

Board Renewal Policy

Effective: April 11, 2019

1. INTRODUCTION

The board of directors (the "**Board**") of PrairieSky Royalty Ltd. ("**PrairieSky**") 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. Through these and other measures, the Board effectively monitors and evaluates its effectiveness and diversity while balancing the value of experience and continuity of its incumbent members. The Board does however recognize that periodic board renewal may offer the benefit of new perspectives and ideas and has adopted this Board Renewal Policy to counterbalance the benefits of continuity of leadership with the introduction of diverse views and experience.

2. BOARD RENEWAL PROCESS

All non-executive directors of PrairieSky shall be deemed to submit their resignation to the governance and compensation committee of the Board ("**Governance and Compensation Committee**") following the first to occur:

- (i) the director reaching the age of seventy-two (72); or
- (ii) the director having served as a non-executive director of the Corporation for fifteen (15) years.

The Governance and Compensation Committee shall make a recommendation to the Board to accept or reject the deemed resignation of the individual director. In its deliberations, the Governance and Compensation Committee shall consider whether the continued service of the director would be in the best interests of PrairieSky in light of, among other relevant considerations, the individual director's and the Board's competencies and skills, the size of the Board and the composition of the Board in light of PrairieSky's Board Diversity Policy.

If the Governance and Compensation Committee recommends that the Board accept the director's deemed resignation, it shall recommend that the deemed resignation be accepted in conjunction with PrairieSky's next annual general meeting of shareholders or such other date as it reasonably believes will allow for orderly transition. The Board shall consider but is not obligated to follow the recommendation of the Governance and Compensation Committee. Any director who tenders a resignation pursuant to this Board Renewal Policy will not participate in the deliberations of the Governance and Compensation Committee or the Board with respect to the deemed resignation of such director.

If the Board rejects the director's deemed resignation, the director shall be deemed to re-submit such resignation prior to each annual meeting of shareholders beginning on the next calendar following the year in which the initial deemed resignation was submitted. The Governance and Compensation Committee shall review each additional deemed resignation on the same considerations as the initial deemed resignation.

If the Board determines not to accept the deemed resignation of a director, the management information circular prepared in respect of the next annual meeting of shareholders shall disclose the reasons for such decision.

Notwithstanding the foregoing, this Board Renewal Policy shall not take precedence over the Board and the Governance and Compensation Committee's review of the experience, qualifications and skills of PrairieSky's directors to ensure that the composition of the Board and its committees and the competencies and skills of each member are in line with those that the Governance and Compensation Committee considers that the Board and respective committees should possess.

3. REVIEW

The Board shall appoint the Chair of the Committee (the "**Chair**"). If the Chair is unavailable or unable to attend a meeting of the Committee, the Chair shall ask another member to chair the meeting, failing which a member of the Committee present at the meeting shall be chosen by a majority of members of the Committee present at such meeting to preside over the meeting. The items pertaining to the Chair should be read in conjunction with the "Committee Chair" section of the *Chair of the Board of Directors and Committee Chair General Guidelines*.