



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

**to be held on**

**June 21, 2023**

**May 11, 2023**



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

## LETTER TO SHAREHOLDERS

May 11, 2023

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 the annual general and special meeting of the holders of common shares of DIV (the “**shareholders**”), which is scheduled to convene at 9:00 a.m. (Vancouver time) on Wednesday, June 21, 2023 at the offices of Farris LLP, located at the 25<sup>th</sup> Floor of 700 West Georgia Street, Vancouver, British Columbia (the “**Meeting**”).

2022 was a record year for DIV in terms of adjusted revenues<sup>1</sup>. Mr. Lube, our largest royalty partner, continued to produce strong results for the year. Both Mr. Mikes and Oxford Learning achieved a full recovery to above pre-pandemic levels, while Sutton and Nurse Next Door continue to make their fixed-growth royalty payments. After an encouraging start to 2022, in July AIR MILES® announced the loss of Sobey’s as a loyalty partner, and the impact of that loss has been felt since Q3 2022.

On March 30, 2022, the Corporation closed its bought deal public offering of \$52.5 million aggregate principal amount of convertible unsecured subordinated debentures due June 30, 2027. The proceeds of that offering, along with cash on hand, were used on May 4, 2022 to partially redeem \$52.5 million of DIV’s then outstanding \$57.5 million aggregate principal amount of convertible unsecured subordinated debentures due December 31, 2022, and on December 20, 2022 the remaining balance of such prior series of debentures was fully redeemed using cash on hand.

Further, in November 2022, we closed our trademark acquisition and royalty agreement with Stratus, representing our first royalty stream based primarily in the United States and the seventh royalty stream in our portfolio. In connection with the acquisition, DIV completed a \$46.0 million bought deal public offering of common shares. The completion of our first US based royalty transaction was a significant positive development and DIV is focusing its acquisition efforts on the US market.

In addition, there were two increases to our dividend during the past year, first from \$0.22 per share to \$0.235 per share on an annualized basis, followed by an increase to \$0.24 per share on an annualized basis, effective with the October 2022 and January 2023 monthly dividends, respectively. The Board and Management continue to focus on the creation of sustainable long-term shareholder value and believe the Corporation is well positioned for continued growth in 2023 with DIV’s largest royalty partner, Mr. Lube, leading the way.

We were pleased to present our inaugural Environmental, Social and Governance (“ESG”) Report, formalizing our ESG efforts and developing a clear framework and plan going forward. We are committed to embedding ESG principles to deliver risk-adjusted returns to our investors and help our royalty partners thrive in an uncertain future.

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<sup>1</sup> Adjusted revenue is a non-IFRS financial measure – See “*Non-IFRS Measures*” in the accompanying management information circular of the Corporation.

Should you have any questions for the Board or Management, the Meeting is an excellent place to raise those questions. 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 AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** an annual general and special meeting (the “**Meeting**”) of the holders of the common shares of Diversified Royalty Corp. (“**DIV**” or the “**Corporation**”) is scheduled to be held at the offices of Farris LLP, located at the 25<sup>th</sup> Floor of 700 West Georgia Street, Vancouver, British Columbia on Wednesday, June 21, 2023 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, 2022, together with the report of the auditors thereon;
2. to elect directors of the Corporation for the ensuing year;
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;
4. to consider and, if thought advisable, to pass an ordinary resolution for the renewal and amendment and restatement of the Corporation’s Amended and Restated Stock Option Plan, all as more particularly described in, and subject to the management information circular of the Corporation dated May 11, 2023 (the “**Circular**”), the full text of which resolution is included as Schedule C to the Circular;
5. to consider and, if thought advisable, to pass an ordinary resolution for the renewal and amendment and restatement of the Corporation’s Amended and Restated Long Term Incentive Plan, as more particularly described in, and subject to the Circular, the full text of which resolution is included as Schedule D to the Circular; and
6. to consider and, if thought advisable, to pass an ordinary resolution to amend the Articles of the Corporation to (i) revise the quorum requirement for meetings of shareholders of the Corporation to two or more persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 10% (currently 25%) of the issued shares entitled to vote at the meeting, and (ii) to make certain administrative amendments of a non-material nature, as more particularly described in, and subject to the Circular, the full text of which resolution is included as Schedule E to the Circular.

Accompanying this Notice of Meeting are: (1) the Circular; (2) a form of proxy if you are a Registered Shareholder (as defined in the Circular under the heading “*General Proxy Information – Registered Shareholders*”), 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.

Registered Shareholders and duly appointed proxyholders can attend the Meeting in person where they can participate, vote, or submit questions.

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

Monday, June 19, 2023 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.**

Vancouver, British Columbia  
**May 11, 2023**

By Order of the Board

*“Sean Morrison”*

**Sean Morrison**

President & Chief Executive Officer

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**DIVERSIFIED ROYALTY CORP.**

**MANAGEMENT INFORMATION CIRCULAR**

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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 and special meeting (the “Meeting”) of the holders (“shareholders”) of the common shares (“DIV Shares”) of the Corporation scheduled to be held on Wednesday, June 21, 2023 at 9:00 a.m. (Vancouver time) at the offices of Farris LLP, located at the 25<sup>th</sup> Floor of 700 West Georgia Street, Vancouver, British Columbia 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 in person, where they can participate, vote, or submit questions during the Meeting.

**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 11, 2023, 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.

**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. Employees of DIV will not receive any extra compensation for such activities.



In addition, DIV has retained Laurel Hill Advisory Group (“**Laurel Hill**”) as its shareholder communications advisor and proxy solicitation agent and will pay a fee of approximately \$32,500 for these services, in addition to certain out-of-pocket expenses and ancillary costs.

### **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.**

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) mailed or 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](http://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 Monday, June 19, 2023 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 Meeting on their behalf by following the instructions set forth below. 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 personally attending the Meeting and voting his or her DIV shares.

### **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 and to vote for or against the Stock Option Plan Resolution (defined below), the LTIP Resolution (defined below) and the Article Amendment Resolution (defined below). In the absence of instructions, such persons will vote such DIV Shares 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.

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 OBOs and NOBOs.

The Corporation may utilize Broadridge’s QuickVote™ system to assist shareholders with voting their DIV Shares. Certain NOBOs may be contacted by the Corporation or Laurel Hill, which is soliciting proxies on behalf of Management, to conveniently obtain a vote directly over the phone.

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 Meeting or by way of depositing a form of proxy. If you are a Beneficial Shareholder and wish to vote in person at the 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.**

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 four ways for Registered Shareholders to vote. Registered Shareholders can vote by mail, fax, online or phone. 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 Monday, June 21, 2023** 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, 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](http://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 in person at the Meeting.

### **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: DIV is focusing its acquisition efforts on the US market; the Board and Management continue to focus on the creation of sustainable long-term shareholder value; the Board’s and Management’s belief that the Corporation is well positioned for continued growth in 2023; DIV being committed to embedding ESG principles to deliver risk-adjusted returns to its investors and help its royalty partners thrive in an uncertain future; 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 Board’s intention to identify a further independent female director nominee to put forth for election to the Board at the Corporation’s 2024 annual general meeting of shareholders; and the date by which shareholder proposals are required be delivered in respect of the 2024 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; each of the President and Chief Executive Officer and the Chief Financial Officer and VP Acquisitions will continue to be employed by the Corporation; that DIV will generate sufficient cash flows from its royalties to service its debt and pay dividends to shareholders; lenders will provide any necessary waivers required in order to allow DIV to continue to pay dividends; lenders will provide any necessary covenant waivers; the performance of the Corporation's royalty partners will be consistent with the Corporation's and its royalty partners' respective expectations; recent positive trends for certain of the Corporation's royalty partners (including their respective franchisees) will continue and not regress; government mandated COVID-19 restrictions will not be re-imposed; the business and economic conditions affecting DIV and its royalty partners will continue substantially in the ordinary course, including without limitation with respect to general industry conditions, general levels of economic activity and regulations. 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 and most recent management's discussion and analysis, a copy of each of which is available under DIV's profile on SEDAR at [www.sedar.com](http://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; the Record Date (as defined below) for the Meeting will not change; 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; the Corporation's royalty partners may not make their respective royalty payments to the Corporation, in whole or in part; the Corporation's royalty partners may request further royalty relief; the Corporation may not be successful in preserving or enhancing shareholder value or the long-term success of its royalty partners; DIV may not complete any further acquisitions in the US; DIV's ESG strategies and initiatives may not be successful; current improvement trends being experienced by certain of the Corporation's royalty partners (and their respective franchisees) may not continue and may regress; DIV will be able to make monthly dividend payments to the holders of its common shares; or DIV will achieve any of its corporate objectives. Given these uncertainties, readers are cautioned that forward-looking information included in this 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.

## **NON-IFRS FINANCIAL MEASURES**

Management believes that disclosing certain non-IFRS financial measures provides readers with important information regarding the Corporation's financial performance and its ability to pay dividends and the performance of its royalty partners. By considering these measures in combination with the most closely comparable IFRS measure, Management believes that investors are provided with additional and more useful information about the Corporation and its royalty partners than investors would have if they simply considered IFRS measures alone. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other issuers. Investors are cautioned that non-IFRS financial measures should not be construed as a substitute or an alternative to net income or cash flows from operating activities as determined in accordance with IFRS.

### ***Distributable Cash***

As described further below, a portion of the compensation paid to the Corporation's President and Chief Executive Officer, and its Chief Financial Officer is based on the distributable cash generated by the

Corporation. Distributable cash is defined as Normalized EBITDA (a non-IFRS financial measure) less interest expense on the credit facilities, less distributions on MRM Royalties Limited Partnership units held by Mr. Mikes Restaurants Corporation, less current income tax expense, plus interest income. Management believes that distributable cash provides investors with useful information about the amount of cash the Corporation has generated to cover dividends on its common shares during the applicable period. Readers should be cautioned, however, that distributable cash should not be construed as an alternative to the statement of cash flows as a measure of liquidity and cash flows of the Corporation. The Corporation's method of calculating distributable cash may differ from that of other issuers and companies and, accordingly, distributable cash may not be comparable to similar measures used by other issuers or companies.

### **Adjusted Revenue**

Adjusted revenue is reported to allow readers to assess the performance of DIV's full portfolio of royalty partners, including DIV's royalty arrangement with Nurse Next Door Professional Homecare Services Inc. on a basis consistent with the royalties received from DIV's other royalty partners. Adjusted revenue is calculated as adjusted royalty income (a non-IFRS financial measure), plus management fees. The closest comparable IFRS measure to adjusted revenue is royalty income. The Corporation's method of calculating adjusted revenue may differ from that of other issuers and companies and, accordingly, adjusted revenue may not be comparable to similar measures used by other issuers or companies.

For further details on how the Corporation determines distributable cash, Normalized EBITDA, adjusted royalty income and adjusted revenue, including a reconciliation to the closest comparable non-IFRS measure see the disclosure under the heading "*Description of Non-IFRS Financial Measures, Non-IFRS Ratios and Supplementary Financial Measures – Non-IFRS Financial Measures*" in the Corporation's most recently filed management's discussion and analysis filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### **RECORD DATE AND QUORUM**

DIV's board of directors (the "**Board**" or the "**Directors**") has set the close of business on May 9, 2023 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. Note that at the Meeting shareholders will be asked to pass the Article Amendment Resolution in order to amend the Articles of the Corporation to revise the quorum requirement. For further details, see "*Particulars of Matters to be Acted upon – Amendment to the Articles of the Corporation*" below.

Subject to the *Business Corporations Act* (British Columbia) ("**BCBCA**"), any question at the Meeting shall be decided by a show of hands, unless a ballot thereon is required or demanded by the Articles of the Corporation, and upon a show of hands every person present and entitled to vote will be entitled to one vote.

### **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, 142,707,945 DIV 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, 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 five directors. The Board believes that each of the five existing directors, all of whom are being nominated for re-election, 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.

The Board has determined, as part of its commitment to diversity, to identify a further independent female director nominee to put forth for election to the Board at the Corporation's 2024 annual general meeting of shareholders. If such further independent female director nominee is elected at the 2024 annual general meeting of shareholders, and assuming no other changes in the composition of the Board, the Board would be comprised of six independent directors following the 2024 annual general meeting, two of which would be female, representing 33% of the Board.

Notwithstanding the Board's intent to increase the representation of women on the Board, certain proxy advisory firms may provide a "withhold" recommendation for chair of the GNC Committee (currently Roger Chouinard) given that women represent less than 30% of the nominee directors to be elected to the Board at the Meeting. The Board, which is lead by its Chair, Ms. Paula Rogers, interviewed numerous female and male director candidates in accordance with DIV's Board Diversity Policy prior to nominating Roger Chouinard as an additional director in advance of the annual general meeting of shareholders held on July 7, 2022. Mr. Chouinard was determined to be the most qualified candidate as he possessed a mix of skills and experience

that the Board believed would best complement those of the then existing directors. For further with respect to DIV's Board Diversity Policy information, see "*Diversity*" in the attached Schedule A.

### **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 tests 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.

In May 2021, the Corporation entered into a services agreement and cost sharing agreement with Maxam Capital Management Ltd. ("**MCM**"), an entity in respect of which Sean Morrison, the Corporation's President and Chief Executive Officer, is a director, and Mr. Morrison and Mr. Ciampi are minority shareholders, through which the Corporation provides certain office space and certain administrative services to MCM (the "**MCM Agreements**"). The transactions under MCM Agreements are not material to the Corporation, MCM, Mr. Morrison or Mr. Ciampi and are identified in this Circular for purposes of full disclosure. The MCM Agreements do 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 – MCM Agreements*" 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 current 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, Mr. Kevin Smith, and Mr. Roger Chouinard are also independent director nominees. For further details with respect to the qualifications of each of the nominees of the Board see "*Particulars of Matters to be Acted Upon – Election of the Directors – Profile of the Board*" below.

### **BOARD-SHAREHOLDER ENGAGEMENT**

Last year all director nominees were successfully elected to the Board; however, Paula Rogers received the lowest shareholder support with approximately 78% of votes cast in favour of her election. The benchmark proxy advisor recommendations supported her election, but some institutional shareholders may have withheld votes based on their own custom voting policies.

In light of the above and as part of the Corporation's shareholder engagement process, the Corporation reached out to certain institutional shareholders to both solicit feedback about Ms. Rogers and any factors

which may have contributed to the negative votes, and to provide the shareholders with an opportunity to discuss the Corporation generally. DIV is a widely held company with a shareholder base primarily consisting of retail investors, which creates logistical challenges for any shareholder outreach, which is why DIV has focussed its specific outreach on larger institutional shareholders. One institution indicated that it did not support Ms. Roger's election in 2022 due to her serving as Chair of the Board while also serving as a director of certain other public companies, as well as gender diversity concerns in respect of the composition of the Board. Ms. Rogers is the independent Chair of the Board, and is not an executive, officer or employee of DIV. Ms. Rogers currently sits on a total of four public company boards (including DIV), in each case as an independent non-executive director, which is compliant with the guidelines of each of the leading proxy advisory firms with respect to the permissible number of boards any one director may serve on. In addition, as noted above, as part of the Board's commitment to diversity, the Board intends to identify a further independent female director nominee to put forth for election to the Board at the Corporation's 2024 annual general meeting of shareholders.

The Board and management continue to support the election of Ms. Rogers to the Board because of the tremendous expertise, value, and independent leadership that she brings to the Corporation. The Corporation looks forward to an ongoing dialogue with its shareholders and encourages shareholders to continue to reach out with any questions or concerns

## **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 where conflicts of interest may arise. No *ad hoc* committees were formed in 2022.

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

### **AUDIT COMMITTEE**

#### **Composition of the Audit Committee**

The Audit Committee is currently composed of Mr. Kevin Smith (Chair), Mr. Garry Herdler and Ms. Paula Rogers, each of whom is independent. Between January 1, 2022 and December 31, 2022, 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 9, 2023 under the heading "*Audit Committee Information*", a copy of which annual information form is available on under DIV's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The full text of the charter of the Audit Committee is attached as Schedule A to the annual information form.

### **INVESTMENT COMMITTEE**

#### **Composition of the Investment Committee**

The Investment Committee is currently composed of Mr. Garry Herdler (Chair), Mr. Johnny Ciampi and Mr. Kevin Smith. 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. Between January 1, 2022 and December 31, 2022, the Investment Committee met five times.



## **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 Duties 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 shall:

1. review, consider, evaluate, provide input to Management (including prioritization between alternate opportunities, transaction structuring and due diligence considerations (including consideration of all environmental, social, governance and sustainability considerations in accordance with the Environmental, Social and Governance Policy of the Corporation (the “**ESG Policy**”)) 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 and recommend to the Board approval or rejection of any proposed change in the Corporation’s dividend policy in connection therewith;
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 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, disposition and financing activities in items (1) through (4);
6. provide oversight of Management’s implementation of the ESG Policy in respect of potential acquisitions and dispositions; 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 or approve, or has provided recommendation in respect of.

## **GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE**

### **Composition of the GNC Committee**

The GNC Committee is currently composed of Mr. Roger Chouinard (Chair), Ms. Paula Rogers and Mr. Garry Herdler. Between January 1, 2022 and December 31, 2022, the GNC Committee met three times.

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 and recommend to the Board the compensation of the Board 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, skills and diversity; 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; and to oversee the evaluation of the Board and Management; and
3. to take such other actions within the scope of the Charter of the GNC Committee as the GNC Committee deems necessary or appropriate.

### **Committee Authority and Responsibilities**

#### ***Human Resources and Compensation Responsibilities***

1. Compensation Objectives. Review and approve 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 is 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 his/her 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 make 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 Amended and Restated Stock Option Plan, Amended and Restated Long Term Incentive Plan 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 of the Corporation 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 independence and the range of skills and expertise that should be represented on the Board).
2. When searching for and evaluating potential Board candidates, the GNC Committee assesses 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, are considered in accordance with the Corporation's 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 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 recommends 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.
6. The GNC Committee considers candidates for appointment as Board Chair or lead independent director (if there is one in place) and makes recommendations to the Board in respect thereof as required from time to time.

## **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:

1. the adequacy of the Corporation's corporate governance principles and policies, including developing and recommending to the Board for adoption additional or revised principles and policies as appropriate, including an annual review of the Corporation's Board manual;
2. 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;
3. oversight of the evaluation of the Board and Management;
4. 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;
5. 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;
6. appropriate committee structure and the mandates, composition and membership of each committee of the Board;
7. an appropriate orientation and education program for new members of the Board;
8. a retirement tenure policy for members of the Board and any modifications or exceptions thereto;
9. procedures to enable directors or committees of directors to engage special advisors at the expense of the Corporation in appropriate circumstances;
10. the GNC Committee reviews and, after making any modifications deemed necessary by the GNC Committee, approves the annual report prepared by Management of the Corporation on the corporate governance practices of the Corporation for inclusion in the Corporation's information circular;
11. reviews and oversees, on behalf of the Board, Management's implementation the Corporation's overall approach with respect to environmental, social and governance (ESG) matters, including:
  - a. reviewing and discussing with Management the Corporation's integration of ESG policies, practices and goals into its business strategy and decision making, including monitoring such policies, practices and goals of the Corporation's royalty partners;
  - b. overseeing Management's implementation of the Corporation's ESG Policy; and
  - c. reviewing annually the Corporation's ESG Policy and making recommendations to the Board with respect to any amendments thereto;
12. reviewing annually the Corporation's directors' and officers' third party liability insurance coverage and making recommendations to Management with respect to the renewal or variation thereof; and

13. ensuring that the Corporation has a published code of conduct (currently the Code of Business Conduct and Ethics), monitoring the application of the Code of Business Conduct and Ethics, and ensuring that any waivers from the Code of Business Conduct and Ethics that are granted for the benefit of the Corporation's Board members or executive officers are only granted by the Board or the GNC Committee.

## **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***

The Corporation's compensation programs are designed to attract and retain the talent needed for its 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 long-term success.

#### ***Compensation Mix***

For the fiscal year ended December 31, 2022, compensation of executive officers was mainly comprised of fixed salaries, short term cash bonuses, and certain option-based compensation and share-based compensation described earlier in this section and below under "*– President and Chief Executive Officer*" and "*– Chief Financial Officer and VP Acquisitions*".

#### ***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 completed in 2021, the GNC Committee retained Lane Caputo Compensation Inc. ("**Lane Caputo**") to review, among other things, the then existing, and then proposed new, compensation arrangements with the President and Chief Executive Officer and to determine the reasonability 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, which is a non-IFRS financial measure (see "*Non-IFRS Financial Measures*" above), 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 the 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 the Board also considered the Corporation's unique organizational structure, in that it only had, at the time of the analysis, 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 in May 2021 that:

1. The annual base salary paid to Mr. Morrison be increased by \$45,000 to \$345,000 (which amount remained well below the median base salary relative to the Corporation's peer group, which the GNC Committee considered 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 is 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 such annual grants having been made on May 6, 2021, January 1, 2022 and January 1, 2023, respectively), the GNC Committee and the 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 at the time of the analysis).

For further details with respect to the Amended and Restated CEO Employment Agreement, see "*Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts – 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 completed in 2021, the GNC Committee retained Lane Caputo to review, among other things, the then existing, and then proposed new, compensation arrangements with the Chief Financial Officer and VP Acquisitions and to determine the reasonability 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 the Board sought to align Mr. Gutmanis' compensation package with that of the President and Chief Executive Officer. The GNC Committee and the Board also considered the Corporation's unique organizational structure, in that it only had three employees, at the time of the analysis, 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 in May 2021 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 paragraphs 3 and 4 above (with such annual grants having been made on May 6, 2021, January 1, 2022 and January 1, 2023, respectively), the GNC Committee and the Board considered the one-time option and RSU grants made to Mr. Gutmanis in 2017 and 2018, 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 at the time of the analysis).

For further details with respect to the Amended and Restated CFO Employment Agreement, see *“Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts – 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 the Board with a mandate to, among other things:

- suggest updates 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 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 former 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.

<b>2021 Peer Group</b>	<b>2017 Peer Group</b>
Abitibi Royalties Inc.	Abitibi Royalties Inc.
Alaris Equity Partners Income Trust	Alaris Royalty Corp.
Altius Minerals Corp.	Clairvest Group Inc.
Clairvest Group Inc.	Crown Capital Partners Inc.
Crown Capital Partners Inc.	EMX Royalty Corp.
EMX Royalty Corp.	Founders Advantage Capital Corp.
Freehold Royalties Ltd.	Input Capital Corp.
Maverix Metals Inc.	Sandstorm Gold Ltd.
Metalla Royalty & Streaming 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 former 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 former Corporate Controller's employment agreement. For

further details with respect to the revised compensation arrangements, see “– Executive Compensation – President and Chief Executive Officer” and “– Executive Compensation – Chief Financial Officer and VP Acquisitions”. Note that this Circular does not include detailed compensation discussion and analysis with respect to the former Corporate Controller’s compensation given the former 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 2021, 2022 and 2023 to-date.

<b>Services Performed</b>	<b>Fees Paid in 2021</b>	<b>Fees Paid in 2022 to date</b>	<b>Fees Paid in 2023 to date</b>
Executive Compensation-Related Fees <sup>(1)</sup>	\$36,152	Nil	Nil
All Other Fees	Nil	Nil	Nil

(1) Amounts exclude taxes paid.

## **Securities-Based Compensation**

### ***Outstanding Securities-Based Compensation***

As of May 11, 2023, there were 2,375,001 outstanding stock options that were issued under the Corporation’s Stock Option Plan, with exercise prices ranging from \$2.52 to \$3.00 per DIV Share and 879,542 RSUs outstanding that were issued under the Corporation’s LTIP (as defined below), which vest between May 21, 2023 and March 17, 2026 in the form of 879,542 DIV Shares or cash. During the 2022 fiscal year: (i) 8,871 RSUs were issued to certain directors of the Corporation in lieu of compensation otherwise payable in cash, all of which will vest on May 18, 2024; (ii) 34,751 RSUs were issued to certain directors of the Corporation in lieu of compensation otherwise payable in cash, all of which will vest on March 10, 2025; (iii) 74,143 RSUs were issued to certain directors as part of the annual RSU grant awarded to directors as partial compensation for their service as directors, all of which will vest on May 18, 2025; (iv) 73,590 RSUs were issued to the President and Chief Executive Officer, and Chief Financial Officer and VP Acquisitions as part of an annual RSU grant pursuant to their revised employment agreements, all of which vested on December 15, 2022; (v) 73,590 RSUs were issued to the President and Chief Executive Officer, and Chief Financial Officer and VP Acquisitions as part of an annual RSU grant pursuant to their revised employment agreements, all of which vest on December 15, 2023; (vi) 73,590 RSUs were issued to the President and Chief Executive Officer, and Chief Financial Officer and VP Acquisitions as part of an annual RSU grant pursuant to their revised employment agreements, all of which vest on December 15, 2024; (vii) 52,959 RSUs were issued as dividend equivalents to directors and officers over the course of the 2022 fiscal year; (viii) 126,349 RSUs were settled net of withholding taxes for 81,582 DIV Shares; and (ix) 167,208 RSUs were settled net of withholding taxes for \$237,158 in cash.

### ***Grants of Securities-Based Compensation During the Year Ended December 31, 2022***

On January 1, 2022, the Board approved the grant to Management of the following awards pursuant to the terms of the Amended and Restated CEO Employment Agreement (as defined below) and the terms of the Amended and Restated CFO Employment Agreement (as defined below): (i) an aggregate of 220,769 RSUs having a grant date fair value of \$2.8027 per RSU, which RSUs 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 791,667 stock options having an exercise price of \$2.8027 per underlying DIV Share, which stock options vest over three years and expire on the fifth anniversary of the grant date, which grants are included in the figures in the immediately preceding paragraph. 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 (the “TSX”) ending on the date prior to the grant date. From these grants, the President and Chief Executive Officer

and Chief Financial Officer and VP Acquisitions received: (i) 167,249 and 53,520 RSUs, respectively; and (ii) 666,667 and 125,000 stock options, respectively. See “– *Executive Compensation – President and Chief Executive Officer*” and “– *Executive Compensation – Chief Financial Officer and VP Acquisitions*” and “– *Executive Compensation – Compensation Consultant*” for further details with respect to these grants.

### ***Grants of Securities-Based Compensation Following the Year Ended December 31, 2022***

On January 1, 2023, the Board approved the grant to Management of the following awards pursuant to the terms of the Amended and Restated CEO Employment Agreement and the terms of the Amended and Restated CFO Employment Agreement: (i) an aggregate of 206,058 RSUs having a grant date fair value of \$3.0028 per RSU, which RSUs 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 791,667 stock options having an exercise price of \$3.0028 per underlying DIV Share, which stock options vest over three years and expire on the fifth anniversary of the grant date, which grants are included in the figures in the immediately preceding paragraph. 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 TSX ending on the date prior to the grant date. From these grants, the President and Chief Executive Officer and Chief Financial Officer and VP Acquisitions received: (i) 156,104 and 49,953 RSUs, respectively; and (ii) 666,667 and 125,000 stock options, respectively. See “– *Executive Compensation – President and Chief Executive Officer*” and “– *Executive Compensation – Chief Financial Officer and VP Acquisitions*” and “– *Executive Compensation – Compensation Consultant*” for further details with respect to these recent grants.

### **Anti-Hedging Policy**

The Board has determined that it is inappropriate for directors and senior Management 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 “*Report of the GNC Committee on Human Resources and Compensation*” in this Circular.

## SUMMARY COMPENSATION TABLE FOR NAMED EXECUTIVE OFFICERS

The following table sets forth all compensation paid in the years ended December 31, 2022, 2021 and 2020 to individuals who were NEOs during the year ended December 31, 2022.

Name and principal position	Year				Non-equity incentive plan compensation (\$)				
		Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Annual incentive plans	Long-term incentive plans	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Sean Morrison President and Chief Executive Officer <sup>(1)</sup>	2022	345,000	468,750 <sup>(2)</sup>	256,471 <sup>(7)</sup>	767,444 <sup>(3)</sup>	Nil	Nil	74,109 <sup>(4)</sup>	1,911,774
	2021	345,000	468,750 <sup>(2)</sup>	212,114 <sup>(7)</sup>	662,843 <sup>(3)</sup>	Nil	Nil	76,423 <sup>(4)</sup>	1,765,130
	2020	300,000	Nil	Nil	648,211 <sup>(3)</sup>	Nil	Nil	164,736 <sup>(4)</sup>	1,112,947
Greg Gutmanis Chief Financial Officer and VP Acquisitions <sup>(5)</sup>	2022	300,000	150,000 <sup>(6)</sup>	48,088 <sup>(8)</sup>	201,393 <sup>(9)</sup>	Nil	Nil	55,458 <sup>(10)</sup>	754,939
	2021	300,000	97,031 <sup>(6)</sup>	39,771 <sup>(8)</sup>	109,945 <sup>(9)</sup>	Nil	Nil	51,419 <sup>(10)</sup>	598,166
	2020	298,276	Nil	Nil	131,439 <sup>(9)</sup>	Nil	Nil	61,478 <sup>(10)</sup>	491,193

- (1) Various changes were made to the President and Chief Executive Officer's compensation arrangements in 2021. For a summary of those changes see the above discussion under the heading "Report of the GNC Committee on Human Resources and Compensation – Executive Compensation – President and Chief Executive Officer".
- (2) The Corporation granted 167,249 RSUs to Mr. Morrison on January 1, 2022 at a grant date fair value of \$2.80 per RSU for total consideration of \$468,750. The Corporation granted 185,938 RSUs to Mr. Morrison on May 6, 2021 at a grant date fair value of \$2.52 per RSU for total consideration of \$468,750. In each case, the grant date fair value was determined with reference to the volume weighted average trading price ("VWAP") of DIV's shares on the TSX for the five trading days ending on the date prior to the grant date.
- (3) The Corporation paid Mr. Morrison an aggregate bonus of \$767,444 in respect of performance related to the 2022 fiscal year pursuant to the current formulation of the Morrison Incentive Amount and the Distributable Cash Incentive Amount under the Amended and Restated CEO Employment Agreement. The Corporation paid Mr. Morrison an aggregate bonus of \$662,843 in respect of performance related to the 2021 fiscal year pursuant to the current formulation of the Morrison Incentive Amount and the Distributable Cash Incentive Amount under the Amended and Restated CEO Employment Agreement. Mr. Morrison agreed to receive \$98,581 of the Morrison Incentive Amount earned in 2021 in the form of RSUs. The Corporation paid Mr. Morrison a bonus of \$648,211 in respect of performance related to the 2020 fiscal year under the previous formulation of the Morrison Incentive Amount (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 agreed by Mr. Morrison to be settled in RSUs. For a description of the Morrison Incentive Amount as has been modified by the Amended and Restated CEO Employment Agreement and the Distributable Cash Incentive Amount, see "Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts – Sean Morrison" below.
- (4) Other compensation in 2022 was composed of a health and welfare benefit allowance of \$30,000, dividends accrued on RSUs then held by Mr. Morrison of \$39,620, and a parking allowance of \$4,489. Other compensation in 2021 was composed of a health and welfare benefit allowance of \$30,000, dividends accrued on RSUs then held by Mr. Morrison of \$41,605, and a parking allowance of \$4,818. Other compensation in 2020 was composed of a health and welfare benefit allowance of \$30,000, dividends accrued on RSUs then held by Mr. Morrison of \$130,025, and a parking allowance of \$4,711. For clarity, the dividends accrued on RSUs have been settled in a combination of cash and DIV Shares, and are calculated at an average price per share of \$2.78 for 2022, \$2.61 for 2021 and \$1.94 for 2020.
- (5) Various changes were made to the Chief Financial Officer and VP Acquisitions compensation arrangements in 2021. For a summary of these changes see the above discussion under "Report of the GNC Committee on Human Resources and Compensation – Executive Compensation – Chief Financial Officer and VP Acquisitions".
- (6) The Corporation granted 53,520 RSUs to Mr. Gutmanis on January 1, 2022 at a grant date fair value of \$2.80 per RSU for total consideration of \$150,000. The Corporation granted 38,489 RSUs to Mr. Gutmanis on May 6, 2021 at a grant date fair value of \$2.52 per RSU for total consideration of \$97,031. In each case, the grant date fair value was determined with reference to the VWAP of DIV's shares on the TSX for the five trading days ending on the date prior to the grant date.
- (7) The Corporation granted 666,667 stock options to Mr. Morrison on January 1, 2022. The grant date fair value was determined using the Black-Scholes Option Pricing Model, using the following assumptions: a term of five years; volatility of 34.3%; dividend yield of 7.75%; and risk-free interest rate of 1.39%. The Corporation granted 666,667 stock options to Mr. Morrison on May 6, 2021. The grant date fair value was determined using the Black-Scholes Option Pricing Model, using the following assumptions: a term of five years; volatility of 34%; dividend yield of 7.9%; and risk-free interest rate of 0.91%.
- (8) The Corporation granted 125,000 stock options to Mr. Gutmanis on January 1, 2022. The grant date fair value was determined using the Black-Scholes Option Pricing Model, using the following assumptions: a term of five years; volatility of 34.3%; dividend yield of 7.75%; and risk-free interest rate of 1.39%. The Corporation granted 125,000 stock options to Mr. Gutmanis on May 6, 2021. The grant date fair value was determined using the Black-Scholes Option Pricing Model, using the following assumptions: a term of five years; volatility of 34%; dividend yield of 7.9%; and risk-free interest rate of 0.91%.
- (9) The Corporation paid Mr. Gutmanis a cash bonus of \$121,393 in respect of performance related to the 2022 fiscal year pursuant to the current formulation of the Gutmanis Incentive Amount under the Amended and Restated CFO Employment Agreement. In addition, the Corporation paid Mr. Gutmanis a discretionary cash bonus of \$80,000 in 2022. The Corporation paid Mr. Gutmanis a cash bonus of \$109,945 in respect of performance related to the 2021 fiscal year pursuant to the current formulation of the Gutmanis Incentive Amount under the Amended and Restated CFO Employment Agreement. The Corporation paid Mr. Gutmanis a cash bonus of \$86,439 in respect of performance related to the 2020 fiscal year under the previous formulation of the Gutmanis Incentive Amount (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 "*Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts – Greg Gutmanis*" below.

- (10) Other compensation in 2022 was composed of a health and welfare benefit allowance of \$30,000, dividends accrued on RSUs then held by Mr. Gutmanis of \$11,765, and a parking allowance of \$4,453. Other compensation in 2021 was composed of a health and welfare benefit allowance of \$30,000, dividends accrued on RSUs then held by Mr. Gutmanis of \$16,601, and a parking allowance of \$4,818. Other compensation in 2020 was composed of a health and welfare benefit allowance of \$30,000, dividends accrued on RSUs then held by Mr. Gutmanis of \$26,767, and a parking allowance of \$4,711. For clarity, the dividends accrued on RSUs have been settled in a combination of cash and DIV Shares, and are calculated at an average price per share of \$2.78 for 2022, \$2.61 for 2021 and \$1.96 for 2020.

## TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

### 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 "*Report of the GNC Committee on Human Resources and Compensation – Executive Compensation – 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 certain of the terms of the Amended and Restated 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, 2022 and 2023, issued at market price, vesting in equal tranches over three years and having a term of five years (with such annual grants having been made on May 6, 2021, January 1, 2022 and January 1, 2023); and
- (d) an annual grant under the LTIP of \$468,750 of RSUs in 2021, 2022 and 2023 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 such annual grants having been made on May 6, 2021, January 1, 2022 and January 1, 2023).

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, 2022 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 <sup>(1)</sup>	1,543,041	1,543,041
RSUs <sup>(2)</sup>	568,975	568,975
Stock options	244,444 <sup>(3)</sup>	426,667 <sup>(3)</sup>

- (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 190,931 outstanding RSUs at December 31, 2022, which would immediately vest and would be exchanged for 190,931 DIV Shares, by the closing price of the DIV Shares on the TSX of \$2.98 on December 31, 2022.
- (3) At December 31, 2022, Mr. Morrison had 666,667 outstanding stock options at a strike price of \$2.52 per stock option, of which 444,444 options had vested, and 666,667 outstanding stock options at a strike price of \$2.80 per stock option, of which 222,222 options had vested. In the case of a termination without cause only those options that had already vested would be exercisable, therefore the value of options was \$244,444 (calculated as the sum of (i) the closing price on December 31, 2022 of \$2.98 minus the strike price of \$2.52, multiplied by 444,444 vested options exercisable at such price, and (ii) the closing price on December 31, 2022 of \$2.98 minus the strike price of \$2.80, multiplied by 222,222 vested options exercisable at such price). In the case of a termination without cause in connection with a change in control, all of the options would immediately vest and be exercisable upon such termination, therefore the value of options was \$426,667 (calculated as the sum of (i) the closing price on December 31, 2022 of

\$2.98 minus the strike price of \$2.52, multiplied by 666,667 options exercisable at such price, and (ii) the closing price on December 31, 2022 of \$2.98 minus the strike price of \$2.80, multiplied by 666,667 vested options exercisable at such price).

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 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 and VP Acquisitions since September 1, 2015. Mr. Gutmanis is employed by the Corporation pursuant to the Amended and Restated CFO Employment Agreement (see "*Report of the GNC Committee on Human Resources and Compensation – Executive Compensation – 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 certain of the terms of the Amended and Restated 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 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, 2022 and 2023, issued at market price on the grant date, vesting in equal tranches over three years and having a term of five years (with such grants having been made on May 6, 2021, January 1, 2022 and January 1, 2023); and
- (c) an annual grant under the LTIP of \$97,031 of RSUs in 2021 and \$150,000 in 2022 and 2023 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 such grants having been made on May 6, 2021, January 1, 2022 and January 1, 2023).

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 (B) 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, 2022 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 <sup>(1)</sup>	385,760	385,760
RSUs <sup>(2)</sup>	169,501	169,501
Options	45,834 <sup>(3)</sup>	79,538 <sup>(3)</sup>

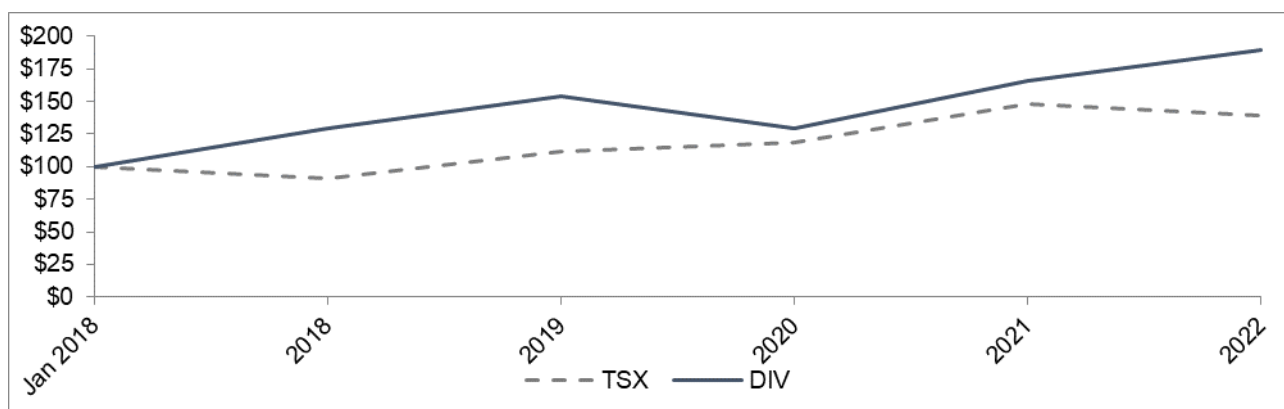
- (1) The determination of the Gutmanis Incentive Amount requires assumptions to be made related to, among other things, the Corporation's forecasted revenues and distributable cash. If any of the assumptions underlying the calculation of the Gutmanis Incentive Amount prove to be incorrect, the amount 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 56,879 outstanding RSUs at December 31, 2022, which would immediately vest and would be exchanged for 56,879 DIV Shares, by the closing price of the DIV Shares on the TSX of \$2.98 on December 31, 2022.
- (3) At December 31, 2022, Mr. Gutmanis had 125,000 outstanding stock options at a strike price of \$2.52 per stock option, of which 83,334 options had vested, and 125,000 outstanding stock options at a strike price of \$2.80 per stock option, of which 41,667 options had vested. In the case of a termination without cause only those options that had already vested would be exercisable, therefore the value of options was \$45,834 (calculated as the sum of (i) the closing price on December 31, 2022 of \$2.98 minus the strike price of \$2.52, multiplied by 83,334 vested options exercisable at such price, and (ii) the closing price on December 31, 2022 of \$2.98 minus the strike price of \$2.80, multiplied by 41,667 vested options exercisable at such price). In the case of a termination without cause in connection with a change in control, all of the options would immediately vest and be exercisable upon such termination, therefore the value of options was \$79,538 (calculated as the sum of (i) the closing price on December 31, 2022 of \$2.98 minus the strike price of \$2.52, multiplied by 125,000 options exercisable at such price, and (ii) the closing price on December 31, 2022 of \$2.98 minus the strike price of \$2.80, multiplied by 125,000 vested options exercisable at such price).

## 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, 2018 to December 31, 2022 (assuming reinvestment of dividends). During the period, the total cumulative shareholder return for \$100 invested in DIV

Shares was 89% (or an ending investment of \$189) as compared to 39% (or an ending investment of \$139) 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, 2022 for each individual who was an NEO during the year ended December 31, 2022.

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	666,667	2.52	05/06/26	306,667 <sup>(1)</sup>	190,931	568,975 <sup>(2)</sup>	2,509 <sup>(3)</sup>
	666,667	2.80	01/01/27	120,000 <sup>(4)</sup>	N/A	N/A	N/A
Greg Gutmanis Chief Financial Officer	125,000	2.52	05/06/26	57,500 <sup>(5)</sup>	56,879	169,501 <sup>(6)</sup>	722 <sup>(7)</sup>
	125,000	2.80	01/01/27	22,500 <sup>(8)</sup>	N/A	N/A	N/A

- (1) The closing price of the DIV Shares on the TSX of \$2.98 on December 31, 2022 was higher than the strike price of \$2.52 per stock option, therefore the value of the 666,667 unexercised in-the-money options (of which only 444,444 had vested) was \$306,667.
- (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 had not vested (being the 190,931 RSUs held by Mr. Morrison as of December 31, 2022) by the closing price of the DIV Shares on the TSX of \$2.98 on December 31, 2022.
- (3) The market value of the DIV share-based awards that have vested but not paid out on December 31, 2022 was calculated by multiplying the number of share-based awards that had vested (842 RSUs) by the closing price of the DIV Shares on the TSX of \$2.98 on December 31, 2022.
- (4) The closing price of the DIV Shares on the TSX of \$2.98 on December 31, 2022 was higher than the strike price of \$2.80 per stock option, therefore the value of the 666,667 unexercised in-the-money options (of which only 222,222 had vested) was \$120,000.
- (5) The closing price of the DIV Shares on the TSX of \$2.98 on December 31, 2022 was higher than the strike price of \$2.52 per stock option, therefore the value of the 125,000 unexercised in-the-money options (of which only 83,334 had vested) was \$57,500.
- (6) The market value of the DIV share-based awards that have not vested was calculated by multiplying the number of share-based awards that had not vested (being the 56,879 RSUs held by Mr. Gutmanis as of December 31, 2022) by the closing price of the DIV Shares on the TSX of \$2.98 on December 31, 2022.

- (7) The market value of the DIV share-based awards that have vested but not paid out on December 31, 2022 was calculated by multiplying the number of share-based awards that had vested (242 RSUs) by the closing price of the DIV Shares on the TSX of \$2.98 on December 31, 2022.
- (8) The closing price of the DIV Shares on the TSX of \$2.98 on December 31, 2022 was higher than the strike price of \$2.80 per stock option, therefore the value of the 125,000 unexercised in-the-money options (of which only 41,667 had vested) was \$22,500.

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, 2022.

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	142,222 <sup>(1)</sup>	605,622 <sup>(2)</sup>	767,444 <sup>(3)</sup>
Greg Gutmanis Chief Financial Officer	26,667 <sup>(4)</sup>	112,807 <sup>(5)</sup>	201,393 <sup>(6)</sup>

- (1) The market value was calculated as the sum of: (i) the value of the 222,222 unexercised in-the-money options with a strike price of 2.52 that vested during the year ended December 31, 2022 of \$102,222, and (ii) the value of the 222,222 unexercised in-the-money options with a strike price of 2.80 that vested during the year ended December 31, 2022 of \$40,000.
- (2) The market value was calculated as the sum of: (i) 64,323 RSUs that vested multiplied by the closing price of the DIV Shares on the TSX of \$3.32 on April 1, 2022; and (ii) 130,690 RSUs that vested multiplied by the closing price of the DIV Shares on the TSX of \$3.00 on December 15, 2022.
- (3) The Corporation paid Mr. Morrison an aggregate bonus of \$767,444 in respect of performance related to the 2022 fiscal year pursuant to the current formulation of the Morrison Incentive Amount and the Distributable Cash Incentive Amount under the Amended and Restated CEO Employment Agreement. For a description of the Morrison Incentive Amount as has been modified by the Amended and Restated CEO Employment Agreement and the Distributable Cash Incentive Amount, see “*Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts – Sean Morrison*” above.
- (4) The market value was calculated as the sum of (i) the value of the 41,667 unexercised in-the-money options with a strike price of 2.52 that vested during the year ended December 31, 2022 of \$19,167, and (ii) the value of the 41,667 unexercised in-the-money options with a strike price of 2.80 that vested during the year ended December 31, 2022 of \$7,500.
- (5) The market value was calculated as the product of the 37,602 RSUs that vested multiplied by the closing price of the DIV Shares on the TSX of \$3.00 on December 15, 2022.
- (6) The Corporation paid Mr. Gutmanis an aggregate bonus of \$121,393 in respect of performance related to the 2022 fiscal year pursuant to the current formulation of the Gutmanis Incentive Amount under the Amended and Restated CFO Employment Agreement plus an additional \$80,000 discretionary bonus. For a description of the Gutmanis Incentive Amount as has been modified by the Amended and Restated CFO Employment Agreement, see “*Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts – 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 Corporation is seeking approval from shareholders at the Meeting for the renewal and amendment and restatement of the Stock Option Plan and all unallocated awards, subject to certain amendments. See “*Particulars of Matters to be Acted Upon – Renewal and Amendment and Restatement of the Stock Option*”.

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 11, 2023: (i) up to 2,375,001 DIV Shares were issuable upon the exercise of outstanding stock options granted under the Stock Option Plan, representing 1.7% of the issued and outstanding DIV Shares on a non-diluted basis; and (ii) 6,735,013 DIV Shares remained eligible to be issued under the Stock Option Plan representing 4.7% 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 insider, the aggregate number of DIV Shares that may be issued within a one year period may not exceed 5% of the DIV Shares outstanding at the time of the issuance (on a non-diluted basis); (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 (on a non-diluted basis); and (iii) the number of DIV shares issued 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 (on a non-diluted basis). 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 (on a non-diluted basis), 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 vest and 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 at the time of the grant. 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:

- (a) 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;
- (b) 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;
- (c) 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;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) 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;
- (h) changing any terms relating to the administration of the Stock Option Plan; and
- (i) 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:

- (a) 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;
- (b) any reduction in the option price of an outstanding option or exercise price of SARs;
- (c) 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)), or any amendment to permit the grant of an option with an expiry date of more than ten years from the date the option is granted (except for in accordance with subsection 2.3.9 of the Stock Option Plan in respect of a Blackout Period);

- (d) 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;
- (e) 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;
- (f) providing for the granting of equity based kinds of awards under the Stock Option Plan;
- (g) changes to the insider participation limits in subsections 1.5.1, 1.5.2 and 1.5.3 which would result in shareholder approval to be required by the TSX on a disinterested basis;
- (h) any amendment to the provisions of the Stock Option Plan in subsection 1.7.1(i) governing amendments to the Stock Option Plan, 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;
- (i) any amendment to the provisions of the Stock Option Plan in subsection 1.7.1(ii) governing amendments to the Stock Option Plan 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 this subsection and are not material in nature; and
- (j) 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).

In the case of any amendment or variance referred to in (a), (b), (c), (d) or (g) 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 11, 2023, there were 2,375,001 outstanding stock options issued and outstanding under the Corporation's Stock Option Plan, with exercise prices ranging from \$2.52 to \$3.00 per share with vesting dates ranging from December 15, 2023 to December 15, 2025 for those options which have not yet vested.

### **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 0.6% for the year ended December 31, 2022, 0.7% for the year ended December 31, 2021, and 0% for the year ended December 31, 2020. 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 Corporation is seeking approval from shareholders at the Meeting for the renewal and amendment and restatement of the LTIP and all unallocated awards, subject to certain amendments. See "*Particulars of Matters to be Acted Upon – Renewal and Amendment and Restatement of the Long Term Incentive Plan*".

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 (with such percentage proposed to be reduced to 4% as part of the renewal and amendment and restatement of the LTIP – see "*Particulars of Matters to be Acted Upon – Renewal and Amendment and Restatement of the LTIP*"). 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 10% 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 11, 2023: (i) up to 879,542 DIV Shares were issuable pursuant to outstanding RSUs granted under the LTIP, representing 0.6% of the issued and outstanding DIV Shares on a non-diluted basis; and (ii) 6,255,855 DIV Shares remained eligible to be issued under the LTIP representing 4.4% of the issued and outstanding DIV Shares on a non-diluted basis. Notwithstanding the foregoing, DIV is only seeking that 4,828,775 of such unallocated awards be approved for continued eligibility for issuance under the amended and restated LTIP in light of DIV's proposal to reduce the maximum number of RSUs and DSUs issuable under the amended and restated LTIP to 4% of the issued and outstanding DIV Shares on a "rolling" basis (for further details, see "*Particulars of Matters to be Acted Upon – Renewal and Amendment and Restatement of the LTIP*").

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. RSUs may not have a term of more than ten years, unless approved by Shareholders.

### **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. DIV 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. DSUs may not have a term of more than ten years, unless approved by Shareholders.

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 in 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 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).

In the case of any amendment or variance referred to in (a), (b), (d) and (e) above, insiders and their associates 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.

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, Section 409A of the Code, or to avoid incurring taxes, interest or penalties under Section 409A of the Code, 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 Section 409A of the Code.

### **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 11, 2023, there were 5,059 vested RSUs which have not yet been settled and 874,483 unvested RSUs issued and outstanding with vesting dates ranging from May 21, 2023 to March 17, 2026.

### **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, 2022, 0.4% for the year ended December 31, 2021, and 0.3% for the year ended December 31, 2020. 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. The “burn rate” was higher in 2021 and 2020 in part due to Mr. Morrison agreeing to receive a portion of the Morrison Incentive Amount earned in such years in the form of RSUs in lieu of cash as part of DIV’s liquidity strategy implemented to manage the impacts of the COVID-19 pandemic on its cash flows during such years.

## 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, 2022:

Plan category <sup>(1)</sup>	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	1,583,334	\$2.66	7,766,149 <sup>(2)(3)(4)</sup>

(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, DSUs 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, 2022, there were 141,422,794 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, 2022, was calculated as the difference of (X) 7% of the number of DIV Shares issued and outstanding as at December 31, 2022 (9,899,595), less (Y) the aggregate number of DIV Shares issuable upon the exercise of issued and outstanding Stock Options (1,583,334) and the vesting of issued and outstanding RSUs (550,112), in each case, as at December 31, 2022.

(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 (with such percentage proposed to be reduced to 4% as part of the renewal and amendment and restatement of the LTIP – see “Particulars of Matters to be Acted Upon – Renewal and Amendment and Restatement of the LTIP”). As at December 31, 2022: (i) 550,112 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) 6,521,027 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, 2022 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	61,250	50,000 <sup>(1)</sup>	Nil	Nil	Nil	14,029 <sup>(2)</sup>	125,279
Johnny Ciampi	41,250 <sup>(5)</sup>	50,000 <sup>(1)</sup>	Nil	Nil	Nil	19,048 <sup>(2)</sup>	110,298
Garry Herdler	57,500 <sup>(5)</sup>	50,000 <sup>(1)</sup>	Nil	Nil	Nil	21,630 <sup>(2)</sup>	129,130
Kevin Smith	55,000	50,000 <sup>(1)</sup>	Nil	Nil	Nil	5,046 <sup>(2)</sup>	110,046
Roger Chouinard <sup>(3)</sup>	20,000 <sup>(5)</sup>	25,000 <sup>(4)</sup>	Nil	Nil	Nil	1,321 <sup>(2)</sup>	46,321

(1) On March 18, 2022, the Corporation issued an aggregate of 64,585 RSUs to Ms. Rogers, Mr. Ciampi, Mr. Herdler and Mr. Smith, the directors of the Corporation at that time. These RSUs have a grant date fair value of \$3.10 per RSU based on the VWAP of the DIV

Shares on the TSX for the five trading days preceding March 18, 2022, totaling approximately \$50,000 per director. These RSUs vest on March 18, 2025.

- (2) Amount represents dividends accrued on RSUs held.
- (3) Mr. Chouinard was appointed as a director of the Corporation on June 28, 2022
- (4) On July 8, 2022, the Corporation issued 9,558 RSUs to Mr. Chouinard in connection with his appointment to the Board. These RSUs have a grant date fair value of \$2.62 per RSU based on the VWAP of the DIV Shares on the TSX for the five trading days preceding July 8, 2022, totaling approximately \$25,000 (representing a pro-rated portion of the \$50,000 annual RSU grant provided to the other directors of the Corporation). These RSUs vest on March 18, 2025.
- (5) Mr. Ciampi, Mr. Chouinard and Mr. Herdler elected to receive their Board retainer fees in the form of RSUs in lieu of cash.

As part of the GNC Committee's and the 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, which compensation arrangements remain in place as of the date of this Circular:

- 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
- Reimbursement of related travel and out-of-pocket expenses.

In accordance with the annual grant of RSUs under the LTIP, as disclosed above, on: (i) March 18, 2022, the then directors of DIV were granted an aggregate of 64,585 RSUs at a grant date fair value of \$3.10 per RSU based on the VWAP of the DIV Shares on the TSX for the five trading days preceding March 18, 2022; and (ii) July 8, 2022, Mr. Chouinard was granted 9,558 RSUs at a grant date fair value of \$2.62 per RSU based on the VWAP of the DIV Shares on the TSX for the five trading days preceding July 8, 2022 (representing a pro-rated portion of the \$50,000 annual RSU grant provided the other directors of the Corporation). All these RSUs vest on March 18, 2025.

In accordance with the annual grant of RSUs under the LTIP, as disclosed above, on March 17, 2023, the existing directors of DIV were granted an aggregate of 80,885 RSUs at a grant date fair value of \$3.09 per RSU based on the volume weighted average trading price of the DIV Shares on the TSX for the five trading days preceding March 17, 2023. These RSUs vest on March 17, 2026.

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 VWAP 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, 2022 or the current year to date.

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, 2022 for each person who was a director during the year ended December 31, 2022.

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 (\$) <sup>(1)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
Paula Rogers	Nil	N/A	N/A	N/A	63,013	187,779	N/A
Johnny Ciampi	Nil	N/A	N/A	N/A	63,013 <sup>(2)</sup>	187,779	N/A
Garry Herdler	Nil	N/A	N/A	N/A	63,013 <sup>(2)</sup>	187,779	N/A
Kevin Smith	Nil	N/A	N/A	N/A	24,844 <sup>(2)</sup>	74,036	N/A
Roger Chouinard	Nil	N/A	N/A	N/A	9,942 <sup>(2)</sup>	29,628	N/A

- (1) The market value of the DIV share-based awards that did not vest during 2022 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 \$2.98 on December 31, 2022.
- (2) Mr. Ciampi, Mr. Herdler, Mr. Smith and Mr. Chouinard hold 29,974, 43,752, 5,117 and 3,721 RSUs, respectively, that have not vested and were issued in lieu of cash board retainer fees, which RSUs are not included in the above table.

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, 2022.

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	34,029 <sup>(1)</sup>	Nil
Johnny Ciampi	Nil	34,029 <sup>(2)</sup>	Nil
Garry Herdler	Nil	34,029 <sup>(3)</sup>	Nil
Kevin Smith	Nil	Nil	Nil
Roger Chouinard	Nil	Nil	Nil

- (1) The market value was calculated as 12,109 RSUs that vested multiplied by the closing price of the DIV Shares on the TSX of \$2.81 on May 31, 2022.
- (2) The market value was calculated as 12,109 RSUs that vested multiplied by the closing price of the DIV Shares on the TSX of \$2.81 on May 31, 2022. This amount does not include the value of RSUs held by Mr. Ciampi that vested during the financial year ended December 31, 2022, which RSUs were granted in lieu of cash Board retainer fees otherwise payable to Mr. Ciampi earned in the financial year ended December 31, 2019.

- (3) The market value was calculated as 12,109 RSUs that vested multiplied by the closing price of the DIV Shares on the TSX of \$2.81 on May 31, 2022. This amount does not include the value of RSUs held by Mr. Herdler that vested during the financial year ended December 31, 2022, which RSUs were granted in lieu of cash Board retainer fees otherwise payable to Mr. Herdler earned in the financial year ended December 31, 2019.

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, 2022.

#### **MCM Agreements**

In May 2021, the Corporation entered into a services agreement and cost sharing agreement with MCM, an entity in respect of which Mr. Morrison is a director, and Mr. Morrison and Mr. Ciampi are minority shareholders, through which the Corporation provides certain office space and certain administrative services to MCM (defined above as the MCM Agreements). The transactions under the MCM Agreements are not material to DIV, Maxam, MCM, 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, 2022 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 five 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 five for purposes of the Meeting.

Upon the recommendation of the GNC Committee, the five 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 BCBCA and the Articles of the Corporation. Accordingly, the term of office of each of the current directors of the Corporation will expire as of the conclusion of the Meeting.

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, 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 11, 2023, and the number of options and RSUs held as of May 11, 2023, as applicable. 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.

<u>Name and municipality, province and country of residence</u>	<u>Principal occupation(s) within the last 5 years</u>	<u>Position with DIV</u>	<u>Year first became director</u>	<u>DIV Shares beneficially owned, controlled or directed</u>	<u>Number of options and RSUs held</u>
PAULA ROGERS <sup>(1)(3)</sup> North Vancouver, BC, Canada	Corporate Director, (2015 – present)	Chair	2015	138,401	80,935 RSUs
JOHNNY CIAMPI <sup>(2)</sup> Vancouver, BC, Canada	Managing Director of Maxam Capital Corp., (2008 – present)	Director	2014	1,685,811 <sup>(4)</sup>	115,866 RSUs
GARRY HERDLER <sup>(1)(2)(3)</sup> King of Prussia, PA, U.S.A.	Managing Member of ORE Management LLC, (2010 – 2016, 2018 – present)  Board Member and Consultant of GC Parent, LLC (a/k/a GC Services Limited Partnership) (2021 – Present)  Chief Financial Officer of SltusAMC Holdings Corporation (2021 - 2022)  SVP, Chief Financial Officer and Consultant of StoneMor Partners L.P., (April – December 2019)  Chief Financial Officer of QuadReal Property Group, (2017 – 2018)	Director	2018	60,376	132,923 RSUs
KEVIN SMITH <sup>(1)(2)</sup> North Vancouver, BC, Canada	President of Northland Living, (October 2022 – present) Chief Financial Officer of Northland Properties, (July 2020 – October 2022) Executive Vice-President and Chief Financial Officer of Intracorp Projects Ltd., (2012 – 2020)	Director	2021	—	47,025 RSUs
ROGER CHOUINARD <sup>(3)</sup> Toronto, ON, Canada	Chief Legal Officer & Corporate Secretary of QuadReal Property Group, (2017 – present)	Director	2022	17,800	37,136 RSUs

(1) Member of the Audit Committee, the current Chair of which is Mr. Smith.

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

(3) Member of the Governance, Nominating and Compensation Committee, the current Chair of which is Mr. Chouinard.

(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 1,085,811 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. 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 and audit committees of Argonaut Gold Inc., Copper Mountain Mining Corporation and Entrée 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 managing director of Maxam Capital Corp., which focuses on structured investments in both publicly traded and private companies. Prior to Maxam Capital Corp., 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. 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 over 30 years of experience as a Chief Financial Officer, an investment banker, a private equity management consultant, and tax advisor in several industries. Mr. Herdler has been Chief Financial Officer of two U.S. publicly listed companies, seven U.S. private equity-owned companies and one global real estate company, in high change and growth situations in integration, operational performance improvement, turnarounds and restructuring matters. From 2010 to 2016 and since 2018, he acts as a financial consultant, chief financial officer and lenders advisor (individually and through his management company) for various private-equity owned companies as part of operational improvements, business integration, turnarounds and restructurings. Since 2021, he is a board member of (and previously a consultant to) GC Services, a firm owned by Benefit Street Partners and Goldman Sachs Merchant Banking. He was Chief Financial Officer of SitusAMC Holdings Corporation in 2021 to 2022, a high-growth leading provider globally of outsourced staff, tech-enabled services and data in real estate finance. He was Chief Financial Officer of and operational consultant to StoneMor Partners L.P. in 2019, where he led a debt/equity recapitalization and cost savings initiatives in order to avoid a full restructuring. Mr. Herdler was formerly Chief Financial Officer of QuadReal Property Group, a newly formed and growing global real estate company in Vancouver, BC with over a \$27 billion portfolio in 17 countries. Previously, he was a Senior Director with Alvarez & Marsal Private Equity Performance Improvement Group, LLC in New York, NY. He 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.

**Kevin Smith.** Mr. Smith has over 25 years of progressive experience in operations, real estate development, capital markets, debt and equity financing, mergers and acquisitions, dispositions and general business management. In addition, he has expertise in the hospitality, resort and real estate industries. Mr. Smith is currently the President of Northland Living, the real estate development division of Northland Properties Corp., and was previously the Chief Financial Officer of several companies, including Northland Properties Corp., Intracorp Projects Ltd., Whistler Blackcomb Holdings Inc. and Intrawest ULC. Mr. Smith currently serves as a director and the Audit Committee Chair of Atlas Engineered Products Ltd. and Vancouver Airport Authority (YVR). In 2020, Mr. Smith was recognized by the Chartered Professional Accountants of BC with a fellowship, the highest distinction that is bestowed upon a CPA within the accounting profession.

**Roger Chouinard.** Mr. Chouinard is the Chief Legal Officer & Corporate Secretary of QuadReal Property Group. He leads a global legal team deeply integrated with the QuadReal business teams in Vancouver, Toronto, New York City and London and has been a key contributor to the successful execution of QuadReal's growth plan. Founded in 2016, QuadReal has become a global leader in the real estate investment industry, currently managing over \$67 billion of real estate and mortgage assets for British Columbia Investment Management Corporation and other investors. Prior to joining QuadReal, Mr. Chouinard was a partner at McCarthy Tétrault LLP and General Counsel at First Capital REIT, one of Canada's largest owners, developers and operators of urban retail-centred real estate. Mr. Chouinard holds a Bachelor of Commerce from McGill University, a Bachelor of Laws (Civil Law) from Université Laval, a Bachelor of Laws (Common Law) from University of Victoria, and a Master of Laws (Securities Law) from Osgoode Hall Law School.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Other than as set forth below, no director nominee is at the date hereof, or within 10 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 10 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 of DIV, has acted as a financial consultant and chief financial officer (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, which have from time to time involved insolvency/bankruptcy proceedings. Specifically, in the last 10 years, Mr. Herdler acted as:

- Since 2021, he has acted as a board member of (and a consultant to) GC Services, a firm currently controlled by Benefit Street Partners and Goldman Sachs Merchant Banking, which were the previous (and current) lenders to such firm. Mr. Herdler became a member of the board of managers on November 29, 2021 immediately after ORG GC Midco LLC's exit from bankruptcy. Since June 1, 2021, he was a part-time, non-exclusive consultant to ORG GC Midco LLC, c/o GC Services Limited Partnership (collectively and/or individually "**GC Services**") through his management company, in preparatory review work with the expectation to become a board member upon ORG GC Midco LLC's entry into and exit from bankruptcy, which occurred in October and November 2021, respectively. Mr. Herdler was unanimously nominated to the board of managers of GC Parent LLC (which owns and operates GC Services) on November 29, 2021 upon the exit from bankruptcy and change of ownership.
- 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.**

## 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.

**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.**

## RENEWAL AND AMENDMENT AND RESTATEMENT OF THE STOCK OPTION PLAN

At an annual and special meeting of shareholders held on May 14, 2020, the shareholders approved the current version of DIV's Stock Option Plan. The TSX Company Manual provides that all unallocated options, rights or other entitlements under a securities-based compensation plan of an issuer must be approved by its securityholders every three years after such plan's institution if the plan does not have a fixed maximum number of securities issuable thereunder, which is the case with the Stock Option Plan. At the Meeting, shareholders will be asked to consider and, if thought advisable, pass, with or without variation, an ordinary resolution approving the renewal and amendment and restatement of the Stock Option Plan and all unallocated options and SARs thereunder. The text of this ordinary resolution is provided in Schedule C to this Circular (the "**Stock Option Plan Resolution**"). For the Stock Option Plan to be amended and restated and continue in effect after the Meeting, the Stock Option Plan Resolution must be approved by a simple majority of votes (50% plus one) cast by shareholders at the Meeting. If the Stock Option Plan Resolution is passed, the Stock

Option Plan will require renewal again three years from the date of the Meeting, on or before June 21, 2026. For a discussion of the current terms of the Stock Option Plan, see “*Stock Option Plan*”, above.

For the period from May 14, 2023 until the approval of the Stock Option Plan Resolution, no awards are permitted to be issued under the Stock Option Plan. Furthermore, in the event that the Stock Option Plan Resolution is not passed by the requisite number of votes cast at the Meeting, the Corporation will not have an operative stock option plan, all unallocated stock options and SARs will be cancelled, and the Corporation will not be permitted to grant further stock options or SARs under the Stock Option Plan until such time as the Stock Option Plan is approved by shareholders. Previously allocated stock options under the Stock Option Plan will continue unaffected by the approval or disapproval of the Stock Option Plan Resolution. Any stock options or SARs that have been terminated, cancelled or that have expired will not be available for re-granting.

### **Proposed Amendments**

As part of the renewal of the Stock Option, DIV proposes to make the following amendments to the Stock Option Plan:

- Addition of cashless exercise feature: Currently, the Stock Option Plan does not specifically permit (or prohibit) the settlement of options on a net cashless basis. The Corporation proposes to amend to the Stock Option Plan to specifically allow, with the consent of the Board or as may be provided in the agreement governing an option, a holder of an option to elect to surrender a vested option in whole or in part and receive the number of DIV Shares, disregarding fractions, which, when multiplied by the Fair Market Value (as defined in the Stock Option Plan) of a DIV Share at the time of surrender, have a value equal to the product of the number of DIV Shares to which the surrendered option relate multiplied by the difference between the then Fair Market Value and the exercise price of the surrendered options, less any withholding taxes and other statutory deductions. If the proposed amendments to the Stock Option Plan are approved, the Board would have the discretion to permit both currently outstanding options and options granted in the future to be exercised on a net cashless basis.
- Housekeeping amendments: The Corporation also proposes to make certain non-material amendments for purposes of curing certain ambiguities and other non-substantive administrative updates, including to update the date of the Stock Option Plan, to ensure the definition of “Insider” is consistent with the requirements of the TSX, and to create further alignment between certain terms employed in both the Stock Option Plan and the LTIP (as proposed to be amended and restated – see “*Particulars of Matters to be Acted Upon – Renewal and Amendment and Restatement of the LTIP*”).

A copy of the Stock Option Plan, as proposed to be amended and restated, along with a blackline to the current form of the Stock Option Plan, may be obtained by a shareholder or any other interested party by contacting the Chief Financial Officer of the Corporation at 330 – 609 Granville Street, Vancouver, BC, V7Y 1A1, by telephone at (604) 235-3146 or by fax at (604) 685-9970 or by accessing the investor relations page of the Corporation’s website at [www.diversifiedroyaltycorp.com](http://www.diversifiedroyaltycorp.com) where copies have been posted.

### **Unallocated Awards**

Subject to the adjustment provisions provided for in the Stock Option Plan and the applicable rules and regulations of all regulatory authorities to which the Corporation is subject (including any stock exchange), the total number of DIV Shares reserved for issuance pursuant to the Stock Option Plan and all other securities-based compensation arrangements of the Corporation shall not exceed 7% of the issued and outstanding DIV Shares on a “rolling” basis. As at May 11, 2023: (i) up to 2,375,000 DIV Shares were issuable upon the exercise of outstanding stock options granted under the Stock Option Plan, representing 1.7% of the issued and outstanding DIV Shares on a non-diluted basis; and (ii) 6,735,013 DIV Shares remained eligible to be issued under the Stock Option Plan representing 4.7% of the issued and outstanding DIV Shares on a non-diluted basis.

## Approval

The Board has determined that the proposed renewal and amendment and restatement of the Stock Option Plan and the approval of all unallocated awards thereunder are in the best interests of the Corporation and its shareholders.

**The Board recommends that shareholders vote FOR the Stock Option Plan Resolution.**

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE STOCK OPTION PLAN RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE DIV SHARES ARE TO BE VOTED AGAINST THIS MATTER.**

### RENEWAL AND AMENDMENT AND RESTATEMENT OF THE LTIP

At an annual and special meeting of shareholders held on May 14, 2020, the shareholders approved the current version of DIV's LTIP. The TSX Company Manual provides that all unallocated options, rights or other entitlements under a securities-based compensation plan of an issuer must be approved by its securityholders every three years after such plan's institution if the plan does not have a fixed maximum number of securities issuable thereunder, which is the case with the LTIP. At the Meeting, shareholders will be asked to consider and, if thought advisable, pass, with or without variation, an ordinary resolution approving the renewal and amendment and restatement of the LTIP and all unallocated RSUs and DSUs thereunder. The text of this ordinary resolution is provided in Schedule D to this Circular (the "**LTIP Resolution**"). For the LTIP to be amended and restated and continue in effect after the Meeting, the LTIP Resolution must be approved by a simple majority of votes (50% plus one) cast by shareholders at the Meeting. If the LTIP Resolution is passed, the LTIP will require renewal again three years from the date of the Meeting, on or before June 21, 2026. For a discussion of the current terms of the LTIP, see "*Long Term Incentive Plan*", above.

For the period from May 14, 2023 until the approval of the LTIP Resolution, no awards are permitted to be issued under the LTIP. Furthermore, in the event that the LTIP Resolution is not passed by the requisite number of votes cast at the Meeting, the Corporation will not have a long term incentive plan, all unallocated RSUs and DSUs will be cancelled, and the Corporation will not be permitted to grant further RSUs or DSUs under the LTIP until such time as the LTIP is approved by shareholders. Previously allocated RSUs and DSUs under the LTIP will continue unaffected by the approval or disapproval of the LTIP Resolution. Any RSUs or DSUs that have been terminated, cancelled or that have expired will not be available for re-granting.

### Proposed Amendments

As part of the renewal of the LTIP, DIV proposes to make the following amendments to the LTIP:

- Reduction in number of DIV Shares reserved for issuance: The maximum number of DIV Shares which may currently be reserved for issuance under the LTIP is not permitted to exceed 5% of the issued and outstanding DIV Shares from time to time on a non-diluted basis. RSUs and DSUs are full value awards, meaning that, unlike stock options, they vest at full value with no cost to holder and are more dilutive to other shareholders. In addition, the Board has considered the size of DIV's management team and reviewed DIV's historical grant practices under the LTIP and has determined that it is appropriate to reduce the limit with respect to the number of DIV Shares permitted to be reserved for issuance under the LTIP.

The amended and restated LTIP will provide that the maximum number of DIV Shares which may be reserved for issuance under the amended and restated LTIP in respect of grants of RSUs to and DSUs and for dividend-equivalent payments in respect thereof shall not exceed 4% (currently 5%) of the issued and outstanding DIV Shares from time to time on a non-diluted basis. The maximum number of DIV Shares issuable under the LTIP is inclusive of any DIV Shares reserved for issuance pursuant to any other security-based compensation arrangement of DIV, including outstanding options under the Stock Option Plan. The maximum number of DIV Shares reserved for issuance collectively under such plans 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 amended and restated 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 amended and restated LTIP.

- **Housekeeping Amendments:** The Corporation also proposes to make certain non-material amendments for purposes of curing certain ambiguities and other non-substantive administrative updates, including to update the date of the LTIP and to create further alignment between certain terms employed in both the LTIP and the Stock Option Plan (as proposed to be amended and restated – see “*Particulars of Matters to be Acted Upon – Renewal and Amendment and Restatement of the Stock Option Plan*”).

A copy of the LTIP, as proposed to be amended and restated, along with a blackline to the current form of the LTIP, may be obtained by a shareholder or any other interested party by contacting the Chief Financial Officer of the Corporation at 330 – 609 Granville Street, Vancouver, BC, V7Y 1A1, by telephone at (604) 235-3146 or by fax at (604) 685-9970 or by accessing the investor relations page of the Corporation’s website at [www.diversifiedroyaltycorp.com](http://www.diversifiedroyaltycorp.com) where copies have been posted

### **Unallocated Awards**

Subject to the adjustment provisions provided for in the LTIP and the applicable rules and regulations of all regulatory authorities to which the Corporation is subject (including any stock exchange), the total number of DIV Shares reserved for issuance pursuant to: (i) the LTIP shall not exceed 5% of the issued and outstanding DIV Shares on a “rolling” basis; and (ii) the LTIP together with all other securities-based compensation arrangements of the Corporation, including the Stock Option Plan, shall not exceed 7% of the issued and outstanding DIV Shares on a “rolling” basis. As at May 11, 2023: (i) up to 879,542 DIV Shares were issuable pursuant to outstanding RSUs granted under the LTIP, representing 0.6% of the issued and outstanding DIV Shares on a non-diluted basis; and (ii) 6,255,855 DIV Shares remained eligible to be issued under the LTIP representing 4.4% of the issued and outstanding DIV Shares on a non-diluted basis. Notwithstanding the foregoing, DIV will only seek that 4,828,775 of such unallocated awards be approved for continued eligibility for issuance under the amended and restated LTIP in light of DIV’s proposal to reduce the maximum number of RSUs and DSUs issuable under the amended and restated LTIP to 4% of the issued and outstanding DIV Shares on a “rolling” basis.

### **Approval**

The Board has determined that the proposed renewal and amendment and restatement of the LTIP and the approval of all unallocated awards thereunder are in the best interests of the Corporation and its shareholders.

**The Board recommends that shareholders vote FOR the LTIP Resolution.**

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE LTIP RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE DIV SHARES ARE TO BE VOTED AGAINST THIS MATTER.**

## **AMENDMENT TO THE ARTICLES OF THE CORPORATION**

### **Proposed Amendments**

The Corporation proposes to amend the Articles of the Corporation to (i) revise the quorum requirement for meetings of shareholders of the Corporation to two or more persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 10% (currently 25%) (the “**Shareholder Quorum Threshold**”) of the issued shares entitled to vote at the meeting, and (ii) make certain administrative amendments of a non-material nature.



At the Meeting, shareholders will be asked to consider and, if thought advisable, pass, with or without variation, an ordinary resolution approving the aforementioned amendments to the Articles of the Corporation. The text of this ordinary resolution, which includes the text of the proposed amendments to the Articles, is provided in Schedule E to this Circular (the “**Article Amendment Resolution**”). For the Articles to be amended, the Article Amendment Resolution must be approved by a simple majority of votes (50% plus one) cast by shareholders at the Meeting. The existing Articles of the Corporation are available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Background and Rationale**

The Corporation previously increased the Shareholder Quorum Threshold for meetings of its shareholders from 10% to 25% in connection with the Corporation’s continuation under the BCBCA on October 15, 2020. The Corporation did so in order to, among other things, align the Articles of the Corporation with the expectations of certain leading proxy advisory firms.

The Corporation’s shareholder base is diverse with a large portion of the Corporation’s shares being held by retail investors. Accordingly, reaching a 25% Shareholder Quorum Threshold is difficult. In 2022, the Corporation was required to adjourn the annual general meeting of its shareholders as the votes received were significantly below the Shareholder Quorum Threshold. Even after the adjournment, which provided additional time for the receipt of further proxies, shareholder participation was only at 18.94%.

The Directors believe the proposal to amend the Articles to change the Shareholder Quorum Threshold back to 10% (as it was prior to October 15, 2020) for meetings of shareholders is in best interest of the Corporation as it will reduce the likelihood of having to adjourn any meeting of shareholders, and thereby reduce the resultant costs the Corporation may incur in connection with, and the distraction to Management and the directors of, holding an adjourned meeting and any inconvenience to shareholders who would have to attend a second meeting if they wanted to vote their DIV Shares in person.

## **Approval**

The Board has determined that the proposed amendments to the Articles are in the best interests of the Corporation and its shareholders.

**The Board recommends that shareholders vote FOR the Article Amendment Resolution.**

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ARTICLE AMENDMENT RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE DIV SHARES ARE TO BE VOTED AGAINST 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 2024 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 21, 2024, to be considered for inclusion in the management information circular for the 2024 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, the provisions of the BCBCA and, in the case of proposals for the election of directors, the Advance Notice Policy (see “*Advance Notice Policy*” above).

## 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, 2022 and additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://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 annual information form 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, 2022, together with the accompanying report of the auditors thereon and any interim financial statements of the Corporation for the periods subsequent to December 31, 2022, 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 11<sup>th</sup> day of May, 2023.

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. (“**DIV**”, or 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 typically 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.

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 (as defined below) 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 corporate 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, 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.

The Board has adopted a Disclosure Policy, 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.

The Board has 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, which has the overall responsibility to provide leadership to the Corporation in support of its commitment to ESG, has delegated to the GNC Committee (defined below) the responsibility of overseeing and ensuring the implementation of the ESG Policy and the Corporation's overall approach to ESG. As part of this role, the GNC Committee reviews the ESG Policy on an annual basis and makes recommendations to the Board with respect to any amendments thereto. In addition, the Investment Committee provides oversight of Management's implementation of the ESG Policy in respect of potential acquisitions and dispositions. Further, the Audit Committee is responsible for: (i) reviewing and discussing with Management the Corporation's implementation of procedures for identifying, assessing, monitoring and managing ESG risks related to the business and affairs of the Corporation and its royalty partners; (ii) reviewing and discussing with Management the Corporation's and its royalty partners' ESG reporting; and (iii) overseeing Management's preparation of any ESG report or other ESG disclosure and to recommend to the Board whether or not any such ESG report should be approved by the Board.

DIV primarily seeks to address ESG issues initially through the due diligence process when considering new royalty acquisitions. DIV also monitors the ongoing ESG risks and performance of its royalty partners as part of its overall investment monitoring process and through its relationships with its royalty partners and shareholders.

As part of DIV's overall ESG strategy, the Board: (i) ensures the implementation of the Board Diversity Policy through the GNC Committee; (ii) monitors, through the GNC Committee, the Corporation's Code of Business Conduct and Ethics, which reflects the Corporation's commitment to a corporate culture that fosters honesty, mutual respect, integrity and professionalism; (iii) provides, through the Investment Committee (defined below), oversight of Management's implementation of the ESG Policy in respect of potential acquisitions and dispositions; and (iv) facilitates reporting of potential violations or concerns relating to accounting standards and disclosures, internal accounting controls and matters relating to the audit of the Corporation's financial statements through its Audit Committee Whistleblower Policy.

For more information on the Corporation's ESG initiatives, please refer to the Corporation's 2021 ESG Report and the ESG Policy, which are available on the Corporation's website at: <https://www.diversifiedroyaltycorp.com>.

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 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 2022, the full Board met six times. Please see page A-4 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, 2022.

## **CORPORATE GOVERNANCE PRINCIPLES**

The Board has adopted a set of policies, a mandate for the Board and charters for each of its Committees (defined below), which, together, reflect the Board's overall corporate governance principles. These policies, mandates and charters 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, among other things, 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 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 applicable 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 applicable 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
Paula Rogers	Argonaut Gold Inc., Copper Mountain Mining Corporation and Entrée Resources Ltd.
Garry Herdler	None
Kevin Smith	Atlas Engineered Products Ltd.
Roger Chouinard	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**”.

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 Mr. Smith (Chair), Mr. Herdler and Ms. Rogers. 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 9, 2023 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 each of its members meet the independence requirements of Section 1.4 of NI 52-110. The GNC is composed of Mr. Chouinard (Chair), Ms. Rogers and Mr. Herdler. 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 each of its 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. Herdler (Chair), Mr. Ciampi and Mr. Smith. All members of the Investment Committee are independent in the view of the Board.

The composition and a summary of the charter 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, 2022 to December 31, 2022

Board	6
Audit Committee	4
GNC Committee	4
Investment Committee	5
<b>Total number of meetings held</b>	<b>19</b>

### Summary of Attendance of Directors from January 1, 2022 to December 31, 2022

Director	Board meetings attended	Audit Committee meetings attended	GNC Committee meetings attended	Investment Committee meetings attended
Paula Rogers	6/6	4/4	3/3	N/A
Johnny Ciampi	6/6	N/A	2/2 <sup>(2)</sup>	5/5
Garry Herdler	6/6	4/4	3/3	5/5
Kevin Smith	6/6	4/4	N/A	4/5
Roger Chouinard <sup>(1)</sup>	4/4 <sup>(1)</sup>	N/A	1/1 <sup>(3)</sup>	N/A

(1) Mr. Chouinard was elected as a director of the Corporation on July 7, 2022.

(2) Mr. Ciampi resigned as member of the GNC Committee on July 7, 2022.

(3) Mr. Chouinard was appointed as a member and Chair of the GNC Committee on July 7, 2022.

## 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 (if any), 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 mandate and the Charters of each of the Audit Committee, GNC Committee and the Investment Committee provide for authority of the Board and each such Committee to engage independent counsel and/or other outside advisors at the expense of the Corporation. The Board or applicable Committee also have the sole authority to retain and terminate any such counsel and/or other outside advisors, including sole authority to approve the fees and other terms of engagement for such persons.

The Board has adopted a Lead Director Mandate, which provides for a 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, when in place, 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.

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**

The Corporation has adopted a Code of Business Conduct and Ethics and related policies, 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](http://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, which policy is reflected in the Code of Business Conduct and Ethics.

The Corporation also has an Audit Committee Whistleblower Policy. This policy governs the process through which employees and others, either directly or anonymously, can notify the Audit Committee 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 Corporation's financial statements. 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 employees of the Corporation of concerns regarding questionable accounting or auditing matters. A copy of the current Audit Committee Whistleblower Policy is available on DIV's website.

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 as well as the discussion under the following heading "*Report of the GNC Committee on Human Resources and 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**

The Board has adopted a majority voting policy with respect to the election of the directors of the Corporation. Refer to the discussion under the heading "*Particulars of Matters to be Acted Upon – Election of Directors - 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 Board Diversity 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.

The Chair of the Board, being one of the five director nominees of the Corporation is a woman, representing 20% of the Board nominees.

The Board has determined, as part of its commitment to diversity, to identify a further independent female director nominee to put forth for election to the Board at the Corporation's 2024 annual general meeting of shareholders. If such further independent female director nominee is elected at the 2024 annual general meeting of shareholders, and assuming no other changes in the composition of the Board, the Board would be comprised of six independent directors following the 2024 annual general meeting, two of which would be female, representing 33% of the Board.

Notwithstanding the Board's intent to increase the representation of women on the Board, certain proxy advisory firms may provide a "withhold" recommendation for chair of the GNC Committee (currently Roger Chouinard) given that women represent less than 30% of the nominee directors to be elected to the Board at the Meeting. The Board, which is lead by its Chair, Ms. Paula Rogers, interviewed numerous female and male director candidates in accordance with DIV's Board Diversity Policy prior to nominating Roger Chouinard as an additional director in advance of the annual general meeting of shareholders held on July 7, 2022. Mr.

Chouinard was determined to be the most qualified candidate as he possessed a mix of skills and experience that the Board believed would best complement those of the then existing directors.

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, given the Corporation's small executive team. The Corporation believes all of the aforementioned factors are relevant and that establishing targets based upon only gender may disqualify desirable executive officer candidates.

Neither of the two executive officers of the Corporation is a woman.

## SCHEDULE B – BOARD OF DIRECTORS’ MANDATE



### BOARD OF DIRECTORS’ MANDATE

(Adopted November 13, 2014)  
(Last modified March 9, 2023)

#### 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. Except as otherwise noted, references to “independent” directors in this Mandate mean those directors who are “independent” within the meaning of section 1.4 of National Instrument 52-110 – *Audit Committees* of the Canadian Security Administrators, as amended from time to time (“**NI 52-110**”). 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: chairing meetings of independent directors without members of management present; participation in Board and committee agenda-setting; selection and retention of independent advisors; and chairing certain committees of the Board.

## **6. Role of the Board**

The Board seeks to maintain and improve 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 Corporate 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 Company'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.

## **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 has 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 reviews and approves, at least on an annual basis, its 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. Environmental, Social and Governance Leadership**

The Board should provide leadership to the Company in support of its commitment to environmental, social and governance ("ESG") 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. The Board shall be responsible for approving any ESG report, recommended to the Board for approval by the Audit Committee.

As part of the Company's overall ESG strategy, the Board also: (i) ensures the implementation of the Board Diversity Policy through the Governance, Nominating and Compensation Committee, (ii) monitors, through the Governance, Nominating and Compensation Committee, the Company's Code of Business Conduct and Ethics, which reflects the Company's commitment to a corporate culture that fosters honesty, mutual respect, integrity and professionalism, (iii) provides, through the Investment Committee, oversight of management's

implementation of the Company's ESG Policy in respect of potential acquisitions and dispositions; and (iv) facilitates reporting of potential violations or concerns relating to accounting standards and disclosures, internal accounting controls and matters relating to the audit of the Company's financial statements through its Audit Committee – Whistleblower policy.

## **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, changes to the Company's dividend policy and annual operating plans and budgets, in each case, after considering the recommendation of any committee of the Board charged with oversight of such matters, where applicable.

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 standing committees, and has the authority to establish other standing or ad-hoc committees of the Board 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; and (ii) the Company's

overall approach with respect to ESG matters, including overseeing management's implementation of the Company's ESG Policy.

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 to be recommended to the Board for approval. 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 directors who are "independent" within the meaning of sections 1.4 and 1.5 of NI 52-110. 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. The Investment Committee is also responsible for the oversight of management's implementation of the Company's ESG Policy in respect of potential acquisitions and dispositions.

**(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. Committee Assignments**

Board committee assignments and the designation of Board committee Chairs should be based on a director's knowledge, interests and areas of expertise. The Board does not favor mandatory rotation of Board committee assignments or Chairs. The Board believes experience and continuity are more important than rotation. Board members and Board committee 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 (which includes the Anti-Hedging Policy);
- Whistleblower Policy;
- Majority Voting Policy;
- Board Diversity Policy; and
- Environmental, Social and Governance Policy.

The oversight of the forgoing policies may be delegated to one or more Board committees from time to time.

**16. Amendments to the Mandate**

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. Director 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.



## **21. Outside Advisors**

The Board and its committees may each engage separate independent counsel and/or other outside advisors at the expense of the Company to provide advice with respect to any matter within its respective duties, responsibility and authority. The Board or applicable committee shall have the sole authority to retain and terminate any such counsel and/or other outside advisors, including sole authority to approve the fees and other terms of engagement for such persons.

## SCHEDULE C – STOCK OPTION PLAN RESOLUTION

### “BE IT RESOLVED THAT:

1. The renewal and amendment and restatement of the Amended and Restated Stock Option Plan (the “**Stock Option Plan**”) of Diversified Royalty Corp. (the “**Corporation**”), substantially as described in the information circular of the Corporation dated May 11, 2023 (the “**Management Information Circular**”), be and is hereby authorized and approved together with any additional and/or alternative amendments to the Stock Option Plan that the directors of the Corporation determine to be necessary or desirable for effecting the substance of the changes to the Stock Option Plan described in the Management Information Circular.
2. All unallocated stock options and stock appreciation rights issuable pursuant to the Stock Option Plan are hereby approved and authorized until June 21, 2026, the third anniversary date of the adoption of this resolution by the shareholders (the “**Shareholders**”) of the Corporation.
3. Notwithstanding that this resolution has been duly passed by the Shareholders, the board of directors of the Corporation may revoke these resolutions before they are acted upon, without further notice to, or approval of, the Shareholders.
4. Any one or more of the directors or officers of the Corporation be and are hereby authorized for and on behalf of the Corporation to take all such actions, do such things and execute and deliver all such agreements, disclosure documents, instruments, statements, forms and other documents as they may deem appropriate in connection with the foregoing resolutions, and the execution thereof by any one or more of such directors or officers shall be conclusive proof of their authority to act on behalf of the Corporation.”

## SCHEDULE D – LTIP RESOLUTION

### “BE IT RESOLVED THAT:

1. The renewal and amendment and restatement of the Amended and Restated Long Term Incentive Plan (the “**LTIP**”) of Diversified Royalty Corp. (the “**Corporation**”), substantially as described in the information circular of the Corporation dated May 11, 2023 (the “**Management Information Circular**”), be and is hereby authorized and approved together with any additional and/or alternative amendments to the LTIP that the directors of the Corporation determine to be necessary or desirable for effecting the substance of the changes to the LTIP described in the Management Information Circular.
2. All unallocated restricted share units and deferred share units issuable pursuant to the LTIP are hereby approved and authorized until June 21, 2026, the third anniversary date of the adoption of this resolution by the shareholders (the “**Shareholders**”) of the Corporation.
3. Notwithstanding that this resolution has been duly passed by the Shareholders, the board of directors of the Corporation may revoke these resolutions before they are acted upon, without further notice to, or approval of, the Shareholders.
4. Any one or more of the directors or officers of the Corporation be and are hereby authorized for and on behalf of the Corporation to take all such actions, do such things and execute and deliver all such agreements, disclosure documents, instruments, statements, forms and other documents as they may deem appropriate in connection with the foregoing resolutions, and the execution thereof by any one or more of such directors or officers shall be conclusive proof of their authority to act on behalf of the Corporation.”

## SCHEDULE E – ARTICLE AMENDMENT RESOLUTION

### “BE IT RESOLVED THAT:

1. The existing Articles of the Diversified Royalty Corp. (the “**Corporation**”) be amended by:
  - (a) Deleting Article 11.5 in its entirety and replacing it with the following text:

**“11.5 Quorum**

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.6, the quorum for the transaction of business at a meeting of shareholders is two or more persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 10% of the issued shares entitled to be voted at the meeting.”
  - (b) Replacing the words “one-half hour” in Article 11.9 and Article 11.10 with the words “ten minutes”.
2. Pursuant to Section 259 of the *Business Corporations Act* (British Columbia), the alteration of Articles 11.5, 11.9 and 11.10 in Part 11 of the Articles of the Corporation approved by the foregoing resolution shall not take effect until a copy of these resolutions are received for deposit at the Corporation’s records office and a Notice of Alteration identifying the date of this resolution has been filed with the British Columbia Registrar of Companies.
3. Any director or officer of the Corporation be and is hereby authorized to execute and file, or cause to be filed, for and on behalf of the Corporation, a Notice of Alteration with the British Columbia Registrar of Companies.
4. Notwithstanding that this resolution has been duly passed by the shareholders of the Corporation (the “**Shareholders**”), the board of directors of the Corporation may revoke these resolutions before they are acted upon, without further notice to, or approval of, the Shareholders.
5. Any one or more of the directors or officers of the Corporation be and are hereby authorized for and on behalf of the Corporation to take all such actions, do such things and execute and deliver all such agreements, disclosure documents, instruments, statements, forms and other documents as they may deem appropriate in connection with the foregoing resolutions, and the execution thereof by any one or more of such directors or officers shall be conclusive proof of their authority to act on behalf of the Corporation.”