



BOARD DIVERSITY POLICY

Introduction

PrairieSky Royalty Ltd. ("**PrairieSky**") recognizes the benefits of having a diverse board of directors ("**Board**"). Nomination and appointment of candidates which provide for multiple perspectives, skills, expertise, industry experience and personal characteristics such as age, gender, ethnicity and other distinctions, all contribute to the continued success of the organization. At PrairieSky, these differences will be considered in determining the optimum composition of the Board and when possible will be balanced appropriately.

This Board Diversity Policy is intended to set out the framework for PrairieSky's approach to Board diversity and outline the key criteria for the composition of the Board that promotes PrairieSky's commitment and aspirational targets to diversity and inclusion.

Commitment and Policy Statement

The governance and compensation committee of the Board ("**Governance and Compensation Committee**") oversees the evaluation, assesses and considers the effectiveness, of the Board as a whole, the committees of the Board and the contribution of individual members on a periodic basis. The Governance and Compensation Committee in conjunction with the Board also reviews the experience, qualifications and skills of PrairieSky's incumbent directors to ensure that the composition of the Board and committees and the competencies of the members are in line with those that the Governance and Compensation Committee considers that the Board and respective committees should possess.

In considering suitable candidates for appointment or re-election to the Board, or whether to accept the deemed resignation of a director pursuant to PrairieSky's Board Renewal Policy, the Governance and Compensation Committee shall:

- consider all aspects of diversity including, but not limited to, those described above, in order to enable the Governance and Compensation Committee to discharge its duties and responsibilities effectively;
- assess the skills and backgrounds collectively represented on the Board to ensure that they reflect the diverse nature of the business environment in which PrairieSky operates;
- consider candidates on merit against objective criteria having due regard to the benefits of diversity on the Board; and
- engage, as deemed necessary, qualified independent external advisors to identify and assess candidates that meet the Board's skills and diversity criteria.

Aspirational Board Gender Diversity Target

PrairieSky aspires to achieve a Board composition by 2022 in which at least 25 percent of its directors are women.

Review, Monitoring and Reporting

To assess PrairieSky's effectiveness in promoting a diverse Board which includes an appropriate number of women directors, the Governance and Compensation Committee will periodically review the skills, expertise, experience, independence and background of the Board, committees and each of its individual directors.

In addition, each year the Committee will: (i) assess the effectiveness of the Board diversity policy and related objectives; (ii) monitor and review PrairieSky's progress in achieving its aspirational target for gender diversity; (iii) monitor the implementation of this Board Diversity Policy; and (iv) report to the Board and recommend any revisions that may be necessary.

This Board Diversity Policy will be made publicly available on PrairieSky's website.