



CHARTER OF THE INVESTMENT COMMITTEE OF THE BOARD OF DIRECTORS

(adopted August 9, 2018)
(Last modified May 13, 2021)

A. PURPOSE

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

B. COMPOSITION AND TERMS OF OFFICE

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

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

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

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

C. MEETINGS

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

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

A resolution approved in writing by all the members of the Committee shall be as valid and effective as if it had been passed at a meeting duly called and constituted. Such resolution may be in two or more counterparts, which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the Committee and shall be effective on the date stated thereon or on the latest date stated on any counterpart.

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

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

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

D. COMMITTEE CHAIR

The Committee Chair shall:

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

E. DUTIES AND RESPONSIBILITIES

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

- (a) review, consider, evaluate, provide input to management (including prioritization between alternate opportunities, transaction structuring and due diligence considerations (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 Company and its direct and indirect subsidiaries;
- (b) review, consider, evaluate, provide input to management on, and later recommend to the Board approval or rejection of, all financing arrangements (including debt financings, capital market activities, issuances and redemptions of securities) related to proposed acquisitions or dispositions by the Company and its direct and indirect subsidiaries;
- (c) review, consider, evaluate, provide input to management on the impact of any proposed acquisition or disposition and financing arrangements by the Company and its direct and indirect subsidiaries on the Company's dividend policy, payout ratio, liquidity and cash flow projections;

- (d) review, consider and approve any proposed non-binding letter of intent, term sheet, initial bid or similar document subject to a due diligence condition in favour of the Company and/or its applicable subsidiaries (each an, "LOI"), and related financing proposals (each a "Financing Proposal") prior to execution or delivery thereof by the Company, which LOI and/or Financing Proposal will contain customary conditions in including, without limitation, future approval by the Board;
- (e) review, consider and approve the engagement proposal(s) for consultants and advisors in connection with these acquisition activities in items (a) through (d);
- (f) (i) review and discuss with management the Company's implementation of procedures for identifying, assessing, monitoring and managing environmental, social, governance and sustainability risks related to the business and affairs of the Company and its royalty partners; (ii) review and discuss with management the Company'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 Company's and its royalty partners' environmental, social, governance and sustainability reporting; and (iv) review annually the Company's Environmental, Social and Governance Policy and make recommendations to the Board with respect to any amendments thereto.
- (g) have such other powers and duties as may be delegated to it from time to time by the Board.

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

F. REMUNERATION

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

G. ACCOUNTABILITY

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

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