

## Board Diversity and Renewal Policy

No. 10

### Diversity Commitment and Policy Statement

Freehold Royalties Ltd. ("**Freehold**") recognizes the benefits of having a diverse board of directors (the "**Board**") and is committed to ensuring that the Board is comprised of high quality, competent directors whose skills and perspectives contribute to the continued success of the organization. As such, Board nominations should be made on the basis of the skills, knowledge, expertise, industry experience, competence and personal characteristics such as age, gender, ethnicity and other distinctions which contribute to that goal. In considering suitable candidates for appointment or re-election to the Board, the Governance, Nominating and Compensation Committee (the "**GNC Committee**") of the Board will:

- Consider all aspects of diversity including, but not limited to, those described above;
- Assess the skills and backgrounds collectively represented on the Board to ensure that they reflect the diverse nature of the business environment in which Freehold operates;
- Consider candidate on objective merit criteria having due regard to the benefits of diversity on the Board; and
- When required, engage qualified independent external advisors to assist with the identification and assessment of candidates that meet the Board's expertise, skills and diversity criteria.

With a view to enhancing and maintaining Board diversity, the Board has adopted the following practices:

- When recruiting new candidates for director, extending search protocols beyond the networks of existing Board members and including the identification of a reasonable proportion of candidates who are women and who identify as members of other designated groups;
- Upon engaging external advisors to help identify candidates for appointment to the Board, specifically directing them to include women and apparent racially or ethnically diverse individuals; and
- When maintaining an ongoing list of potential candidates, ensuring the list includes women and individuals other designated groups.

The GNC Committee has established a "skills matrix" outlining the skills and experience they believe are required by the members of the Board. This skills matrix is reviewed annually and periodically updated by the GNC Committee. The GNC Committee annually reviews the skills and experience of the current directors of Freehold and assesses the knowledge and character of all nominees to the Board to ensure general compliance with the skills matrix.

### Board Diversity Targets

Freehold has committed to achieve and maintain a Board composition in which at least thirty percent (30%) of its directors are women. Similarly, Freehold has committed to achieve and maintain a Board composition in which at least one (1) member is apparent racially or ethnically diverse. To

## Board Diversity and Renewal Policy

No. 10

---

ensure the effectiveness of this Diversity and Renewal Policy and to ensure Freehold maintains its targets for representation of women and apparent racially or ethnically diverse members on the Board, the GNC Committee continues to review the representation of such characteristics in individuals considered or brought forward as potential nominees for Board positions when the Board seeks to add additional members or replace existing members, and the skills, knowledge, experience and character of such candidates relative to other candidates to ensure that a diverse selection of candidates are being fairly considered relative to other candidates. The GNC Committee will also review the number of diverse members actually appointed and serving on the Board to evaluate whether it is desirable to adopt additional requirements or policies with respect to diversity.

### **Director Term Limits and other Mechanisms for Board Renewal**

The Board does not believe that retirement ages or fixed term limits are in the best interest of Freehold. The GNC Committee considers the term of service of individual directors, the average term of the Board as a whole, turnover of directors over the prior years, the skillset of directors, the competence of directors and achievement of our diversity objectives when proposing director nominees for election. The GNC Committee considers the benefits of regular renewal in the context of the needs of the Board at the time and the benefits of the institutional knowledge of the Board members.