



Audit Committee – Whistleblower Policy
(adopted November 13, 2014)
(last updated February 15, 2022)

Diversified Royalty Corp.

Audit Committee Whistleblower Policy

Diversified Royalty Corp. (the “**Company**”) seeks to maintain the highest standards of business conduct and ethics in its accounting standards and disclosures, internal accounting controls, and audit practices. It is the policy of the Company to comply with and require its directors, officers, and employees to comply with all applicable legal and regulatory requirements relating to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against shareholders. Every employee has the responsibility to assist the Company in meeting these requirements.

The Company’s internal controls and corporate reporting and disclosure procedures are intended to prevent, deter and remedy any violation of the applicable laws and regulations that relate to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against the shareholders. Even the best systems of control and procedures, however, cannot provide absolute safeguards against such violations. The Company has a responsibility to investigate and, if required, report to appropriate governmental authorities, any material violations relating to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and all matters pertaining to fraud against shareholders, and the actions taken by the Company to remedy such violations.

This policy governs the process through which employees and others, either directly or anonymously, can notify the Company’s Audit Committee of the Company’s Board of Directors of actual or potential violations or concerns relating to accounting standards and disclosures, internal accounting controls or matters relating to the internal or external audit of the Company’s financial statements (collectively, “**Accounting Matters**”). In addition, this policy establishes a mechanism for responding to, and keeping records of, complaints from employees and others regarding such actual or potential violations or concerns. The Audit Committee is responsible for establishing procedures for the confidential, anonymous submissions by Company employees of concerns regarding questionable accounting or auditing matters.

Copies of this policy are to be made available to directors, officers, employees and applicable consultants [of the Company and its subsidiaries](#). All directors, officers and employees of the Company and its subsidiaries will be informed whenever significant changes are made. New directors, officers, employees and consultants will be provided with a copy of this policy.

I. Reporting Alleged Violations or Concerns

If an employee reasonably believes that any Company employee or other person acting on behalf of the Company has violated any legal or regulatory requirements or internal policy relating to Accounting Matters, the employee should immediately report his or her concern.

The Audit Committee is composed entirely of directors of the Company who are independent of the officers and management of the Company. The Audit Committee is solely responsible for investigating and responding to reports of violations regarding Accounting Matters.

Formal Procedure

Employees can report their concerns, which may be done anonymously, to the Chair of the Audit Committee, as follows:

In writing: Kevin Smith
Chair of the Audit Committee
741 Winona Avenue
North Vancouver, BC V7R 2B2

By e-mail: kevsmith44@gmail.com

By telephone: (604) 812-7960

Informal Procedure

The Company has an open door policy and encourages all employees to share their questions, concerns, suggestions or complaints with someone who can address them properly. If an employee is not comfortable reporting a concern to the Chair of the Audit Committee, he or she should report the concern to any supervisor or member of management whom he or she is comfortable approaching, including without limitation, to the CEO or CFO.

Any manager or other supervisory employee who receives a report of an alleged violation must immediately forward the report to the Chair of the Audit Committee, maintaining anonymity of the employee if the employee desires (see “**Confidentiality**” below). The Chair will communicate all reports of alleged violations to the Company’s Audit Committee and if necessary, to the Board of Directors.

Confidentiality

The Company, including all persons designated to handle complaints under this policy, will seek to treat all reports of alleged violations, whether or not they were submitted anonymously, as confidential to the fullest extent permitted under law and to the extent possible, consistent with the Company’s need to conduct an adequate investigation. We encourage you to identify yourself when making a complaint or communicating a concern. However, you may also do so anonymously if necessary. The Company has a procedure for the submission of confidential, anonymous complaints concerning questionable Accounting Matters to the Audit Committee. All such complaints should be communicated in writing to the Chair of the Audit Committee, as provided for under “Formal Procedure” above, clearly marking the correspondence as “CONFIDENTIAL”.

Reports of alleged violations should be factual, rather than speculative, and should contain as much specific detail as possible to allow for proper assessment. The complaint describing an alleged violation or concern should be candid and should clearly set forth all of the information that the employee knows regarding the allegation or concern. In addition, the complaint should contain sufficient corroborating information to support the commencement of an investigation. The Company may, in its reasonable discretion, determine not to commence an investigation if a complaint contains only unspecified or broad allegations of wrongdoing without appropriate factual support.

II. Investigation of Complaints

Upon receipt of a complaint alleging a violation of any state, provincial or federal law or internal policy regarding Accounting Matters, the Audit Committee, or a designated member of the Committee, will make a determination as to whether a reasonable basis exists for commencing an investigation into the conduct alleged in the complaint. If the Audit Committee or its designated member concludes that an investigation is warranted, it shall take appropriate measures to implement a thorough investigation of the allegations. The Audit Committee shall have the authority to obtain assistance from whomever the Committee thinks appropriate, including the Company’s management, counsel or auditors, or to retain

separate outside legal or accounting expertise as it deems necessary or desirable in order to conduct the investigation.

At each quarterly meeting of the Audit Committee, the Committee will discuss the status of any ongoing investigation and review the resolution of each complaint submitted during the previous quarter, whether or not the complaint resulted in the commencement of a formal investigation.

III. Corrective Action

The Audit Committee is ultimately responsible for determining the validity of each complaint and fashioning, with the input of its advisors and Company management, if requested, the appropriate corrective action. The Committee shall report any legal or regulatory noncompliance to Company management and ensure that management takes corrective action including, where appropriate, reporting any violation to relevant governmental authorities.

Where possible and when determined to be appropriate by the Audit Committee, notice of any such corrective measures will be given to the person who submitted the concern regarding an Accounting Matter.

Any director, officer, or employee deemed to have violated any law, rule or regulation, or any internal policy regarding Accounting Matters, may be subject to disciplinary action, up to and including termination.

IV. No Retaliation

Employees should feel confident to report violations as described above or to assist in investigations of such alleged violations. It is the Company's policy to seek to ensure that you can communicate freely in respect of matters covered by this policy and be protected from any form of penalty or adverse employment consequence, including discharge, suspension, demotion or transfer, harassment or discrimination ("**retaliation**"). Every employee who makes a complaint in good faith regarding a perceived violation under this policy will be protected against any retaliation. Any director, officer or employee who retaliates against someone who has reported a violation in good faith under this policy will be subject to discipline up to and including termination. This policy is intended to encourage and enable employees and others to raise serious concerns within the Company for proper resolution.

If any employee believes he or she has been subjected to any reprisal by the Company or by any of its directors, officers, employees or other agents thereof for making a report under this policy, he or she may file a complaint with the Chair of the Audit Committee by following the procedures set forth above.

Anyone filing a complaint under this policy must be acting in good faith and have an honest belief that the complaint is well-founded, including a reasonable factual or other basis. Any complaints based on allegations that are without basis cannot be substantiated, and complaints that are proven to be intentionally misleading or malicious will be viewed as a serious offense.

V. Retention of Complaints and Documents

The Audit Committee shall retain all records relating to any Accounting Matter and to the investigation of any such matter for a period judged to be appropriate based upon the merits of the submission. The types of records to be retained by the Audit Committee shall include records of all steps taken in connection with the investigation and the results of any such investigation.

It is illegal and against the Company's policy to destroy any corporate audit or other records that may be subject to or related to an investigation by the Company or any federal, provincial, state or regulatory body.

VI. Compliance with this Policy

All employees must follow the procedures outlined in this policy and cooperate with any investigation initiated pursuant to this policy. Adhering to this policy is a condition of employment. The Company must have the opportunity to investigate and remedy any alleged violations or employee concerns, and each employee must ensure that the Company has an opportunity to undertake such an investigation.

This policy does not constitute a contractual commitment of the Company. This policy should not be construed as preventing, limiting, or delaying the Company from taking disciplinary action against any individual, up to and including termination, in circumstances (such as, but not limited to, those involving problems of performance, conduct, attitude or demeanor) where the Company deems disciplinary action appropriate.

No provision of this policy is intended to give rise to civil liability to security holders of the Company.