

## DIVERSIFIED ROYALTY CORP.

### MAJORITY VOTING POLICY

1. The board of directors (the "**Board**") of Diversified Royalty Corp. (the "**Corporation**") believes that each of its members should carry the confidence and support of the Corporation's shareholders. To this end, the Board has unanimously adopted this statement of policy.

2. In an uncontested election of directors of the Corporation, each director should be elected by the vote of a majority of the shares represented in person or by proxy at the shareholders' meeting convened for such election of directors. Accordingly, if any nominee for director 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. In this policy, an "uncontested election" means an election where the number of nominees for election as a director equals the number of directors to be elected.

3. The Human Resources, Compensation, Corporate Governance and Nominating Committee (the "**Committee**") shall consider any such offer of resignation and recommend to the Board whether or not to accept it. Any director who has tendered his or her resignation shall not attend or participate in the deliberations of either the Committee or the Board. The 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 Toronto Stock Exchange's majority voting requirement; or (iv) any other factors that the members of the Committee consider relevant.

4. The Board shall act on the Committee's recommendation within 90 days following the applicable shareholders' meeting and announce its decision through a press release, after considering the factors identified by the 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. If the Board declines to accept the resignation, it should include in the press release the reasons for its decision.

5. Forms of proxy provided for use at any shareholders meeting where directors are to be elected should enable the shareholders to vote in favour of, or to withhold from voting in respect of, each nominee separately. The results of the vote should be filed on SEDAR.

6. 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. 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 will be presented a management nominee or nominees to fill the vacant position or positions.

7. This policy does not apply in any case where an election involves a proxy contest, i.e., where proxy materials are circulated, and/or a solicitation of proxies is carried out, in support of one or more nominees who are not part of the slate supported by the Board.

8. This is a policy, and is subject to change from time to time by the Board. In addition, the Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively. No provision contained herein is intended to give rise to civil liability to shareholders of the Corporation or other liability whatsoever.

**This policy was adopted by the Board on May 9, 2017.**