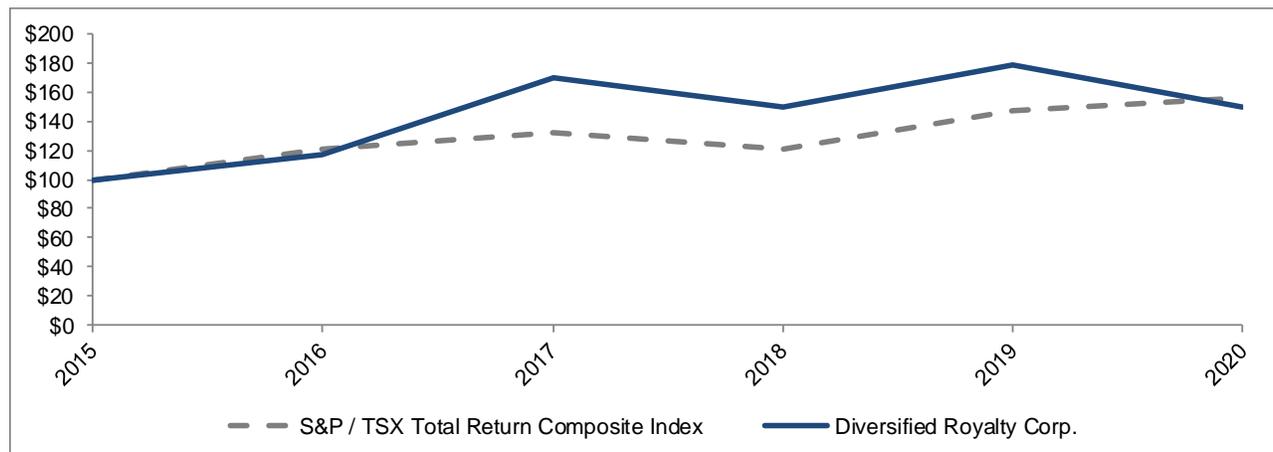
Category	Terminated without cause (\$)	Terminated without cause in connection with a change in control (\$)
Salary and benefits	330,000	495,000
Gutmanis Incentive Amount ⁽¹⁾	366,838	366,838
RSUs ⁽²⁾	194,793	194,793
Options	Nil ⁽³⁾	Nil ⁽³⁾

- (1) The determination of the Gutmanis Incentive Amount requires assumptions to be made related to, among other things, the Corporation's forecasted revenues and distributable cash. If any of the assumptions underlying the calculation of the Gutmanis Incentive Amount prove to be incorrect, the amount payable to Mr. Gutmanis in respect of the Gutmanis Incentive Amount in such circumstances could be materially different than the amounts presented.
- (2) The market value of the RSUs was calculated by multiplying 81,846 outstanding RSUs at December 31, 2020, which would immediately vest and would be exchanged for 81,846 DIV Shares, by the closing price of the DIV Shares on the TSX of \$2.38 on December 31, 2020.
- (3) Mr. Gutmanis had 250,000 outstanding stock options at December 31, 2020 that vested on November 23, 2022. However, because the closing price of the DIV Shares on the TSX of \$2.38 on December 31, 2020 was lower than the strike price of \$3.53 per stock option, the market value of the stock options was deemed to be nil.

PERFORMANCE GRAPH

The following graph compares the relative performance of \$100 invested in DIV Shares with \$100 invested in the S&P/TSX Composite Index for the period from January 1, 2016 to December 31, 2020 (assuming reinvestment of dividends). During the period, the total cumulative shareholder return for \$100 invested in DIV Shares was 50% (or an ending investment of \$150) as compared to 57% (or an ending investment of \$157) for the S&P/TSX Composite Index.

Although it may take it into account in its evaluation, the GNC Committee does not base its compensation decisions on the trading price for DIV Shares on the TSX. The Corporation believes that the trading price for DIV Shares is affected by external factors beyond the Corporation's control which do not necessarily reflect the Corporation's performance.



INCENTIVE PLAN AWARDS

The following table provides information regarding the incentive plan awards outstanding as of December 31, 2020 for each individual who was an NEO during the year ended December 31, 2020.

Name	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (mm/dd/yy)	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Sean Morrison President and Chief Executive Officer	2,000,000	3.22	10/11/22	Nil ⁽¹⁾	173,164	412,130 ⁽²⁾	N/A
Greg Gutmanis Chief Financial Officer	250,000	3.53	11/23/22	Nil ⁽³⁾	81,846	194,793 ⁽²⁾	N/A

- (1) The closing price of the DIV Shares on the TSX of \$2.38 on December 31, 2020 was lower than the strike price of \$3.22 per stock option, therefore there were no unexercised in-the-money options as of such date.
- (2) The market value of the DIV share-based awards that have not vested was calculated by multiplying the number of share-based awards that did not vest by the closing price of the DIV Shares on the TSX of \$2.38 on December 31, 2020.
- (3) The closing price of the DIV Shares on the TSX of \$2.38 on December 31, 2020 was lower than the strike price of \$3.53 per stock option, therefore there were no unexercised in-the-money options as of such date.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each NEO for the financial year ended December 31, 2020.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Sean Morrison President and Chief Executive Officer	Nil ⁽¹⁾	1,352,618 ⁽²⁾	648,211 ⁽³⁾
Greg Gutmanis Chief Financial Officer	Nil ⁽⁴⁾	139,241 ⁽⁵⁾	131,439 ⁽³⁾

- (1) The closing price of the DIV Shares on the TSX of \$1.89 on October 9, 2020, being the last business day prior to the vesting date of October 11, 2020, was lower than the strike price of \$3.22 per stock option, therefore the value of the option-based awards that vested during the year was nil.
- (2) The market value was calculated by multiplying the number of RSUs that vested (641,051 RSUs) by the closing price of the DIV Shares on the TSX of \$2.11 on November 23, 2020, being the date of vesting.
- (3) The Corporation paid Mr. Morrison a bonus of \$648,211 related to the Morrison Incentive Amount, under its previous formulation under the Prior CEO Employment Agreement, of which 50% was settled in cash and the remaining 50% was settled in RSUs. For a description of the Morrison Incentive Amount as has been modified by the Amended and Restated CEO Employment Agreement, see “*Termination of Employment, Change in Responsibilities and Employment Contracts – Current Executives – Sean Morrison*” above.
- (4) The closing price of the DIV Shares on the TSX of \$2.11 on November 23, 2020, was lower than the strike price of \$3.53 per stock option, therefore the value of the option-based awards that vested during the year was nil.
- (5) The market value was calculated by multiplying the number of RSUs that vested (79,114 RSUs) by the closing price of the DIV Shares on the TSX of \$1.76 on September 4, 2020, being the date of vesting.
- (6) The Corporation paid Mr. Gutmanis a cash bonus of \$86,439 related to the Gutmanis Incentive Amount, under its previous formulation under the Prior CFO Employment Agreement, and a discretionary cash bonus of \$45,000. For a description of the Gutmanis Incentive Amount as has been modified by the Amended and Restated CFO Employment Agreement, see “*Termination of Employment, Change in Responsibilities and Employment Contracts – Current Executives – Greg Gutmanis*” above.

Option-based awards and share-based awards are also discussed under the headings “*Stock Option Plan*” and “*Long Term Incentive Plan*” in this Circular.

STOCK OPTION PLAN

The Corporation has established a stock option plan dated February 23, 1999, as most recently amended and restated on May 14, 2020 (the “**Stock Option Plan**”), for the granting of incentive stock options and/or stock appreciation rights (“**SARs**”) to directors, officers and employees of the Corporation or any of its subsidiaries or to a consultant. The purpose of granting such options and/or SARs is to assist the Corporation in attracting, retaining and motivating directors, officers and employees of the Corporation or any of its subsidiaries, or a consultant, and to more closely align the personal interests of such directors, officers, employees and consultants to those of shareholders.

The maximum number of DIV Shares that may be issued pursuant to stock options granted under the Stock Option Plan is 7% of the issued and outstanding DIV Shares from time to time. Any increase in the issued and outstanding DIV Shares will result in an increase in the available number of DIV Shares issuable under the Stock Option Plan. Further, if options are exercised, additional options equal to the number of the exercised options will again be available for grant under the Stock Option Plan.

As at May 19, 2021: (i) up to 3,116,667 DIV Shares were issuable upon the exercise of outstanding stock options granted under the Stock Option Plan, representing 2.6% of the issued and outstanding DIV Shares on a non-diluted basis; and (ii) 4,796,197 DIV Shares remained eligible to be issued under the Stock Option Plan representing 3.9% of the issued and outstanding DIV Shares on a non-diluted basis. For greater clarity, the maximum number of DIV Shares eligible to be issued pursuant to stock options granted under the Stock Option Plan is inclusive of any DIV Shares reserved for issuance pursuant to any other security based compensation arrangement of DIV, including any outstanding RSUs and DSUs granted under the LTIP.

The Stock Option Plan permits the Board to grant options for the purchase of DIV Shares for a term of up to 10 years. The number of DIV Shares granted pursuant to each option is determined at the discretion of the Board, provided that: (i) in the case of any one person, the aggregate number of options granted within a one year period may not exceed 5% of the DIV Shares outstanding at the time of the grant; (ii) the number of DIV Shares issuable to insiders (as a group), at any time, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding DIV Shares; and (iii) the number of options granted to insiders (as a group), within a one year period, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding DIV Shares. The aggregate number of DIV Shares which may be reserved under all security based compensation arrangements of DIV to non-executive directors cannot exceed 1% of the number of DIV Shares outstanding at any given point in time, and the annual grant of options shall not exceed \$100,000 per non-executive director.

In accordance with the provisions of the Stock Option Plan, the option price and the terms and conditions on which the options may be exercised (including vesting provisions of the options) are set out in written stock option agreements, in the form approved by the Board and entered into by the Corporation and each option holder. Under the Stock Option Plan, the option price is determined by the Board, provided that the price is not less than the "fair market value" as of the date of the grant. "Fair market value" is defined under the Stock Option Plan as the volume weighted trading price of the DIV Shares on the TSX for the five trading days immediately preceding the date of the grant of an option in Canadian dollars; provided that if the DIV Shares are suspended from trading or have not traded on the TSX or another stock exchange during the ten trading day period immediately preceding the date of the grant, the "fair market value" of the Shares shall be determined by the Board.

The options and SARs are not transferable (other than by will or the laws of decent and distribution upon the death of the Optionee) and the options of all participants terminate on the earlier of the expiry date or that date not more than 180 days after the optionee ceases to be a director, employee, consultant or management company employee of the Corporation for any reason whatsoever as determined by the Board and set out in the agreement representing such option, subject to certain exceptions summarized below in connection with the resignation of an optionee's employment for good reason following a change of control of the Corporation.

Upon a change of control all unvested stock options then outstanding shall be substituted by or replaced with stock options of the continuing entity on the same terms and conditions as the original stock options unless substitution or replacement of the stock options is deemed impossible or impractical by the Board, in its sole discretion, in which case the cash value of all such stock options shall be determined by the Board acting reasonably, and with reference to consideration paid to the Corporation and/or its shareholders in connection with the change of control, and such cash value of the stock options shall be paid to the optionee at the time and in amounts corresponding to the vesting schedule of the underlying stock options on which the cash value is based. In addition, if the optionee resigns his or her employment for good reason within six months following the change of control, then: (i) each option of the continuing entity held by the optionee shall immediately vest and be exercisable in full at any time up to the expiry date for those options or 12 months from the date of such termination, whichever comes first; or (ii) in the case of cash awards granted in lieu of stock options of the continuing entity, such cash awards shall be immediately due and payable to the optionee on the termination date.

If the Corporation notifies a participant that it has made an election in respect of an option with a SAR, the Corporation shall pay by way of cash bonus to the participant, within five days following the date of exercise, an amount equal to the fair market value of the DIV Shares, less the exercise price of the DIV Shares, multiplied by the number of options with SARs being exercised, less the applicable income tax withholding amount.

Subject to certain amendments which require shareholder approval and regulatory approval, including any approval required from any stock exchange on which the DIV Shares are then listed for trading, the Board may, by resolution, amend, vary or discontinue the Stock Option Plan, or any agreement or entitlement subject to the Stock Option Plan, at any time without notice to or approval of the shareholders of the Corporation for the purpose of: (i) changing the class of persons who will be eligible to be granted options pursuant to the Stock Option Plan and the authority of the Board in respect of the grant of options under the Stock Option Plan; (ii) ensuring continuing compliance with applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Corporation or the Stock Option Plan; (iii) changes of a "housekeeping", clerical, technical or stylistic nature,

including, without limitation, eliminating any ambiguity, error or defect, supplying any omission or correcting or supplementing any provision contained in the Stock Option Plan or in any agreement subject to the Stock Option Plan which may be incorrect or incompatible with any other provision of the Stock Option Plan or such agreement; (iv) changing the method of determining the option price for options and/or SARs granted pursuant to the Stock Option Plan, subject to sections 2.2 and 3.2 of the Stock Option Plan; (v) changing the vesting terms, exercise and payment method and frequency of the options, transferability and assignability (subject to certain exceptions), to properly take into account the impact of stock dividends, share splits and consolidations, mergers and other corporate changes; (vi) determining that any of the provisions of the Stock Option Plan or any agreement subject to the Stock Option Plan concerning the effect of termination (for whatever reason) of the optionee's employment, service or consulting agreement/arrangement or cessation of the optionee's directorship or office, shall not apply for any reason acceptable to the Board; (vii) adding or amending provisions necessary for options and SARs under the Stock Option Plan to qualify for favourable tax treatment to optionees and/or the Corporation under applicable tax laws; (viii) changing any terms relating to the administration of the Stock Option Plan; and (ix) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules and policies of the TSX and of any other stock exchange or market having authority over the Corporation or the Stock Option Plan).

Any of the following amendments by the Board, among others, will not become effective unless and until approved by a majority of the votes cast by shareholders of the Corporation, in person or by proxy, at a meeting of shareholders: (i) any increase in the maximum number of DIV Shares issuable under the Stock Option Plan as provided for in subsection 1.4.1 of the Stock Option Plan or any change from a fixed maximum number of DIV Shares issuable under the Stock Option Plan to a fixed maximum percentage; (ii) any reduction in the option price of an outstanding option or exercise price of SARs; (iii) any extension of the option term beyond its original expiry date (except for in accordance with subsection 2.3.9 of the Stock Option Plan in respect of a Blackout Period (as defined in the Stock Option Plan)); (iv) any extension of eligibility to participate in the Stock Option Plan to non-executive directors of the Corporation, including any amendment to subsection 1.5.4 of the Stock Option Plan that may increase the limits imposed on non-executive directors' participation in the Plan; and (v) permitting any Option or SAR granted under the Stock Option Plan to be transferable or assignable other than for estate planning or normal estate settlement purposes; (vi) providing for the granting of equity based kinds of awards under the Stock Option Plan; (vii) changes to the insider participation limits which result in the shareholder approval to be required on a disinterested basis; (viii) any amendment to the provisions of the Stock Option Plan governing amendments to the Stock Option Plan; and (ix) any other amendment requiring shareholder approval under applicable law (including, without limitation, under the rules and policies of the TSX and of any other stock exchange or market having authority over the Corporation or the Stock Option Plan); provided further that, in the case of any amendment or variance referred to in (i), (ii), (iii), (iv) or (vii) above, insiders entitled to receive a benefit directly or indirectly under the Stock Option Plan will not have the votes attaching to the DIV Shares held, directly or indirectly, by them counted in respect of the required approval of the shareholders of the Corporation.

Grants of Stock Options

The GNC Committee from time to time makes recommendations to the Board with respect to the making of grants of stock options and or SARs under the Stock Option Plan to executive officers and/or directors of DIV. All grants of stock options and SARs under the Stock Option Plan are approved by the full Board prior to being made. The Board considers, among other things, previous grants, including annual and aggregate grant limits set out in the Stock Option Plan, prior to approving any new grants under the Stock Option Plan.

Outstanding Stock Options

As of May 19, 2021, there were 3,116,667 outstanding stock options issued and outstanding under the Corporation's Stock Option Plan, with exercise prices ranging from \$2.521 to \$3.53 per share.

Burn Rate

The Corporation's annual "burn rate" under the Stock Option Plan, as described in Section 613(p) of the TSX Company Manual, was 0% for the year ended December 31, 2020, 0% for the year ended December 31, 2019, and 0% for the year ended December 31, 2018. The burn rate is calculated by dividing the number of stock

options granted under the Stock Option Plan during the applicable fiscal year by the weighted average number of DIV Shares outstanding for that year and is subject to change from time to time, based on the number of stock options granted and the total number of DIV Shares issued and outstanding.

LONG TERM INCENTIVE PLAN

Overview

On June 27, 2014, the Board approved the adoption of DIV's Long Term Incentive Plan (the "**LTIP**"). The LTIP was subsequently ratified and approved by shareholders at the special meeting of DIV shareholders held on September 18, 2014, and most recently amended and restated on May 14, 2020.

The purpose of the LTIP is to advance the interests of DIV by: (i) providing eligible persons with incentives; (ii) rewarding performance by participants; (iii) increasing the proprietary interest of participants in the success of DIV; (iv) encouraging participants to remain with DIV or its affiliates; and (v) attracting new directors, employees, officers and consultants.

Under the terms of the LTIP, the Board or, if authorized by the Board, a committee of the Board or committee member may grant units ("**LTIP Units**"), which may be either restricted share units ("**Restricted Share Units**" or "**RSUs**") to directors, officers, employees or consultants of DIV or any of its affiliates and any such person's personal holding company (each, an "**RSU Participant**") or deferred share units ("**Deferred Share Units**" or "**DSUs**") to directors or employees of DIV (each, a "**DSU Participant**"). Each LTIP Unit represents the right to receive one DIV Share, or the fair market value thereof in cash, in accordance with the terms of the LTIP. Participation in the LTIP is voluntary and, if an eligible participant agrees to participate, the grant of LTIP Units will be evidenced by a grant agreement with each such participant (each, a "**Grant Agreement**").

The maximum number of DIV Shares which may be reserved for issuance under the LTIP in respect of grants of RSUs to RSU Participants and grants of DSUs to DSU Participants and for dividend-equivalent payments in respect thereof shall not exceed 5% of the issued and outstanding DIV Shares from time to time on a non-diluted basis. The maximum number of DIV Shares reserved for issuance collectively under the Stock Option Plan, the LTIP and any other security based compensation arrangement of DIV may not exceed 7% of the issued and outstanding DIV Shares from time to time on a non-diluted basis. The number of DIV Shares subject to any grants of RSUs or DSUs (or portions thereof) that: (i) have vested and been redeemed; or (ii) have expired or been forfeited, surrendered, cancelled or otherwise terminated prior to the delivery of the DIV Shares pursuant to a grant of RSUs or DSUs in each case, shall automatically become available to be made and subject to new grants under the LTIP. In addition, the number of DIV Shares subject to grants of RSUs or DSUs (or portions thereof) that DIV permits to be settled in cash in lieu of settlement in DIV Shares shall automatically become available to be made the subject of new grants under the LTIP.

Unless DIV has received the requisite shareholder approval, the LTIP, together with all other previously established or proposed security based compensation arrangements of DIV, including the Stock Option Plan, may not result in:

- (a) the aggregate number of DIV Shares reserved for issuance to Insiders (as defined in the LTIP) of DIV (as a group) at any point in time exceeding 7% of the outstanding issue;
- (b) the issuance to insiders of DIV (as a group), within a 12 month period, of an aggregate number of DIV Shares exceeding 10% of the outstanding issue;
- (d) the aggregate number of DIV Shares reserved for issuance to all non-employee directors of DIV exceeding 1% of the outstanding issue; or
- (e) the grant to any non-employee director of DIV of more than \$150,000 worth of DIV Shares annually.

As at May 19, 2021: (i) up to 609,410 DIV Shares were issuable pursuant to outstanding RSUs granted under the LTIP, representing 0.5% of the issued and outstanding DIV Shares on a non-diluted basis; and

(ii) 4,796,197 DIV Shares remained eligible to be issued under the LTIP representing 3.9% of the issued and outstanding DIV Shares on a non-diluted basis.

RSUs and DSUs are non-assignable and non-transferable under the terms of the LTIP other than upon the death of an RSU Participant or DSU Participant.

In the event that an RSU Participant or DSU Participant receives DIV Shares from DIV in satisfaction of a grant of RSUs or DSUs during a Black-Out Period (as defined in the LTIP), such RSU Participant or DSU Participant shall not be entitled to sell or otherwise dispose of such DIV Shares until such Black-Out Period has expired.

Subject to any required approval by any stock exchange or regulatory authority, in certain circumstances, the Board will make appropriate adjustments in the DIV Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the LTIP, and any such adjustment (or non-adjustment) by DIV shall be conclusive, final and binding upon the RSU Participants and DSU Participants.

Restricted Share Units

Unless otherwise approved by the Board and except as otherwise provided in the RSU Participant's Grant Agreement or any other provision of the LTIP, RSUs will vest as to 1/3 each on the first, second and third anniversary dates of the date of grant, provided that the RSU Participant is continuously employed by or in service with DIV, or any of its affiliates, from the date of grant until each such vesting date.

DIV will maintain a notional account for each RSU Participant, in which shall be recorded the number of vested and unvested RSUs granted or credited to such RSU Participant. On each vesting date, the RSU Participant may elect in an election notice to settle its vested RSUs in cash, in DIV Shares issued from treasury, or a combination thereof based on the fair market value of the DIV Shares as at such date. If an RSU Participant fails to elect on or before the settlement date, in an election notice the manner of settlement of its RSUs, settlement shall take the form of DIV Shares issued from treasury. Notwithstanding the foregoing, no DIV Shares will be issued or transferred until an amount sufficient to cover the withholding taxes payable on the settlement of such RSUs, as applicable, has been received by DIV.

If an RSU Participant ceases to be an eligible participant under the LTIP due to termination for cause or voluntary termination without Good Reason (as defined in the LTIP) by the RSU Participant, all unvested RSUs held by the RSU Participant shall expire on the termination date. If an RSU Participant ceases to be an eligible participant under the LTIP due to board approved retirement, long-term disability, or termination without cause or resignation for Good Reason (as defined in the LTIP), all unvested RSUs held by the RSU Participant shall vest on the termination date. If an RSU Participant ceases to be an eligible participant under the LTIP as a result of death, all unvested RSUs held by the RSU Participant shall vest on such date.

Deferred Share Units

Subject to Board approval, a DSU Participant may elect, once each calendar year, to be paid a percentage of his or her annual retainer in the form of DSUs, with the balance being paid in cash. DSU will maintain a notional account for each DSU Participant, in which shall be recorded the number of DSUs granted or credited to such DSU Participant.

All DSUs recorded in a DSU Participant's DSU notional account will vest on the date on which the DSU Participant ceases to be a director (or employee, as applicable) of DIV (the "**DSU Termination Date**"), unless otherwise determined by the Board at its sole discretion, or as provided below. If a DSU Participant ceases to be an eligible participant under the LTIP due to termination for cause or voluntary termination without Good Reason (as defined in the LTIP) by the DSU Participant, all unvested DSUs held by the DSU Participant shall expire on the termination date. If a DSU Participant ceases to be an eligible participant under the LTIP due to board approved retirement, long-term disability, or termination without cause or resignation for Good Reason (as defined in the LTIP), all unvested DSUs held by the DSU Participant shall vest on the termination date. If a DSU Participant ceases to be an eligible participant under the LTIP as a result of death, all unvested DSUs previously credited to the DSU Participant's account shall vest on such date.

On the DSU Termination Date, payment in respect of the DSUs becomes payable and the Board, in its sole discretion, shall determine whether to make the payment in cash, DIV Shares issued from treasury or a combination thereof based on the fair market value of the DIV Shares as at the DSU Termination Date. Notwithstanding the foregoing, no DIV Shares will be issued or transferred until an amount sufficient to cover the withholding taxes payable on the settlement of such DSUs, as applicable, has been received by DIV.

Change of Control

Upon a change of control all unvested RSUs and DSUs then outstanding shall be substituted by or replaced with equivalent securities of the continuing entity on the same terms and conditions as the original RSUs and DSUs unless substitution or replacement of the RSUs or DSUs, as applicable, is deemed impossible or impractical by the Board, in its sole discretion, in which case the cash value of all such RSUs and DSUs shall be determined by the Board acting reasonably, and with reference to consideration paid to the Corporation and/or its shareholders in connection with the change of control, and such cash value of the RSUs or DSUs shall be paid to the participants at the time and in amounts corresponding to the vesting schedule of the underlying RSUs or DSUs, as applicable, on which the cash value is based. In addition, if an RSU participant resigns his or her employment for good reason within six months following a change of control, then: (i) each substituted equivalent security of the continuing entity held by the RSU participant shall immediately vest on the date of such termination; or (ii) in the case of cash awards granted in lieu of substituted equivalent securities of the continuing entity, such cash awards shall be immediately due and payable to the RSU participant on the date of such termination.

Amendments and Termination of LTIP

The Board may, in its sole discretion, suspend or terminate the LTIP at any time or from time to time amend, revise or discontinue the terms and conditions of the LTIP or of any LTIP Unit granted under the LTIP and any Grant Agreement relating thereto, subject to any required regulatory and stock exchange approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any LTIP Unit previously granted except as permitted by the terms of the LTIP or as required by applicable laws.

If the LTIP is terminated, the provisions of the LTIP and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any LTIP Unit or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the LTIP, the Board will remain able to make such amendments to the LTIP or the LTIP Unit as they would have been entitled to make if the LTIP were still in effect.

Subject to applicable regulatory approval, including any approval required from the TSX, the Board shall have the power and authority to approve amendments relating to the LTIP or to the LTIP Units, without further approval of DIV's shareholders, to the extent such amendment:

- (a) is for the purpose of curing any ambiguity, error or omission in the LTIP or to correct or supplement any provision of the LTIP that is inconsistent with any provision of the LTIP;
- (b) is necessary to comply with applicable law or the requirements of the TSX;
- (c) is an amendment to the LTIP respecting administration and eligibility for participation under the LTIP;
- (d) alters, extends or accelerates the terms of vesting applicable to any LTIP Units;
- (e) changes the termination provisions of an LTIP Unit or the LTIP which does not entail an extension beyond the original expiry date of an LTIP Unit;
- (f) adding or amending provisions necessary for LTIP Units to qualify for favourable tax treatment to RSU Participants and DSU Participants and/or the Corporation under applicable tax laws;
- (g) is an amendment to the LTIP of a "housekeeping nature"; or

- (h) does not require DIV shareholder approval under applicable law (including, without limitation, the rules, regulations and policies of the TSX), provided that in the case of any alteration, amendment or variance referred to in Section (a) or (b) above, the alteration, amendment or variance does not:
 - (i) increase the maximum number of DIV Shares issuable under the LTIP;
 - (ii) add any form of financial assistance by DIV for the exercise of an LTIP Unit;
 - (iii) result in a material or unreasonable dilution in the number of outstanding DIV Shares or any material benefit to an RSU Participant or a DSU Participant; or
 - (iv) change the class of eligible RSU Participants or DSU Participants to the LTIP which would have the potential of broadening or increasing participation by Insiders of DIV;and further provided that:
 - (v) any LTIP Units granted subject to the acceptance and approval of such amendments by the TSX shall be subject to such approval and acceptance being given and no such LTIP Units may be exercised unless and until such approval and acceptance are given.

Any of the following amendments by the Board to the LTIP or LTIP Units, will not become effective unless and until approved by a majority of the votes cast by shareholders of the Corporation, in person or by proxy, at a meeting of shareholders as well as the receipt of any applicable regulatory approval, including any approval required from the TSX:

- (a) any increase the maximum number of DIV Shares issuable under the LTIP, or any change from a fixed maximum number of DIV Shares issuable under the LTIP to a fixed maximum percentage;
- (b) any extension of the term of a RSU or DSU beyond its original expiry date (other than an extension in respect of a black-out period), or any amendment to permit the grant of an RSU or DSU with an expiry date of more than ten years from the date the RSU or DSU is granted (other than an extension in respect of a black-out period);
- (c) any amendment to transfer provisions of the LTIP that would allow any RSU or DSU to be subject to an assignment or transfer other than for estate planning or normal estate settlement purposes;
- (d) changes to the insider participation limits in Section 2.13(1)(c)(i) and (ii) of the LTIP which would result in shareholder approval to be required by the applicable stock exchange on a disinterested basis;
- (e) any amendment to that would increase the limits imposed on non-employee directors' participation in the LTIP (i.e. aggregate number of DIV Shares reserved for issuance to all non-employee directors exceeding 1% of the issued and outstanding DIV Shares, or the grant to any non-employee director of more than \$150,000 worth of DIV Shares annually);
- (f) an amendment to any of the amendment provisions that do not require shareholder approval, other than those amendments that are for the purpose of curing any ambiguity, error or omission in such section and are not material in nature;
- (g) an amendment to the amendment provisions that require shareholder approval, other than the addition of further matters to be subject to shareholder approval and those amendments that are for the purpose of curing any ambiguity, error or omission in such section and are not material in nature; and

- (h) any other amendment requiring shareholder approval under applicable law (including, without limitation, under the rules and policies of the TSX and of any other stock exchange or market having authority over the Corporation or the LTIP).

No such amendment to the LTIP shall cause the LTIP in respect of RSUs to cease to be a plan described in: (i) paragraph (k) of the definition of “salary deferral arrangement” in subsection 248(1) of the *Income Tax Act* (Canada) (the “**Tax Act**”) or any successor to such provision, or (ii) section 7 of the Tax Act or any successor to such provision and no such amendment to the LTIP shall cause the LTIP in respect of DSUs to cease to be a plan described in regulation 6801(d) of the Tax Act or any successor to such provision. If any provision of the LTIP contravenes the Section 409A of the *Internal Revenue Code* (the “**Code**”), the Board may, in its sole discretion and without the U.S. Participant’s consent, modify such provision to: (i) comply with, or avoid being subject to, Code Section 409A, or to avoid incurring taxes, interest or penalties under Code Section 409A, or otherwise; and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to DIV and contravening Code Section 409A.

Grants of RSUs and DSUs

The GNC Committee from time to time makes recommendations to the Board with respect to the making of grants of RSUs and/or DSUs under the LTIP to executive officers and/or directors of DIV. All grants of RSUs and/or DSUs under the LTIP are approved by the full Board prior to being made. The Board considers, among other things, previous grants, including annual and aggregate grant limits set out in the LTIP, prior to approving any new grants under the LTIP.

Outstanding RSUs and DSUs

As of May 19, 2021, there were an aggregate of 28,517 vested RSUs which have not yet been settled and 580,893 unvested RSUs issued and outstanding with vesting dates ranging from September 6, 2021 to May 18, 2024.

Burn Rate

The Corporation’s annual “burn rate” under the LTIP, as described in Section 613(p) of the TSX Company Manual, was 0.3% for the year ended December 31, 2020, 0.1% for the year ended December 31, 2019 and 0.3% for the year ended December 31, 2018. The burn rate is calculated by dividing the number of equity settled RSUs and DSUs granted under the LTIP during the applicable fiscal year by the weighted average number of DIV Shares outstanding for that year and is subject to change from time to time, based on the number of equity-settled RSUs and DSUs granted and the total number of DIV Shares issued and outstanding.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out the number of DIV Shares to be issued upon the exercise of outstanding stock options under the Stock Option Plan, the weighted-average exercise price of the outstanding stock options, and the number of DIV Shares remaining available for future issuance under the Stock Option Plan and LTIP as at December 31, 2020:

Plan category ⁽¹⁾	Number of securities to be issued upon exercise of outstanding options and rights (a)	Weighted-average exercise price of outstanding options and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	2,300,000	\$3.26	5,683,760 ⁽²⁾⁽³⁾⁽⁴⁾

(1) There have been no equity compensation plans which have not been approved by DIV's securityholders.

(2) The maximum number of DIV Shares that are available for grant in the aggregate under the Stock Option Plan and the LTIP is determined based on 7% of the number of DIV Shares issued and outstanding from time to time. This means that as the outstanding share capital of the Corporation increases from time to time by the issuance of additional DIV Shares, whether due to the exercise of stock options, the vesting of RSUs or otherwise, the number of DIV Shares eligible to be issued under stock options, RSUs, DSUs and other awards issuable pursuant to either the Stock Option Plan or the LTIP will automatically increase to 7% of the number of DIV Shares then issued and outstanding. As at December 31, 2020, there were 121,187,757 DIV Shares issued and outstanding.

(3) The number of DIV Shares remaining available for future issuance in aggregate under the Stock Option Plan and LTIP, as at December 31, 2020, was calculated as the difference of (X) 7% of the number of DIV Shares issued and outstanding as at December 31, 2020 (8,483,142), less (Y) the aggregate number of DIV Shares issuable upon the exercise of issued and outstanding Stock Options (2,300,000) and the vesting of issued and outstanding RSUs (499,382), in each case, as at December 31, 2020.

(4) In addition to the aggregate 7% restriction applicable to Stock Option Plan and the LTIP summarized in footnote (2) above, the maximum number of DIV Shares which may be reserved for issuance under the LTIP in respect of grants of RSUs to RSU Participants and grants of DSUs to DSU Participants and for dividend-equivalent payments in respect thereof shall not exceed 5% of the issued and outstanding DIV Shares from time to time on a non-diluted basis. As at December 31, 2020: (i) 499,382 DIV Shares were issuable pursuant to outstanding RSUs granted under the LTIP, representing 0.4% of the issued and outstanding DIV Shares as of such date on a non-diluted basis; and (ii) 5,560,005 DIV Shares remained eligible to be issued under the LTIP representing 4.6% of the issued and outstanding DIV Shares as of such date on a non-diluted basis.

PENSIONS

The Corporation and its subsidiaries do not have any pension arrangements.

COMPENSATION OF DIRECTORS

The following table provides information regarding compensation paid by the Corporation during the financial year ended December 31, 2020 to individuals who were directors of the Corporation during such financial year.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Paula Rogers	38,000	30,000 ⁽¹⁾	Nil	Nil	Nil	6,156 ⁽²⁾	74,156
Johnny Ciampi	28,000	30,000 ⁽¹⁾	Nil	Nil	Nil	10,039 ⁽²⁾	68,039
Garry Herdler	36,700 ⁽³⁾	30,000 ⁽¹⁾⁽³⁾	Nil	Nil	Nil	9,538 ⁽²⁾	76,238
Lorraine McLachlan	35,500	30,000 ⁽¹⁾	Nil	Nil	Nil	6,036 ⁽²⁾	71,536
Lawrence Haber ⁽⁴⁾	51,700	30,000 ⁽¹⁾	Nil	Nil	Nil	6,171 ⁽²⁾	87,871

(1) On May 21, 2020, the Corporation issued an aggregate of 93,810 RSUs to Ms. Rogers, Mr. Ciampi, Mr. Herdler, Ms. McLachlan and Mr. Haber, the directors of the Corporation at that time. These RSUs have a grant date fair value of \$1.60 per RSU based on the volume weighted average trading price of the DIV Shares on the TSX of \$1.60 for the five trading days preceding May 21, 2020, totaling approximately \$30,000 per director. These RSUs vest on May 21, 2023.

(2) Amount represents dividends accrued but not paid on RSUs held.

(3) Mr. Herdler elected to receive a portion of his 2020 director fees in RSUs in lieu of cash, consistent with prior years. As a result, Mr. Herdler's compensation from October 1, 2020 to December 31, 2020 of \$9,925 was received in RSUs in lieu of cash in the first quarter of 2021 (directors fees are included under "Fees earned" in the table above).

(4) Mr. Haber retired as a director of the Corporation on January 28, 2021.

For the year ended December 31, 2020, the Board had the following director cash and non-cash compensation for non-employee directors:

- Board retainer fee: \$3,125 per calendar quarter;
- Chair of the Board retainer fee: \$6,250 per calendar quarter (in addition to the Board retainer fee);
- Chair of the Audit Committee retainer fee: \$2,500 per calendar quarter (in addition to the Board retainer fee);
- Chair of the GNC Committee retainer fee: \$1,875 per calendar quarter (in addition to the Board retainer fee);
- Chair of the Investment Committee retainer fee: \$2,500 per calendar quarter (in addition to the Board retainer fee);
- Member of the Investment Committee retainer fee: \$1,300 per calendar quarter (in addition to the Board retainer fee);
- Board meeting fee: \$1,500 per meeting;
- Audit Committee and GNC Committee meeting fee: \$1,300 per meeting;
- Annual grant of RSUs under the LTIP to each director of the Corporation having a grant date fair value of \$30,000. These RSUs will be settled for DIV Shares and will vest in three years; and
- Related travel and out-of-pocket expenses.

In accordance with the annual grant of RSUs under the LTIP, as disclosed above, on May 21, 2020, the directors of DIV were granted an aggregate of 93,810 RSUs at a grant date fair value of \$1.60 per RSU based on the volume weighted average trading price of the DIV Shares on the TSX for the five trading days preceding May 21, 2020. These RSUs vest on May 21, 2023.

As part of the GNC Committee's and Board's comprehensive review of the compensation arrangements of the Corporation's senior management team, the Board approved, on the recommendation of the GNC Committee

after its consultation with Lane Caputo, the following adjustments to Board compensation effective April 1, 2021 to bring Board's total compensation package close to the median for its peer group:

- Board retainer fee: \$7,500 per calendar quarter;
- Chair of the Board retainer fee: \$12,500 per calendar quarter (inclusive of the Board retainer fee);
- Chair of the Audit Committee retainer fee: \$2,500 per calendar quarter (in addition to the Board retainer fee and the Audit Committee member retainer fee);
- Chair of the GNC Committee retainer fee: \$1,875 per calendar quarter (in addition to the Board retainer fee and the GNC Committee member retainer fee);
- Chair of the Investment Committee retainer fee: \$2,500 per calendar quarter (in addition to the Board retainer fee and the Investment Committee member retainer fee);
- Member of the Audit Committee retainer fee: \$1,250 per calendar quarter (in addition to the Board retainer fee and Chair of the Audit Committee retainer fee);
- Member of the GNC Committee retainer fee: \$625 per calendar quarter (in addition to the Board retainer fee and Chair of the GNC Committee retainer fee);
- Member of the Investment Committee retainer fee: \$2,500 per calendar quarter (in addition to the Board retainer fee and Chair of the Investment Committee retainer fee);
- Annual grant of RSUs under the LTIP to each director of the Corporation having a grant date fair value of \$50,000. These RSUs will be settled for DIV Shares and will vest in three years;
- Elimination of all Board and committee meeting fees; and
- Related travel and out-of-pocket expenses.

In accordance with the annual grant of RSUs under the LTIP, as disclosed above, on May 18, 2021, the directors of DIV were granted an aggregate of 80,100 RSUs at a grant date fair value of \$2.50 per RSU based on the volume weighted average trading price of the DIV Shares on the TSX for the five trading days preceding May 18, 2021. These RSUs vest on May 18, 2024.

Directors are permitted on an annual basis to elect to receive their retainer fees in the form of RSUs in lieu of cash. Director retainer fees paid through the issuance of RSUs in lieu of cash are issued quarterly pursuant to DIV's LTIP at the five-day volume weighted average trading price of DIV's common shares as at the end of each quarter.

No grants were made to any of the directors under the Stock Option Plan in the year ended December 31, 2020.

Directors are granted RSUs and other securities-based compensation in order to encourage director retention and to better align the interests of directors with shareholders. Each director is required to have a minimum ownership level in the Corporation, which includes both DIV shares and RSUs, equal in value (based on the greater of acquisition cost, grant date value and market value) to three times their annual base cash retainer within three years of their initial appointment to the Board. Directors who are not compliant with such ownership requirement are required to direct the Corporation to either: (i) use one half of the cash component of his or her total retainer, less required withholdings, to acquire DIV Shares on behalf of the director; or (ii) take one half of the cash component of his or her total retainer, without deduction for withholdings, in the form of RSUs or DSUs, in each case, until such time as the required share ownership threshold is satisfied.

INCENTIVE PLAN AWARDS

The following table provides information regarding the incentive plan awards outstanding as of December 31, 2020 for each person who was a director during the year ended December 31, 2020.

Name	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (mm/dd/yy)	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽¹⁾	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽²⁾
Paula Rogers	Nil	N/A	N/A	N/A	34,654	82,477	N/A
Johnny Ciampi	Nil	N/A	N/A	N/A	54,361	129,379	N/A
Garry Herdler	Nil	N/A	N/A	N/A	53,200	126,616	9,206
Lorraine McLachlan	Nil	N/A	N/A	N/A	38,705	92,118	N/A
Lawrence Haber ⁽³⁾	Nil	N/A	N/A	N/A	34,654	82,477	N/A

- (1) The market value of the DIV share-based awards that did not vest during 2020 were calculated by multiplying the number of share-based awards that did not vest by the closing price of the DIV Shares on the TSX of \$2.38 on December 31, 2020.
- (2) The market value of DIV share-based awards that vested but not paid out or distributed were calculated by multiplying the number of share-based awards that did vest but not paid out or distributed by the closing price of the DIV Shares on the TSX of \$2.38 on December 31, 2020.
- (3) Mr. Haber retired as a director of the Corporation on January 28, 2021.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each individual who was a director during the financial year ended December 31, 2020.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Paula Rogers	Nil	27,288 ⁽¹⁾	Nil
Johnny Ciampi	Nil	27,288 ⁽¹⁾	Nil
Garry Herdler	Nil	2,697 ⁽²⁾	Nil
Lorraine McLachlan	Nil	2,697 ⁽²⁾	Nil
Lawrence Haber ⁽³⁾	Nil	27,288 ⁽¹⁾	Nil

- (1) The market value was calculated as the sum of: (i) 14,601 RSUs that vested multiplied by the closing price of the DIV Shares on the TSX of \$1.51 on March 25, 2020; and (ii) 3,565 RSUs that vested multiplied by the closing price of the DIV Shares on the TSX of \$1.47 on April 1, 2020.
- (2) The market value was calculated by multiplying 1,786 RSUs that vested by the closing price of the DIV Shares on the TSX of \$1.51 on March 25, 2020.
- (3) Mr. Haber retired as a director of the Corporation on January 28, 2021.

Option-based awards and share-based awards are also discussed under the headings “*Stock Option Plan*” and “*Long Term Incentive Plan*” in this Circular.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director or executive officer of the Corporation and no associate of any director or executive officer of the Corporation is indebted to the Corporation as of the date hereof.

No individual who is, or was at any time during the most recently completed financial year, a director or executive officer of the Corporation, a proposed director of the Corporation, or an associate of any such director, executive officer or proposed director, is, or was at any time since the beginning of the most recently completed financial year, indebted to the Corporation or any of its direct and indirect subsidiaries, or to another entity where such indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, except, in each case, any indebtedness that has been entirely repaid on or before the date of this Information Circular or that would constitute "Routine indebtedness" as defined Form 51-102F5 – *Information Circular* of the Canadian Securities Administrators.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, no informed person of the Corporation, nominee for election as a director of the Corporation or any associate or affiliate of an informed person or nominee has or had any material interest, direct or indirect, in any transaction or any proposed transaction that has materially affected, or will materially affect, the Corporation or any of its subsidiaries since January 1, 2021.

Maxam Services Agreements

Pursuant to certain services agreements in place from time to time between the Corporation and Maxam Capital Corp. ("**Maxam**"), Maxam provided certain office space and administrative services to the Corporation (the "**Maxam Services Agreement**"). Maxam Capital Corp. is indirectly owned and controlled by Mr. Sean Morrison (President and Chief Executive Officer of DIV) and Mr. Johnny Ciampi (Director of DIV). Mr. Ciampi was not a director of DIV at the time the Maxam Services Agreement was entered into. During the period from January 1, 2020 to April 30, 2021, a total of \$127,500 was paid by DIV to Maxam under the Maxam Services Agreement. The arrangements under the Maxam Services Agreement will terminate effective May 31, 2021. The Corporation expects to enter into a services agreement and cost sharing agreement with Maxam Capital Management Ltd. ("**Maxam Capital**"), an entity in respect of which Mr. Morrison is a director, and Mr. Morrison and Mr. Ciampi are minority shareholders, through which the Corporation will provide certain office space and administrative services to Maxam Capital and cost sharing arrangements with respect to the shared office space (collectively, the "**Maxam Capital Agreements**"). The transactions under the Maxam Services Agreements and Maxam Capital Agreements are not material to DIV, Maxam, Maxam Capital, Mr. Morrison or Mr. Ciampi, but are identified here for purposes of full disclosure.

Other

The Audit Committee reviewed all related party transactions between the Corporation and its subsidiaries and the officers and directors of the Corporation. Other than as previously disclosed in the Corporation's financial statements which have been filed on SEDAR, the Audit Committee determined that there were no undisclosed related party transactions that required disclosure under any securities laws.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no person who was a director or executive officer of the Corporation at any time since the beginning of the Corporation's last completed financial year, no person who is a proposed nominee for election as a director of the Corporation and no associate or affiliate of any such director, executive officer or proposed nominee has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

PARTICULARS OF MATTERS TO BE ACTED UPON

FINANCIAL STATEMENTS

The shareholders will receive and consider the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2020 together with the auditor's report thereon.

ELECTION OF DIRECTORS

The Board believes that good corporate governance starts with good directors and an effective board. These elements are essential to the effective management of the Corporation and to the protection of its investors, employees and other stakeholders. In furtherance of this, the charter of the GNC Committee requires it to, among other things:

- (i) establish criteria for the election and re-election of a director in regards to independence, competencies, skills and diversity;
- (ii) recommend enhancements to the Board in terms of its composition and size; and
- (iii) identify, evaluate and recommend prospective directors who possess the requisite skill set.

The Board is currently comprised of four directors, and the Board has the power to fix by resolution the actual number of directors from time to time, provided that any increase in the size of the Board by more than one third of the then current number of directors in between annual general meetings requires the approval of shareholders. The Board has fixed the number of directors at four for purposes of the Meeting.

Upon the recommendation of the GNC Committee, the four persons listed below are proposed by the Corporation as nominees for election as Directors. All of the Corporation's proposed nominees are currently Directors. All nominees have established their eligibility and willingness to serve as Directors.

Each director elected will hold office until the next annual general meeting or until his or her successor is appointed, unless his or her office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia) (the "**BCBCA**") and the Articles of the Corporation.

The following table and the notes thereto state the names and municipality, province and country of residence of all persons proposed to be nominated for election as Directors, all other positions or offices with the Corporation and its subsidiaries now held by them, their principal occupations or employment, the year in which they became directors of the Corporation and the date of the expiry of their term of office, the approximate number of DIV Shares beneficially owned, directly or indirectly, by each of them, or over which they exert control or direction as of May 19, 2021, and the number of options and RSUs held as of May 19, 2021. The information as to municipality, province and country of residence, principal occupation or employment, and DIV Shares beneficially owned, is generally not within the knowledge of Management and has been furnished by the respective nominees.

Name and municipality, province and country of residence	Principal occupation(s) within the last 5 years	Position with DIV	Year first became director and expiration of current term of office	DIV Shares beneficially owned, controlled or directed	Number of options and RSUs held
PAULA ROGERS ⁽¹⁾⁽²⁾ North Vancouver, BC, Canada	Corporate Director, (2015 – present)	Director	2015 June 28, 2021	123,725	51,657 RSUs
JOHNNY CIAMPI ⁽²⁾⁽³⁾ Vancouver, BC, Canada	Managing Director of Maxam Capital Corp., (2008 – present)	Director	2014 June 28, 2021	1,667,956 ⁽⁴⁾	62,174 RSUs
GARRY HERDLER ⁽¹⁾⁽³⁾ Haverford, PA, U.S.A.	Managing Member of ORE Management LLC (2010 – 2016, 2018 – present) SVP and Chief Financial Officer of StoneMor Partners L.P. (April – September 2019) Chief Financial Officer of QuadReal Property Group, (2017 – 2018) Senior Director of Alvarez & Marsal Private Equity Performance Improvement Group, LLC, (2016 – 2017)	Director	2018 June 28, 2021	21,011	83,044 RSUs
LORRAINE MCLACHLAN ⁽¹⁾⁽²⁾ Oakville, Ontario, Canada	Chief Executive Officer of Oakville Milton District Real Estate Board (October 2020 – current) Corporate Director, (2018 – present) President and Chief Executive Officer of Canadian Franchise Association, (2006 – 2018)	Director	2018 June 28, 2021	13,846	51,657 RSUs

(1) Member of the Audit Committee, the current Chair of which is Ms. Paula Rogers.

(2) Member of the GNC Committee, the current Chair of which is Ms. Lorraine McLachlan.

(3) Member of the Investment Committee, the current Chair of which is Mr. Garry Herdler.

(4) Mr. Ciampi shares control and direction over 600,000 DIV Shares with Mr. Sean Morrison (President and Chief Executive Officer of DIV), the registered holder of which is Maxam Diversified Strategies Fund. Mr. Ciampi owns or controls 1,067,956 DIV Shares.

Profile of the Board

The following are brief profiles of the above named director nominees:

Paula Rogers. Ms. Rogers has over 25 years of experience working for Canadian-based international public companies in the areas of corporate governance, treasury, mergers and acquisitions, financial reporting and tax. Ms. Rogers has been an officer of several public companies including Vice-President, Treasurer of Goldcorp Inc. and Treasurer of Wheaton River Minerals Ltd. where she was responsible for the financing and tax structuring of several significant transactions. She also held various senior finance positions in corporate reporting, tax and treasury at Finning International Inc. over a period of nine years. Currently, Ms. Rogers also serves on the board of directors of Argonaut Gold Inc., Copper Mountain Mining Corporation and Great Bear Resources Ltd. Ms. Rogers is a graduate of the University of British Columbia with a Bachelor of Commerce degree and holds a Chartered Professional Accountant, Chartered Accountant designation.

Johnny Ciampi. Mr. Ciampi is a co-founder and managing director of the Maxam Opportunities Funds – private equity funds, which focus on structured investments in both publicly traded and private companies. Prior to forming the Maxam Opportunities Funds, Mr. Ciampi was the Executive Vice President and Chief Financial Officer of Gibralt Capital and a partner of Second City Capital Partners, Vancouver-based private equity groups. Mr. Ciampi also serves on the board of directors of Premium Brands Holding Corporation, Geodrill Limited and Valdy Investments Ltd. Mr. Ciampi is a graduate of the University of British Columbia with a degree in Commerce and holds a Chartered Professional Accountant, Chartered Accountant designation.

Garry Herdler. Mr. Herdler has significant finance, operations and capital markets expertise with over 27 years as a Chief Financial Officer, an investment banker, a CPA/CA, tax advisor and a private equity management consultant in several industries. Mr. Herdler has been the Chief Financial Officer of several companies, including two U.S. publicly listed companies, six U.S. private equity-owned companies and one global real estate company, in high change and growth situations in integration, operational performance improvement, IT conversions, turnarounds and restructuring matters. From 2010 to 2016 and from 2018 to 2019 he acted, and currently acts, as a financial consultant, chief financial officer and lenders advisor (both individually, and through his wholly-owned management company) for various private-equity owned companies as part of operational improvements, business integration, turnarounds and restructurings of such companies. Mr. Herdler was the Senior Vice President and Chief Financial Officer of StoneMor Partners L.P. (NYSE: STON) from April 2019 to September 2019, where he led a debt/equity recapitalization and cost savings initiatives in order to avoid a full restructuring, and continued to act as a consultant until December 2019 for implementation of cost reductions and other restructuring matters. Mr. Herdler was formerly the Chief Financial Officer of QuadReal Property Group in Vancouver, BC then with a \$27 billion portfolio across 17 countries. Previously, he was a Senior Director with Alvarez & Marsal Private Equity Performance Improvement Group, LLC in New York, NY. In addition, Mr. Herdler spent nearly 10 years in investment banking, leveraged finance and equity capital markets at Deutsche Bank Securities, Bankers Trust and CIBC World Markets. He also spent over six years at KPMG in accounting and tax advisory. Mr. Herdler is a graduate of the University of British Columbia with a degree in Commerce and holds a Chartered Professional Accountant, Chartered Accountant designation.

Lorraine McLachlan. Ms. McLachlan is currently the Chief Executive Officer of the Oakville Milton District Real Estate Board (“**OMBREB**”) and has held senior leadership roles in trade associations and not-for-profit organizations for over 25 years. Prior to joining OMBDREB, Ms. McLachlan was the President and Chief Executive Officer of the Canadian Franchise Association, the authoritative voice of franchising in Canada, from October 2006 to May 2018. Prior to joining the Canadian Franchise Association, Ms. McLachlan served for 10 years as Vice President of the Canadian Marketing Association and also held senior fundraising roles for a number of social service agencies. Ms. McLachlan has also served as a director of several non-profit organizations. She is a graduate of the University of Toronto and holds an MBA from Royal Roads University in British Columbia.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director nominee is at the date hereof, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director nominee was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set forth below, no director nominee (i) is at the date hereof, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. Garry Herdler, a director nominee, has acted and now acts as a financial consultant, chief financial officer and lenders advisor (both individually, and through his wholly-owned management company) for various U.S. public and private-equity owned companies as part of operational improvements, turnarounds and

restructurings of such companies, three of which involved insolvency/bankruptcy proceedings. Specifically, Mr. Herdler acted as:

- Interim Chief Financial Officer of Philadelphia Media Network Inc. in 2010 and 2011 immediately following the company's exit from U.S. bankruptcy in Delaware. Mr. Herdler's services as Interim Chief Financial Officer were provided through a consulting agreement with his wholly-owned management company.
- Interim Chief Financial Officer of American Laser Skincare ("**American Laser**") in 2014 and early 2015. Mr. Herdler's services as Interim Chief Financial Officer were provided through a consulting agreement with his wholly-owned management company. American Laser completed various divestitures of assets in 2014 and ultimately filed for bankruptcy in Delaware in December 2014. Mr. Herdler also acted as a consultant to the U.S. trustee in bankruptcy for American Laser on a limited basis in 2014 and 2015, including testifying as an expert witness at hearing.

No director nominee has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a director nominee.

Recommendation of the Board

The Board recommends that shareholders vote FOR the Corporation's proposed nominees for directors.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE CORPORATION'S PROPOSED NOMINEE DIRECTORS UNLESS A SHAREHOLDER HAS SPECIFIED ON THIS MATTER IN THE PROXY THAT THE DIV SHARES ARE TO BE WITHHELD FROM VOTING OR VOTED IN FAVOUR OF OTHER PERSONS.

MAJORITY VOTING POLICY

The Board has adopted a majority voting policy with respect to the election of the directors of the Corporation. In an uncontested election of directors of the Corporation, each director shall be elected by the vote of a majority of the DIV Shares represented in person or by proxy at the shareholders' meeting convened for such election of directors. If any director nominee receives a greater number of votes "withheld" from his or her election than votes "for" such election, that director shall promptly tender his or her resignation to the chair of the Board following the meeting.

The GNC Committee shall consider any such offer of resignation and recommend to the Board whether or not to accept it. The GNC Committee shall recommend to the Board to accept the resignation of the director, absent exceptional circumstances. For the purposes of the policy, exceptional circumstances may include: (i) the effect such resignation may have on the Corporation's ability to comply with any applicable commercial agreements, governance rules and policies or applicable corporate or securities laws; (ii) the director is a member of an established and active special committee which has a defined term or mandate (such as a strategic review) and accepting the resignation of such director may jeopardize the achievement of the special committee's mandate; (iii) majority voting was used for a purpose inconsistent with the policy objectives of the TSX's majority voting requirement; or (iv) any other factors that the members of the GNC Committee consider relevant. The director who has tendered his or her resignation will not be permitted to attend or participate in any meeting of the GNC Committee or the Board where the acceptance or rejection of such director's resignation is considered.

The Board shall act on the GNC Committee's recommendation within 90 days following the applicable shareholders' meeting and announce its decision through a news release, after considering the factors identified by the GNC Committee and any other factors that the members of the Board consider relevant. For greater clarity, the Board will accept the resignation of the director absent exceptional circumstances. Subject to any applicable corporate law restrictions or requirements, if a resignation is accepted, the Board may leave

the resulting vacancy unfilled until the next annual general meeting of shareholders. Alternatively, it may fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or it may call a special meeting of shareholders at which there would be presented a management nominee or nominees to fill the vacant position or positions.

APPOINTMENT OF AUDITORS

At the Meeting, the shareholders of the Corporation will be called upon to appoint KPMG LLP as auditors of the Corporation, to hold office until the close of the next annual general meeting of the shareholders of the Corporation, at remuneration to be fixed by the Board. KPMG LLP has served as the Corporation's auditors since 1992.

The Board recommends that shareholders vote FOR the appointment of KPMG LLP as auditors of the Corporation, at remuneration to be fixed by the Board.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPOINTMENT OF KPMG LLP AS THE CORPORATION'S AUDITORS UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE DIV SHARES ARE TO BE WITHHELD FROM VOTING ON THIS MATTER.

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular.

SHAREHOLDER PROPOSALS

Pursuant to section 188 of the BCBCA, any notice of a shareholder proposal intended to be raised at the 2022 annual general meeting of shareholders of the Corporation must be submitted to the Corporation at its head office, to the attention of the Secretary, on or before March 28, 2022, to be considered for inclusion in the management information circular for the 2022 annual general meeting of the shareholders.

It is the position of the Corporation that shareholder proposals need to be recognized only if made in accordance with the foregoing procedure and the provisions of the BCBCA.

ADDITIONAL INFORMATION

Financial information about the Corporation is contained in its consolidated financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2020 and additional information relating to the Corporation is available on SEDAR at www.sedar.com. If you would like to obtain, at no cost to you, a copy of any of the following documents:

- (a) the latest AIF of the Corporation together with any document, or the pertinent pages of any document, incorporated by reference therein;
- (b) the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2020, together with the accompanying report of the auditors thereon and any interim financial statements of the Corporation for the periods subsequent to December 31, 2020, and any Management's Discussion and Analysis with respect thereto; and/or
- (c) this Circular:

please send your request to: Diversified Royalty Corp.
330 – 609 Granville Street
PO Box 10033
Vancouver, British Columbia V7Y 1A1
Attn: Greg Gutmanis, Chief Financial Officer and VP Acquisitions

APPROVAL OF CIRCULAR

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the Directors of the Corporation.

DATED at Vancouver, British Columbia this 19th day of May, 2021.

By Order of the Board,

"Sean Morrison"

Sean Morrison
President & Chief Executive Officer

SCHEDULE A – STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Canadian securities regulatory authorities have adopted National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), which requires disclosure of the approach of Diversified Royalty Corp. (the “**Corporation**”) to corporate governance, and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”), which provides guidance on corporate governance practices.

ASSUMPTION OF RESPONSIBILITIES BY THE BOARD

The board of directors of the Corporation (the “**Board**”), either directly or through Committees (as defined below), is responsible for management or supervision of management of the business and affairs of the Corporation with the objective of enhancing shareholder value. The Board exercises independent judgment in carrying out such duties. See “*Composition and Independence of the Board*” in the accompanying management information circular to which this Schedule A is attached (the “**Circular**”) as well as “*Board Functioning and Independence*” below. The roles and responsibilities of the Board and each of its committees are set out in formal written charters. These charters are reviewed annually to ensure they reflect the best practices as well as any applicable regulatory requirements. Further details with respect to the activities of each Committee are included in the Circular under the headings “*Board Committees*”, “*Audit Committee*”, “*Governance, Nominating and Compensation Committee*” and “*Investment Committee*”. In addition, the full text of the mandate of the Board is attached as Schedule B to the Circular.

The Board participates in assessing and approving strategic plans and prospective decisions proposed by Management (as defined below). A significant portion of each regular Board meeting is devoted to strategic plans and opportunities available to the Corporation. Such discussions enable directors to gain a fulsome appreciation of planning and priorities and provide the opportunity for directors to give constructive feedback to Management (as defined below).

In order to ensure that the principal business risks borne by the Corporation are appropriate, the Board receives and comments on periodic reports from senior management of the Corporation (“**Management**”) of the Corporation’s assessment and management of such risks. The Board considers risk issues and approves corporate policies addressing the management of the risk including the Corporation’s operations, regulatory compliance, technology implementation and disaster planning. The Board also reviews the methods and procedures established by Management with respect to the control of key risks. The Board has delegated the oversight of cyber risk management to the audit committee to provide a risk assessment to the Board on at least an annual basis including systems and processes relating to cybersecurity and assist the Board generally in coordination of the relationship between cybersecurity programs and risk management policies and practices and Corporation strategy.

The Board regularly monitors the financial performance of the Corporation, including receiving and reviewing detailed financial information contained in Management reports. The Board, directly and through the Audit Committee (as defined below), assesses the integrity of the Corporation’s internal control and management information systems. As required by National Instrument 52-109 – *Certification of Disclosure in Issuer’s Annual and Interim Filings*, the Chief Executive Officer and Chief Financial Officer have provided certificates relating to the contents of the statutory reports and have evaluated and reported on the design and effectiveness of the Corporation’s internal controls over financial reporting, disclosure controls and procedures and any material changes to internal controls for financial reporting which has or may have a material impact on the Corporation’s internal controls over financial reporting.

In March 2005, the Board adopted a Disclosure Policy (which was most recently amended in May 2021), which governs, among other things, the appropriateness and timing of the release of information with respect to developments at the Corporation. The policy establishes guidelines for determining what information is material, how it is to be disclosed and, to avoid selective disclosure, making all material disclosures on a widely disseminated basis. The Corporation seeks to communicate with its shareholders and other stakeholders through a variety of channels, including its annual and quarterly financial statements and accompanying management’s discussion and analysis, annual information forms, news releases, website, briefing sessions, group meetings and industry conferences. The Disclosure Policy also sets out the Corporation’s Anti-Hedging Policy, which provides that no director or member of senior management of the Corporation may, directly or indirectly, engage in any kind of hedging transaction that could reduce or limit the director’s or senior

management member's economic risk with respect to the director's or senior management member's holdings, ownership or interest in DIV shares, convertible debentures or other securities of the Corporation.

In May 2021, the Board adopted an Environmental, Social and Governance Policy ("**ESG Policy**"). Although the Corporation does not exercise control or influence over the day-to-day activities over its Royalty Partners, the Corporation is committed to furthering the environmentally and socially responsible and sustainable development and operation of the businesses of its Royalty Partners through the Corporation's financial investments therein, including with respect to environmental factors, social considerations and governance issues. The Board has delegated to the Investment Committee the responsibility of overseeing and ensuring the implementation of the Corporation's ESG Policy. For further details, a copy of the ESG Policy is available on the Corporation's website.

The Board regularly receives reports regarding the training and monitoring of Management and its subsidiaries. Input is received at meetings of the Audit Committee, the GNC Committee (as defined below) and the Board regarding the performance of Management. Both the GNC Committee and the Board have specifically assumed responsibility for reviewing the performance of Management.

The Board meets at least four times each year, and more frequently as required. The frequency of meetings, as well as the nature of the agenda items, changes depending on the state of the Corporation's affairs and in light of opportunities or risks which the Corporation faces from time to time. In 2020, the full Board met eight times. Please see page A-3 of this Schedule A for the attendance record of each director for all Board meetings and Committee meetings during the fiscal year ended December 31, 2020.

CORPORATE GOVERNANCE PRINCIPLES

In March 2005, the Board initially formally adopted a set of corporate governance principles, which principles are modified and updated from time to time to reflect changes in the Corporation's business, changes in regulatory requirements and to reflect corporate governance trends and best practices. These principles provide guidelines on Board size, independence of Board members, nominating and orientation of new directors, diversity of Board members, retirement and resignation of Board members, conduct of Board meetings, conflicts of interest, share ownership by directors, compensation review, assessing Board and Committee performance, interaction with third parties and confidentiality. The principles also require each of the Committees to adopt a written charter approved by the Board, as well as set out minimum numbers for Committee meetings.

The Board has explicitly delegated to the Audit Committee the obligation to periodically review and provide recommendations from time to time with a view to seeking to ensure that the corporate financial reporting practices of the Corporation comply with NI 58-101, NP 58-201 and all other securities law requirements.

The Board has explicitly delegated to the GNC Committee the obligation to periodically review and provide recommendations from time to time with a view to seeking to ensure that the corporate governance practices of the Corporation comply with NI 58-101, NP 58-201 and all other securities law requirements.

The Board is satisfied that the Corporation's comprehensive governance program is consistent with NI 58-101 and NP 58-201.

OTHER DIRECTORSHIPS

The following table sets out the current directorships held by the current directors of the Board in other public companies.

Director	Other Reporting Issuer
Johnny Ciampi	Premium Brands Holding Corporation, Geodrill Limited and Valdy Investments Ltd.
Paula Rogers	Argonaut Gold Inc., Copper Mountain Mining Corporation and Great Bear Resources Ltd.

Director	Other Reporting Issuer
Garry Herdler	None
Lorraine McLachlan	None

COMMITTEES

The Board has developed charters governing the purpose and composition of three standing committees: an audit committee (the “**Audit Committee**”), a governance, compensation and nominating committee (the “**GNC Committee**”) and an investment committee (the “**Investment Committee**”), each a “**Committee**” and together, the “**Committees**”. For 2020, the standing Committees of the Board consisted of the Audit Committee, the GNC Committee and the Investment Committee.

All members of the Audit Committee are required to be independent according to National Instrument 52-110 – *Audit Committees (“NI 52-110”)*. The Audit Committee is currently composed of Ms. Rogers (Chair), Mr. Herdler and Ms. McLachlan, with no changes in its membership during the year ended December 31, 2020 or the current year to date. During the past year, and as of the date of the Circular, all members of the Audit Committee were independent. The Audit Committee is discussed in further detail in DIV’s Annual Information Form dated March 11, 2021 under the heading “*Audit Committee Information*”. In addition, the full text of the charter of the Audit Committee is attached as Schedule A to the Annual Information Form.

The charter of the GNC Committee requires that the members meet the independence requirements of NI 58-101. The GNC is composed of Ms. McLachlan (Chair), Mr. Ciampi and Ms. Rogers. During the past year, and as of the date of the Circular, all members of the GNC Committee are, in the view of the Board, independent directors who are not seen by the Board to be in a material relationship with the Corporation. Accordingly, the Board feels that the GNC Committee, exercises independent judgment in making decisions and providing recommendations to the Board with respect to the compensation of DIV’s executive officers and directors.

The charter of the Investment Committee requires that at least a majority of the members meet the independence requirements of section 1.4 of NI 52-110 and have at least five years of experience in investment banking, corporate finance, mergers and acquisitions, institutional investing and/or similar acquisition or diligence related activities. The Investment Committee is currently composed of Mr. Garry Herdler (Chair) and Mr. Johnny Ciampi. The Investment Committee was composed of Mr. Garry Herdler, Mr. Johnny Ciampi and Mr. Lawrence Haber from January 1, 2020 to December 31, 2020. On January 28, 2021, Mr. Haber retired from DIV’s board of directors. All members of the Investment Committee are independent in the view of the Board.

The composition and a summary of the mandate and activities of each committee are set out under the headings “*Board Committees*”, “*Audit Committee*”, “*Governance, Nominating and Compensation Committee*” and “*Investment Committee*” in the Circular.

Board and Committee Statistics

Summary of Board and Committee Meetings Held from January 1, 2020 to December 31, 2020

Board	8
Audit Committee	4
GNC Committee	1
Investment Committee	4
Total number of meetings held	17

Summary of Attendance of Directors from January 1, 2020 to December 31, 2020

Director	Board meetings attended	Audit Committee meetings attended	GNC Committee meetings attended	Investment Committee meetings attended
Paula Rogers	8/8	4/4	1/1	N/A
Johnny Ciampi	8/8	N/A	1/1	4/4
Garry Herdler	8/8	4/4	N/A	4/4
Lorraine McLachlan	8/8	4/4	1/1	N/A
Lawrence Haber ⁽¹⁾	8/8	N/A	N/A	4/4

(1) Mr. Haber retired as a director of the Corporation on January 28, 2021.

POSITION DESCRIPTIONS

The Board has not approved mandates for the Chief Executive Officer or the Chair of the Board, the GNC Committee, the Audit Committee or the Investment Committee. Nevertheless, in each instance the person charged with such position is effectively charged with the responsibility of overseeing the efficient operation of Management, the Board, the GNC Committee, the Audit Committee and the Investment Committee, respectively.

Pursuant to the Articles of the Corporation, certain of the principal duties of the Chair of the Board are presiding over meetings of Directors and meetings of shareholders and to provide leadership to enhance the effectiveness and focus of the Board. Similarly, the Chair of the GNC Committee, the Audit Committee and Investment Committee are charged with similar duties for their respective Committees. The Chair's responsibilities include acting as liaison between the Board and the Chief Executive Officer and establishing, in consultation with the Chief Executive Officer and the Board, procedures to govern the Board's performance. Further, the Chair ensures that the Board operates independently of Management and that directors have an independent leadership contact. As part of the Chair's responsibilities, the Chair is responsible for obtaining peer reviews of the operation of the Board to obtain insight as to areas where the Board and its Committees could be operating more effectively. The Chair, if present, chairs all Board meetings including meetings at which only independent directors are present.

If the Chair is not independent, the independent directors may select one of their members to be appointed Lead Director of the Board for such term as the independent directors may determine. The Lead Director, if one is appointed, is responsible for chairing regular meetings of the independent directors and seeking to ensure that the Board is able to carry out its role.

The Chief Executive Officer of the Corporation is responsible for the day-to-day operation of the Corporation and, in fulfilling such responsibilities, is required to act honestly and in good faith with a view to the best interests of the Corporation.

DIRECTOR ORIENTATION AND CONTINUING EDUCATION

In accordance with NI 58-101 and NP 58-201, the Corporation has established a process to provide an orientation and education program for new recruits to the Board. The GNC Committee is responsible for proposing new directors to the Board. In addition, the orientation of new directors and the ongoing development of existing directors is the responsibility of the GNC Committee. New directors are advised of the Corporation's corporate governance practices and policies, are requested to review the Corporation's most recent significant public disclosure documents, and such other documents as the GNC Committee may deem appropriate. In addition, Management makes regular presentations to the Board on the main areas of the Corporation's business. Directors are encouraged to meet regularly with Management.

BOARD FUNCTIONING AND INDEPENDENCE

The Board's mandate requires that all major strategic decisions, including any change in the strategic direction of the Corporation, be presented by Management to the Board for approval. As part of its ongoing activity, the

Board regularly receives and comments upon reports of Management as to the performance of the Corporation's business and Management's expectations and planned actions in respect thereof.

The Board reviews the adequacy and form of the compensation of directors to ensure the compensation realistically reflects the responsibility and risk involved in being an effective director. The Board has made it a priority to continue to examine and develop the processes which it follows in its deliberations in order that it will continue to fulfil its mandate.

The Audit Committee, which is composed entirely of independent directors, reviews related party transactions.

The Board and the Chief Executive Officer engage in regular dialogue regarding the performance of Management, including the Chief Executive Officer, in achieving the Corporation's strategic objectives as determined by Management and the Board. As the Board has plenary power, any responsibility which is not delegated to Management or a Committee remains with the Board.

The Board's mandate requires the independent members of the Board to hold regularly scheduled meetings without Management and any non-independent directors present, which such meetings are currently held on a quarterly basis. In addition, the Board conducts a session without Management present each year to review the recommendations of the GNC Committee. The GNC Committee also conducts part of its deliberations without Management present. As well, the Audit Committee has a policy to meet periodically and at least annually with the Corporation's external auditors without Management present.

The Board has implemented a system which enables an individual director to engage an outside adviser at the expense of the Corporation in appropriate circumstances. Prior approval of the Chair and Chief Executive Officer or the Chair of the Audit Committee is required for the retention of such an adviser.

The Board has adopted a Lead Director Mandate, as of June 2011 (which was most recently amended in 2014), which provides for protocol which may be used when the Chair of the Board is not independent. If the Chair is not independent, the independent directors may select one of their members to be appointed Lead Director of the Board for such term as the independent directors may determine. The Lead Director, if one is appointed, is responsible for chairing regular meetings of the independent directors and seeking to ensure that the Board is able to carry out its role. In addition to other functions that the independent directors as a whole designate from time to time, the Lead Director's role includes: representing the Corporation's independent directors in discussions with Management on corporate governance issues and other matters; and generally assisting in seeking to ensure that the Board functions independently of Management. The Board has determined that the appointment of a Lead Director is not currently necessary given that the Corporation's current Chair, Ms. Paula Rogers is "independent" pursuant to Section 1.4 of NI 52-110 and is viewed by the other members of the Board to be exercising independent judgment as she is not seen by them to be in a material relationship with the Corporation.

In addition, the respective charters established by each of the Audit Committee and the GNC Committee provide for authority for each such Committee to engage internal and external legal, accounting and other advisors, and for such Committee to determine the funding necessary for compensation to such advisors.

The GNC Committee conducts an annual evaluation of the effectiveness of the Board, its committees and the contribution of individual directors. The GNC Committee reviews the operation of the Board and committees, adequacy of information provided to directors, Board structure, agenda planning for Board meetings, and the effectiveness of the Chair in managing Board meetings.

ETHICAL BUSINESS CONDUCT

In 2004, the Corporation formally adopted a Code of Business Conduct and Ethics and related policies, which was most recently amended in 2020, which sets high standards for ethical behaviour throughout the organization. A copy of the current Code of Business Conduct and Ethics is available on SEDAR at www.sedar.com.

The Code of Business Conduct and Ethics provides the entire organization with the same frame of reference for dealing with sensitive and complex issues such as conflicts of interest, use of information, confidentiality of

personal information, confidentiality of business information, corporate opportunities, use of inside information, fair trading, protection and use of company assets, accounting practices, records retention, compliance with laws, rules and regulations, and duty to report and consequences. The Code of Business Conduct and Ethics applies to employees of the Corporation as well as directors and officers of the Corporation. The Corporation also has a policy of encouraging anyone with a concern about unethical or illegal activities to inform their management and take appropriate and consistent action.

Where directors and any members of Management have a material interest in a transaction or an agreement that the Board may be considering, he or she is asked not to vote on resolutions pertaining to this subject matter.

NOMINATION OF DIRECTORS

Refer to the general discussion under the heading “*Governance, Nominating and Compensation Committee*” in the Circular and in particular to the discussion under the following subheading in that section “– *Committee Authority and Responsibilities*”.

COMPENSATION

Refer to the general discussion under the heading “*Governance, Nominating and Compensation Committee*” in the Circular and in particular to the discussion under the following subheadings in that section “– *Report of the GNC Committee on Human Resources and Compensation*” and “– *Executive Compensation*”.

ASSESSMENTS

The GNC Committee has the responsibility to ensure that a process is in place for the annual review of the performance of individual directors, the Board as a whole and the individual committees. A review of the performance of individual directors, the Board as a whole and the individual committees occurred during the most recently completed financial year.

MAJORITY VOTING POLICY

On March 20, 2013, the Board adopted a majority voting policy with respect to the election of the directors of the Corporation, which was last amended in 2018. Refer to the discussion under the heading “*Majority Voting Policy*” in the Circular for a summary of the current terms of the majority voting policy.

TERM LIMITS

The Corporation has not adopted term limits for the directors on the Board because the Board believes the imposition of arbitrary term limits may result in an effective director being disqualified and discounts the value of experience and continuity. The GNC Committee is responsible for assessing the effectiveness of the Board and Board renewal is one of the factors the GNC Committee utilizes in its evaluation. In addition, in making its recommendation to the Board as to those persons to be nominated as directors for an ensuing year of the Corporation, the GNC Committee considers, among other factors, the duration of the term of each current director.

DIVERSITY

The Corporation values diversity of views, thought, experience, skill sets, gender and ethnicity and supports the identification and nomination of diverse directors and candidates for senior management positions. Diversity is an important factor that is taken into account in identifying and selecting Board members and in considering the hiring, promotion and appointment of senior management. The Board believes that diversity is important to ensure that directors and senior management provide a wide range of thoughts, perspectives, experience and expertise required to achieve effective stewardship of the Corporation.

The Board has adopted a written Board Diversity Policy in order to define the General Partner’s policy with respect to diversity on its Board and to set out the guidelines by which the Board endeavours to maintain a diverse Board. The primary objective of the Board Diversity Policy is to ensure that the Board possesses the

diverse qualifications, skills and expertise that are relevant to the Corporation's business and that will allow the Board to fulfill its mandate. Responsibility for overseeing and ensuring the implementation of the Policy has been delegated to the GNC Committee. In considering directors for election to the Board, the Board Diversity Policy requires the GNC Committee to consider diversity criteria generally, including the level of representation of women on the Board. As such, the Board Diversity Policy does not focus solely on promoting gender diversity; however, the policy recognizes gender diversity as an important component of the Corporation's overall diversity strategy. Under the Board Diversity Policy, the GNC Committee is required to annually assess the diversity initiatives that may be established by the Board from time to time under the policy and the progress in achieving them.

In addition to gender diversity, the other factors that the GNC Committee considers in identifying and nominating candidates for election or re-election to the Board include, but are not limited to, the following: the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; the competencies and skills that the Board considers each existing director to possess; the competencies and skills each new nominee will bring to the Board; the time and energy of the proposed nominee to devote to the tasks; and the understanding by the proposed nominee of the nature of the business and operations of the Corporation. At this time, the Corporation has not adopted a target regarding women on the Board. The GNC Committee believes that all of the aforementioned factors are relevant to ensure high functioning Board members and that establishing targets based upon only gender may disqualify desirable director candidates.

Two of the four director nominees of the Corporation are women, representing 50% of the Board nominees.

The Corporation considers diversity in its executive officer positions, including the level of representation of women, as one of the factors in making executive officer appointments. The Corporation also considers the skills and experience necessary for the position. At this time, the Corporation has not adopted a target regarding women in executive officer positions of the Corporation. The Corporation believes all of the aforementioned factors are relevant and that establishing targets based upon only gender may disqualify desirable executive officer candidates.

None of the executive officers of the Corporation or any of its major subsidiaries are currently women. However, one of the three employees of the Corporation, the corporate controller, is a woman.

SCHEDULE B – BOARD OF DIRECTORS’ MANDATE



DIVERSIFIED ROYALTY CORP.

BOARD OF DIRECTORS’ MANDATE

(adopted November 13, 2014)
(Last modified May 13, 2021)

1. Introduction

The Board of Directors (the “**Board**”) of Diversified Royalty Corp. (the “**Company**”) seeks members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. Directors should be selected based upon the contributions they can make. Directors should plan to make a significant time commitment to the Company. The Board’s composition should reflect business experience compatible with the Company’s business objectives.

2. Chair of the Board

The chair of the Board will be appointed by the Board, after considering the recommendation of the Governance, Nominating and Compensation Committee, for such term as the Board may determine.

3. Meetings of Independent Directors

The independent directors should hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.

4. Composition and Independence of the Board

The Board is to be comprised of at least three members, a majority of whom are independent. The Chair of the Board should be an independent director. Where the Chair is not independent, the independent directors of the Board may select one of their numbers to be appointed lead director of the Board for such term as the independent directors may determine. The lead director is responsible for chairing regular meetings of the independent directors and seeking to ensure that the Board is able to carry out its role.

The Governance, Nominating and Compensation Committee should establish and recommend to the Board criteria for the selection of new candidates to serve on the Board (including the range of skills and expertise that should be represented by the Board and independence from management).

5. Position Descriptions

Pursuant to the articles of the Company, certain of the principal duties of the Chair of the Board are presiding over meetings of Directors and meetings of shareholders, and to provide leadership to enhance the effectiveness and focus of the Board. Similarly, the Chairs of other Committees are charged with similar duties for their respective committees. The Chair’s role includes acting as liaison between the Board and the Chief Executive Officer and establishing, in consultation with the Chief Executive Officer and the Board, procedures to govern the Board’s performance. Further, the Chair seeks to ensure that the Board operates independently of management and that directors have an independent leadership contact. As part of his or her role, the Chair may seek to obtain peer reviews of the operation of the Board to obtain insight as to areas where the Board and its committees could be operating more effectively. The Chair, if present, chairs all Board meetings, including (unless he or she is not independent, in which case the lead director should chair) meetings at which only independent directors are present.

In addition to other functions that the independent directors as a whole designate from time to time, the lead director's role will include: representing the independent directors in discussions with senior management on corporate governance issues and other matters; and generally assisting in seeking to ensure that the Board functions (unless the Chair is independent, in which case the Chair should chair) independently of management, including through: chairmanship of meetings of independent directors without members of management present; participation in Board and Committee agenda-setting; selection and retention of independent advisors; and chairmanship of certain committees of the Board.

6. Role of the Board

The Board seeks to create shareholder value. The Board, in connection with the stewardship of the Company, has the duties set forth in the *Business Corporations Act* (British Columbia), namely to supervise the management of the business and affairs of the Company. In furtherance thereof, the following is the mandate of the Board:

- Advocate and support what are in its view the best interests of the Company.
- Review and approve operating plans and budgets, strategic, business and capital plans for the Company, and monitor management's execution of such plans.
- Review whether specific and relevant corporate measurements are developed and adequate controls and information systems are in place with regard to business performance.
- Review the principal risks of the Company's business and pursue the implementation by management of appropriate systems to manage such risks.
- Monitor progress and efficiency of strategic, business, and capital plans and require appropriate action to be taken when performance falls short of goals.
- Review measures implemented and maintained by the Company to seek to ensure compliance with statutory and regulatory requirements.
- Monitor the practices of management against the Company's disclosure policy to seek to ensure appropriate and timely communication to shareholders of material information concerning the Company (in accordance with and subject to applicable law).
- Monitor the development and implementation of programs for management succession and development.
- Provide new directors with an orientation in order that new directors understand the role of the board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the issuer expects from its directors). New directors should also understand the nature and operation of the issuer's business.
- Provide all directors with continuing education opportunities so that individuals may maintain or enhance their skills and abilities as directors, as well as to seek to ensure that their knowledge and understanding of the issuer's business remains current.
- Periodically conduct assessments of the effectiveness of the Board, as well as the effectiveness and contribution of each Board committee and each individual director.
- Provide advice to the CEO.
- To the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers and seek to ensure that the CEO and other executive officers create a culture of integrity throughout the organization.
- Directly or via the Governance, Nominating and Compensation Committee, monitor the Company's approach to corporate governance, including if appropriate developing a set of corporate governance principles and guidelines that are specifically applicable to the Company in addition to those contained in the Governance, Nominating and Compensation Committee Charter and other instruments.

In addressing its mandate, the Board should approve the following:

- Strategic plan (as applicable)
- Annual business and capital plans (as applicable)

- Annual financial statements and auditors' report
- Quarterly earnings and press releases
- Budgeted capital expenditures (as applicable)
- Material acquisitions/divestitures
- Significant financing transactions
- Dividend policy (if any)
- Share re-purchase programs (if any)
- Executive Compensation, upon the recommendation of the Governance, Nominating and Compensation Committee

Meetings

The Board intends to hold a minimum of four meetings per year. Directors are expected to make reasonable efforts to attend all meetings and to have reviewed written meeting materials distributed to them prior to the meeting. The Board believes that attendance of key executive officers augments the meeting process. Directors are encouraged to be physically present at all meetings. However, conference telephone, videoconference, or similar communication equipment attendance at a meeting will generally be permitted, if necessary.

The Chair should establish the agenda for Board meetings after consultation with other board members. The Company should distribute, wherever practicable sufficiently in advance of meetings to permit meaningful review, written materials for use at Board meetings. Such written materials should generally be prepared with an emphasis on brevity and should generally include recommendations for action as appropriate in the circumstances.

The independent Directors of the Board will meet in executive session at least once each year without any non-independent Directors, management Directors or any other members of the Company's management who may otherwise be present. The independent Directors will designate a Director who will preside at the executive sessions.

7. Strategic Planning and Risk Management

The Board intends to adopt a strategic planning process to establish objectives and goals for the Company's business and to review, approve and modify as appropriate the strategies proposed by senior management to achieve such objectives and goals. The Board intends to review and approve, at least on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Company's business and affairs.

The Board, in conjunction with management, should seek to identify the principal risks of the Company's business and oversee management's implementation of appropriate systems to seek to effectively monitor, manage and mitigate the impact of such risks. Some of the more pertinent risk factors include: financial matters; the cyclical nature of the Company's business interests; cost control; mergers and acquisitions opportunities; cybersecurity and information security; and environmental, social and governance risks. The Board may delegate the oversight of certain areas of risks to be overseen by committees of the Board in conjunction with management as the Board deems appropriate.

8. Corporate Social Responsibility, Ethics and Integrity

The Board should provide leadership to the Company in support of its commitment to Corporate Social Responsibility, set the ethical tone for the Company and its management and foster ethical and responsible decision making by management. The Board should take all reasonable steps to satisfy itself of the integrity of the Chief Executive Officer and management and satisfy itself that the Chief Executive Officer and management create a culture of integrity in the organization.

9. Succession Planning, Appointment and Supervision of Management

Each director elected will hold office until the next annual meeting or until his or her successor is appointed, unless his or her office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia) and the articles of the Company.

The Board should periodically receive reports regarding the training and monitoring of senior management of the Company and its subsidiaries. Input may be received at meetings of the Audit Committee, the Governance, Nominating and Compensation Committee and the Board regarding the performance of senior management. Both the Governance, Nominating and Compensation Committee and the Board should review the performance of senior management.

10. Delegations and Approval Authorities

The President and Chief Executive Officer of the Company is responsible for the day-to-day operation of the Company and, in fulfilling such responsibilities, is required to act honestly and in good faith with a view to the best interests of the Company. The Board should approve material delegations of authority.

11. Monitoring of Financial Reporting and Management

The Board should approve all regulatory filings, including the annual audited financial statements, interim financial statements, the notes and management discussion and analysis accompanying such financial statements, annual reports, management proxy circulars, annual information forms, prospectuses, and material capital investments, equity financings, borrowings and annual operating plans and budgets.

The Board should: seek to ensure the integrity of internal controls and management information systems; seek to ensure compliance with all applicable laws, rules and regulations in all material respects and seek to prevent violations of applicable laws, rules and regulations relating to financial reporting and disclosure, violation of the Company's Code of Business Conduct and Ethics and fraud against shareholders.

12. Corporate Disclosure and Communication Policy

The Board should seek to ensure that all corporate disclosure complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which the Company's securities are listed in all material respects. In addition, the Board should seek feedback from security holders on material issues.

Shareholders wishing to send communications to the Board should send such communications in writing to the Chair of the Board of Directors.

13. Committees

The Board has established the following committees, and has the ability to establish other committees as it sees fit from time to time.

(a) Governance, Nominating and Compensation Committee

The Board has established the Governance, Nominating and Compensation Committee to monitor and advise, *inter alia*, with respect to: (i) Human Resources and compensation related matters; and (ii) establishing criteria for the nomination of directors, identification of qualified individuals to become Board members, and recommending Board nominees for Board membership and service on committees.

The Governance, Nominating and Compensation Committee shall have the role set forth in its Charter and should wherever practicable consist entirely of independent directors. This includes reviewing and determining the Chief Executive Officer's and other executives' compensation. The Governance, Nominating and Compensation Committee may also administer the Company's Amended and Restated Stock Option Plan, Amended and Restated Long-Term Incentive Plan and other incentive compensation plans and arrangements that may exist from time to time.

The Governance, Nominating and Compensation Committee is appointed by the Board to establish, administer and evaluate the compensation philosophy, policies and plans for non-employee directors and executive officers, to make recommendations to the Board regarding director and executive compensation and to review the performance and determine the compensation of the Chair and Chief Executive Officer, based on criteria including the Company's performance and accomplishment of long-term strategic objectives.

(b) Audit Committee

The Audit Committee has the role set forth in its Charter and should except as permitted by law consist entirely of independent directors. The role of the Audit Committee is oversight. The members of the Audit Committee must be Directors who satisfy the independence, financial literacy and experience requirements of the Toronto Stock Exchange and any other regulatory requirements. However, it is not the duty of the Audit Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Company's independent auditors.

(c) Investment Committee

The Investment Committee has the role set forth in its Charter and should be comprised of at least a majority of independent directors. The role of the Investment Committee is to, among other things, review and provide recommendations to the Board with respect to proposed acquisitions or dispositions, financing arrangements related to proposed acquisitions or dispositions, the impact of proposed acquisitions or dispositions on the Company's dividend policy, any proposed non-binding letters of intent, and any engagement proposal(s) for consultants and advisors.

(d) Special Committees

The Board may from time to time establish one or more special committees to deal with any special matters that the Board deems advisable. The appointment of any special committee and the mandate of any special committee should be approved by the Board.

14. Administration and Compliance Approvals

Committee assignments and the designation of Committee Chairs should be based on a director's knowledge, interests and areas of expertise. The Board does not favor mandatory rotation of Committee assignments or Chairs. The Board believes experience and continuity are more important than rotation. Board members and Chairs should be rotated only if rotation is likely to increase Committee performance.

15. Corporate Policies

The Board should adopt and periodically review policies and procedures designed to seek to ensure that the Company, its directors, officers and employees comply with all applicable laws, rules and regulations in all material respects and conduct the Company's business ethically and with honesty and integrity. Principal policies consist of:

- Code of Business Conduct and Ethics;
- Corporate Disclosure Policy;
- Whistleblower Policy;
- Majority Voting Policy;
- Anti-Hedging Policy;
- Board Diversity Policy.

16. Amendments to the Mandate; Purpose

The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to security holders of the Company or other liability whatsoever.

17. Review of Mandate

The Governance, Nominating and Compensation Committee should periodically review and assess the adequacy of this mandate and recommend any proposed changes to the Board for its consideration.

18. Board Assessments

The Board should ensure that the Board itself and its committees and each individual director are regularly assessed regarding their, his or her effectiveness and contribution. An assessment should consider i) in the case of the Board or a committee, its mandate or charter, and ii) in the case of an individual director, the

position description(s), if any, as well as the competencies and skills that each director is expected to bring to the board.

19. Board Ownership Requirements

Unless otherwise exempted in whole or in part by the Board, each non-management director on the Board shall be required to attain a level of share ownership of the Company equal to a value of at least three times (3X) their annual base cash retainer within three years of their initial election or appointment to the Board.

For such purposes, share ownership shall include deferred share units and restricted share units issued under the Company's Amended and Restated Long-Term Incentive Plan and the value ascribed to any shares of the Company acquired by a director is equal to the greater of the acquisition cost, grant date fair value and the market value of such securities. For greater certainty, the annual base cash retainer does not include, without limitation, any additional fees a director receives for acting as Chair of the Board, Lead Independent Director or chair of any committee or subcommittee of the Board or for acting as a member of any committee or subcommittee of the Board. If a director has not yet achieved the required level of share ownership, he or she will direct the Company, at his or her election, to: (i) use one half of the cash component of his or her total retainer, less required withholdings, to acquire shares of the Company on behalf of the director; or (ii) take one half of the cash component of his or her total retainer, without deduction for withholdings, in the form of deferred share units or restricted share units until such time as the required share ownership threshold is satisfied.

20. Term

There shall be no limit to the number of terms in which the Board may, on the recommendation of the Governance, Nominating and Compensation Committee, nominate a director for re-election. However, in making its recommendation to the Board as to those persons to be nominated as directors for an ensuing year of the Company, the Nominating and Compensation Committee shall consider, among other factors, the duration of the term of each current director.