

Environment, Climate Change, Health and Safety Policy

Effective: February 10, 2020, amended and restated March 5, 2021

1. Introduction

PrairieSky Royalty Ltd. ("**PrairieSky**" or the "**Company**") is committed to a healthy and safe workplace and to the protection of the environment. We consider the protection and promotion of health, safety and the environment a fundamental value of PrairieSky that guides and is integrated into our business activities.

2. Scope

This Environment, Climate Change, Health and Safety Policy (this "**Policy**") applies to our business activities and to our business relationships with others. This Policy is applicable to all part-time and full-time employees, contractors, officers and directors of the Company, including any joint ventures or subsidiaries thereof from time to time (collectively, "**covered persons**").

Covered persons should carefully read and understand this Policy and must agree to abide by its requirements as a condition of working and doing business with us. This Policy supplements the requirements, guidelines and standards of conduct described in PrairieSky's governance policies, including our *Joint Work Site Health and Safety Committee Policy* and the *Business Code of Conduct*.

3. Objectives

Although PrairieSky does not directly operate any oil and gas properties, facilities or related assets, the Company's goal is to conduct its business in a manner that will visibly demonstrate our commitment to leadership of health, safety and environmental matters throughout our business activities, while minimizing both adverse environmental and health and safety effects and consequences of loss or harm by:

1. Complying with applicable environmental, climate change and occupational health and safety laws and regulations that meet and where possible exceed required obligations, taking into consideration stakeholder perspectives.
2. Supporting and participating in, where practical, environmental initiatives including using natural resources and energy more efficiently, preventing pollution, protecting biodiversity and ecosystems, reducing and managing greenhouse gas and air emissions, effluents, releases and waste, driving environmental awareness, promoting environmental responsibility, encouraging the development and diffusion of environmentally friendly technologies and taking a precautionary approach in managing environmental and climate-related transition and physical risks.

3. Providing a safe and healthy work environment for employees, preventing work-related injury and illness and fostering a workplace free of recognized hazards, workplace violence and harassment, and occupational injuries and illness by reducing and, where feasible, eliminating health and safety risks.
4. Ensuring prompt and effective preparation, response and follow up to workplace hazards, emergency situations and incidents.
5. Communicating the Policy to internal and external stakeholders and providing required training to employees and contractors to ensure their competence and compliance to PrairieSky's environmental, health and safety requirements.
6. Consulting and engaging our employees, employee representatives and stakeholders to share perspectives on environmental, health and safety issues, and working together and learning from each other through teamwork and leadership.
7. Continuously monitoring, evaluating and systematically amending the Company's policies and procedures, including this Policy, to ensure continual improvement.
8. Providing regular, objective reporting on our environmental, climate change and health and safety performance as well as our compliance to this Policy in PrairieSky's annual Responsibility Report.

4. Reporting Concerns

Covered persons affected by our activities have access to mechanisms to voice concerns that are legitimate, accessible, predictable, equitable and transparent. PrairieSky's approach to resolving disputes and concerns is based on engagement and dialogue with the stakeholders and communities that are impacted by us.

Covered persons who witness, discover or become aware of a violation of this Policy, or any of PrairieSky's related policies, practices and guidelines, are expected to act promptly, in good faith and have an obligation to report the violation to their manager or senior management. Covered persons who have reason to suspect a violation may have occurred must also report the suspected violation to their manager or senior management. All covered persons should take your concern beyond your manager or senior management if the suspected violation was not resolved. Covered persons should be prepared to cooperate in PrairieSky investigations regarding violations of this Policy.

In addition, reference is made to our whistleblower hotline as an available procedure for the submission of matters through a confidential anonymous process. The Company's *Investigations Practice Policy* outlines how a notification or complaint will be treated once it is made and includes whistleblower protection for complainants making an anonymous complaint. The Company will not allow retaliation for reports made lawfully in accordance with the Company's *Investigations Practice Policy*.

5. Governance and Accountability

The President and Chief Executive Officer of PrairieSky is accountable to the Board of Directors for establishing, maintaining and ensuring this Policy is effectively implemented and ensuring that this Policy continues to be of value to our business and its stakeholders.

All PrairieSky employees, officers and contractors at all levels engaged in activities under PrairieSky's control are required to comply with this Policy, as a condition of employment with PrairieSky. Managers are responsible to monitor and ensure compliance, mentor and train workers on matters related to this Policy and are trained and able to supervise and protect employees under their supervision. All staff play a vital role in achieving excellence in environmental, health and safety performance, maintaining a healthy and safe workplace and protecting the well-being of others. This is best achieved through careful planning and the support and active participation of everyone involved.

This Policy will be included in PrairieSky's Employee Handbook, which is annually reviewed and accepted by all employees, officers and contractors of PrairieSky.

DATED this 5th day of March, 2021.



Andrew Phillips
President and Chief Executive Officer