

## Code of Business Conduct and Conflict of Interest Policy

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### Employees, Consultants, Directors and Officers of Freehold Royalties Ltd.

#### Statement

Freehold Royalties Ltd. (together with its subsidiaries and affiliates, "**Freehold**") is committed to the highest possible standards of openness, honesty and accountability. The business and affairs of Freehold will be conducted in strict observance of both the spirit and letter of the applicable laws of Canada and the United States and of each Province and State where Freehold conducts business. Where the situation is not governed by statute or explicit regulation, or where the law is unclear or conflicting, Freehold's business and affairs will be conducted in accordance with the highest ethical standards of business conduct.

#### Scope

This Policy applies to all directors, officers, employees and consultants of Freehold and of any affiliates and subsidiaries of Freehold (collectively, the "**Representatives**" or "**you**").

Freehold expects that all Representatives will behave ethically as a matter of course. But even the most conscientious Representatives may, from time to time, need to be particularly alert to avoid becoming involved in situations in which their own interests are in conflict with Freehold's interests.

The purpose of this Policy is to help Representatives avoid these troublesome situations and the possible unpleasant consequences. Aside from this, Freehold does not intend to interfere with a Representative's personal interests or activities.

#### General Principles

You must not put yourself in a position in which you might be tempted to act for the benefit of yourself or others, rather than solely for the benefit of Freehold.

Any information that you obtain by reason of your employment or consulting arrangement with Freehold is the property of Freehold, must be kept confidential, and must be used solely for the benefit of Freehold, and not for yourself or others. Guidelines for maintaining confidentiality are outlined in Exhibit "B" of this Policy.

As with any policy, the exercise of judgement is required in determining its applicability to each individual situation. In an effort to be helpful, some examples of the Policy's applicability are given below. These are simply examples, and are not intended to be all-inclusive. This Policy cannot, and is not intended to, address all of the situations you may encounter. There will be occasions where you are confronted by circumstances not covered by policy or procedure and where you must make a judgment as to the appropriate course of action. In those circumstances, we encourage you to use your common sense and contact your leader. If you do not feel comfortable discussing the matter with your leader, please contact the President and Chief Executive Officer ("**CEO**") of Freehold or any Vice President of Freehold.

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### Corporate Opportunities

You have a duty to Freehold to advance its legitimate interests when the opportunity to do so arises.

You are prohibited from:

1. Taking for yourself, personally (or for your family members), opportunities that properly belong to Freehold or are discovered through the use of Freehold's property, information or position;
2. Using Freehold's property, information or position for personal gain (or the gains of your family members); and
3. Competing with Freehold.

### Conflicts of Interest

As a Representative, you must never let your personal interests interfere with, or appear to interfere in any way with, the interests of Freehold or your ability to perform your work effectively. The ability to make objective business decisions can be compromised if Representatives have personal interests that conflict with Freehold's interests. Conflicts of interest may also arise when a Representative, or a member of his or her family, receives improper personal benefits as a result of his or her position in Freehold. Loans to, or guarantees of obligations of, such persons are likely to pose conflicts of interest, as are transactions of any kind between Freehold and any other organization in which you or a family member has an interest.

Representatives are prohibited from taking for themselves (or their family members) opportunities that arise through the use of corporate property, information or position and from using corporate property, information or position for personal gain.

In general, Representatives in Freehold's business sector are not prohibited from making private investments in the oil and gas sector. However, should an existing investment pose a potential conflict of interest, the potential conflict should be disclosed by you to the CEO or the board of directors of Freehold (the "**Board**"). Any other activities of Representatives which pose a potential conflict of interest should also be disclosed to the CEO or the Board. Any such potential conflicts of interests will be dealt with openly with full disclosure of the nature and extent of the potential conflicts of interest with Freehold.

It is acknowledged that Representatives may be directors or officers of other entities engaged in the oil and natural gas business ("**Third Party O&G Entities**"), and that such entities may compete directly or indirectly with Freehold. Passive investments in public or private Third Party O&G Entities of less than one percent of the outstanding shares of such entity will not be viewed as competing with Freehold. Any Representative of Freehold who is a director or officer of any Third Party O&G Entity must disclose such position to the Board. Any Representative of Freehold who is actively engaged in the management of, or who owns an investment of one percent or more of the outstanding shares, in any public or private Third Party O&G Entities must disclose such holding to the Board. In the event that any circumstance arises as a result of such positions or investments being held or otherwise which in the opinion of the Board constitutes a conflict of interest which reasonably affects such person's ability to act with a view to the best interests of Freehold, the Board will take such actions as are reasonably required to resolve such matters with a view to the

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best interests of Freehold. Such actions, without limitation, may include excluding such Representatives from certain information or activities of Freehold.

If you become aware of a conflict or a potential conflict, you must bring it to the attention of your leader, the CEO or any Vice President.

### Gifts and Entertainment

Business entertainment should be moderately scaled and intended only to facilitate business goals. Use good judgment. "Everyone else does it", is not sufficient justification.

If you are having difficulty determining whether a specific gift or entertainment item lies within the bounds of acceptable business practice, ask yourself these guiding questions and check with your leader:

1. Is it legal?
2. Is it clearly business related?
3. Is it moderate, reasonable, and in good taste?
4. Would public disclosure embarrass Freehold?
5. Is there any pressure to reciprocate or grant special favours?

If you are in a position to make or influence a decision regarding a business transaction between Freehold and a third party, you should not accept anything of substantial value from that party. What is "substantial" is obviously relative, and would include even the most nominal or insignificant items if offered in the expectation of influencing your judgement, or with the expectation to reciprocate or grant a special favour.

Some of the types of transactions that could be viewed as adverse to Freehold's interest are:

1. The purchasing of equipment, supplies or services;
2. The awarding of construction or other contracts; and
3. The purchase, sale or lease of properties.

The kinds of benefits that must be declined, if offered, include:

1. Gifts of substantial value;
2. Lavish entertainment;
3. Loans of money or facilities; and
4. Preferred investment opportunities.

Not only must you refuse such inducements to favoured treatment, but you also must refuse to permit their acceptance by your family or friends. Solicitation of such benefits is also unacceptable.

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Business entertainment can present situations where discretion is required since some commonly accepted business invitations can include recreational opportunities or event tickets that are of significant value. In these cases, the recipient should ensure that there is a valid business development reason for attending and that there will be representation from other business executives at the event. If the invitation is for an event where the value being received may be significant, the CEO's approval is required, or in the case of the CEO, approval by the Chair of the Governance, Nominating and Compensation Committee. As transportation costs for events can also be significant, payment of these costs by another party is not acceptable and will be covered by Freehold if there is a valid business reason to accept the invitation.

### Payments to Officials

Representatives must comply with all laws prohibiting improper payments to domestic or foreign officials. Although certain types of "facilitation" payments may not be illegal, Freehold's policy is to avoid such payments. If any Representative feels that adherence to Freehold's policy would cause a substantial, adverse effect on operations, that fact should be reported to the CEO or any Vice President who will determine whether an exception may lawfully be authorized. If the facilitating payment is made, such payment must be properly entered and identified on the books of Freehold and all appropriate disclosures made.

### No Forced or Child Labour

Freehold has a strong commitment to conducting its business in a manner to ensure that we do not participate in or otherwise allow any forced labour or child labour to occur in any way related to our business and operations. Freehold follows and expects that its Representatives and any third-parties or business partners follow all child labour, youth employment, or equivalent laws and regulations within the regions which they operate. Further information relating to this matter can be found in Freehold's Human Rights Policy.

### Confidential Information

Confidential information belongs to Freehold. Use of it by a Representative for personal gain or for gain to family members or friends is a misuse of Freehold's property. Even if Freehold does not suffer an obvious monetary loss, it can be injured in other ways, including, but not limited to, reputational damage, that cannot be tolerated.

Use of inside information for personal gain at Freehold's expense may occur typically in connection with the leasing by Freehold of acreage for exploitation or production. If you make use of knowledge of Freehold's interest in certain property in order to obtain personal profit in the transaction, you are guilty of a gross impropriety. It is immaterial that your position gives you no influence concerning the acquisition by Freehold or that the price may be a fair one or even a bargain. To the extent that you profit, you have converted Freehold property to your own use.

Use of inside information may also be improper or illegal even though it does not involve any immediate monetary loss to Freehold. This can occur in connection with a Representative's purchase or sale of Freehold shares or the stock of other companies with which the Representative has or may expect to have dealings, such as when a Representative has advance information of such matters as an important oil or natural gas discovery, an acquisition, or a joint venture with another company.

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### Trading Restrictions and Blackout Periods

It is illegal for anyone with knowledge of material information affecting a public company that has not been publicly disclosed to purchase or sell securities of that company. It is also illegal for anyone to inform any other person of material non-public information (tipping), except in the necessary course of business. Therefore, Representatives and others with knowledge of confidential or material information about Freehold, or counter-parties in negotiations with Freehold of potentially material transactions, are prohibited from trading securities of Freehold or any counter-party until the information has been fully disclosed and a reasonable period has passed for the information to be widely disseminated. You are subject to Freehold's Insider Trading Policy, which sets out mandatory blackout periods and other restrictions on trading.

### Compliance with Laws and Regulations

The use of Freehold funds or assets for any unlawful or improper purpose is strictly prohibited. Freehold's policy is to be in compliance with all laws and regulations that are applicable to its business – at all governmental levels. In some instances, the laws and regulations may be ambiguous or difficult to interpret. In all cases, however, management has access to legal advice throughout Freehold's operations, and management should seek such legal advice as is necessary, in order to assure compliance with Freehold's policy of observing all laws and regulations.

Representatives are encouraged to talk to their leader or other appropriate personnel when in doubt about the best course of action in a particular situation and to report violations of laws, rules, regulations or this Policy. We prohibit retaliatory action against any Representative who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

### Fair Dealing, Discrimination and Harassment

You must deal fairly with others. You should not take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other inequitable practices.

You must respect the rights, culture and dignity of all individuals. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. You are encouraged to speak out when a co-worker's or a colleague's conduct makes you uncomfortable. You are encouraged to raise any concerns with your leader or with Freehold's Human Resources Department. You may also report such concerns in accordance with Freehold's Whistleblower Policy. We prohibit retaliatory action against any Representative who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

### Protection and Proper Use of Assets

You must endeavour to protect Freehold's assets and ensure their efficient use. Freehold's assets may only be used for legitimate business purposes or other purposes approved by management. Freehold's assets must never be used for illegal purposes.

Theft, carelessness and waste have a direct impact on Freehold's profitability. Any suspected incidents of fraud or theft must be immediately reported in accordance with Freehold's Whistleblower Policy.

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The obligation to protect Freehold's assets includes proprietary information. Proprietary information includes any information that is not generally known to the public and would be helpful to Freehold's competitors. Examples of proprietary information are intellectual property, technical data, operating budgets, agreements, business and marketing plans and personnel information. The obligation to preserve proprietary information continues even after your employment ends.

### Use of Information Technology

Freehold's information technologies are to be used for business purposes only unless otherwise expressly authorized by management. Incidental and occasional personal use is permitted, but never for personal gain or any improper or illegal purpose. Your messages (including voice mail) and computer information are considered Freehold's property and you should not have any expectation of privacy. Use good judgment, and do not access, send messages or store any information that you would not want to be seen or heard by other individuals, including information that could be insulting or offensive to another person. Unless prohibited by law, the Corporation reserves the right to access your e-mail communication, and disclose this information as necessary for business purposes.

You may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, cartoons, jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. Also remember that "flooding" our systems with junk mail hampers the ability of our systems to handle legitimate company business and is prohibited.

### Social Media

Representatives must ensure that they do not divulge private and/or proprietary information or other undisclosed material information related to Freehold's business, its personnel, partners, suppliers, affiliates, competitors and/or other stakeholders while communicating on social media sites, the Internet in general or through blogs.

Representatives must not violate any of Freehold's policies including, but not limited to, this Code of Business Conduct and Conflict of Interest Policy, Freehold's Disclosure Policy and Freehold's Insider Trading Policy.

Representatives who wish to create and/or maintain personal blogs or participate in social media may do so on their personal computer and on their own time outside of the workplace. Representatives who create or contribute to blogs or social media and who identify themselves, either directly or indirectly, or others, as representatives of Freehold must adhere to the following rules of conduct:

- a. Representatives must ensure that they do not libel, slander, intimidate, harass or threaten any personnel, partners, suppliers, affiliates, competitors and/or other stakeholders of Freehold on any social media site or in any blog content;
- b. Representatives must not make comments which are negative, derogatory or false about Freehold, its personnel, partners, suppliers, affiliates, competitors and /or other stakeholders of Freehold on any social media site or in any blog content; and

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- c. If Representatives are uncertain about the propriety of a public communication over a social media site or blog they should consult their leader, the CEO or any Vice President prior to making such communications.

### Health, Safety and Environment

You must respect and comply with applicable health, safety and environmental laws, rules and regulations. All hazards, near misses, incidents, including violent behaviour, or accidents, regardless of the magnitude, must be reported immediately.

### Political Contributions

Freehold prohibits the use of corporate funds for political contributions, unless approved by the Board. Luncheons and dinners are exempt from this prohibition.

### Personal Political Contributions

The above prohibitions relate only to the use of corporate funds and in no way are intended to discourage Representatives from making personal contributions to candidates or political parties of their choice. Representatives must not, however, be reimbursed by Freehold in any way for such personal contributions.

### Proper Accounting

Compliance with accepted accounting rules and controls is required at all times. All Freehold records must accurately reflect and properly describe the transactions they record.

1. All business transactions must be properly authorized.
2. All records must fairly and accurately reflect the transactions or occurrences to which they relate.
3. All records must fairly and accurately reflect Freehold's assets, liabilities, revenues and expenses.
4. Information is not to be concealed from the independent auditors, the Audit, Finance and Risk Committee of the Board, or the Board.
5. Representatives must not knowingly undertake or participate in improper activity and if requested by someone to do so should report such request, in accordance with Freehold's Whistleblower Policy.

### Reporting and Control

Compliance with this Policy is a condition of your employment. Violations may result in severe consequences, which could include civil and criminal penalties and internal disciplinary action up to and including dismissal for cause or termination of contract.

You are encouraged to talk to your leader or any senior officer about observed illegal or unethical behaviour, or when in doubt about the best course of action in a particular situation. If you are

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concerned that a violation of this Policy or other illegal or unethical conduct has occurred or may occur, you should report the matter in accordance with Freehold's Whistleblower Policy.

### Waivers

Freehold's Board is ultimately responsible for monitoring compliance with this Policy. Any waiver of this Policy for executive officers or directors will be made only by the Board. Any change to this Policy will be disclosed as required by applicable law or regulation.

1. A Report Letter, in the form attached as "Exhibit A" to this Policy, will be submitted annually, prior to the end of February of each year, by all directors, officers, and those employees or consultants who may be engaged, or may become engaged in any activity which might conflict with Freehold's interest. The reports will be sent to the CEO, who will forward them to the Chair of the Board if facts are reported that may constitute a conflict of interest. If the facts disclose a conflict of interest, the employee will be notified and will have the obligation to remedy the situation.
2. A Report Letter will also be submitted by any employee or consultant, whether or not he or she is required to submit an annual Report Letter, when he or she becomes or may become involved in what might be a conflict of interest situation that has not previously been reported. If the facts disclose a conflict of interest, the employee or consultant will be notified and will have the obligation to remedy the situation. Similarly, if the facts do not disclose a conflict of interest, the employee or consultant will be so informed.

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**EXHIBIT "A"  
REPORT LETTER****Employees, Consultants,  
Directors and Officers of Freehold Royalties Ltd.****MEMO TO:** President and CEO  
Freehold Royalties Ltd.**RE:** **Conflict of Interest****I have read and understand Freehold's policy regarding conflicts of interest as set forth in the Code of Business Conduct and Conflict of Interest Policy.**

As specified below, to the best of my knowledge and belief, neither I nor any member of my immediate family has any interest or connection, or has, within the past year, engaged in any activity which might conflict with Freehold's interests:

- \_\_\_\_\_ A. The above statement is true, without exception.
- \_\_\_\_\_ B. The above statement is true, except as described  
in my attachment to this Report Letter.

**I have read and understand Freehold's Insider Trading Policy.** As specified below, neither I nor any member of my immediate family has engaged in any activity that might conflict with the Insider Trading Policy.

- \_\_\_\_\_ A. The above statement is true, without exception.
- \_\_\_\_\_ B. The above statement is true, except as described  
in my attachment to this Report Letter.

**I have read and understand, and agree to comply with, the Code of Business Conduct and Conflict of Interest Policy as it relates to my work responsibilities.**\_\_\_\_\_  
Name (please print)\_\_\_\_\_  
Signature\_\_\_\_\_  
Date Signed

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**EXHIBIT "B"  
GUIDELINES FOR MAINTAINING CONFIDENTIALITY**

Any Representative privy to confidential material information will be so advised and is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business. Efforts will be made to limit access to confidential material information to only those who need to know the information and those persons will be advised that the information is to be kept confidential.

Outside parties privy to undisclosed material information concerning Freehold will be told that they must not divulge this information to anyone else, other than in the necessary course of business and that they may not trade in Freehold's securities or the publicly traded securities of any other party involved until the information is publicly disclosed. Such outside parties should confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

To prevent the misuse or inadvertent disclosure of material information, the following procedures should be observed at all times:

1. Documents and files containing confidential information should be kept in a safe place, with access restricted to individuals who 'need to know' that information in the necessary course of business;
2. Code names should be used if necessary;
3. Confidential matters should not be discussed (including cell phone conversations) in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes, taxis or ride-shares;
4. Confidential documents should not be read or displayed in public places and should not be discarded in wastebaskets or recycling bins where others can retrieve them;
5. Representatives must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office;
6. Transmission of documents by electronic means, such as by fax, email or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions;
7. Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed; and
8. Access to confidential electronic data should be restricted through the use of passwords.