

Human Rights Policy

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

1. Introduction

PrairieSky Royalty Ltd. ("**PrairieSky**" or the "**Company**") is committed to conducting our business responsibly and upholding the highest standards of governance and ethical conduct. At PrairieSky, respect for human rights is fundamental to the way we do business and is part of our core values across all of our business activities. Consistent with that commitment, this Human Rights Policy (the "**Policy**") articulates our responsibility to respect all applicable employment, labour and human rights laws and regulations as well as internationally proclaimed human rights.

This Policy is aligned with the United Nations Universal Declaration of Human Rights and the two International Covenants making up the International Bill of Human Rights, the International Labour Organization's Declaration of Fundamental Principles and Rights at Work, the United Nation's Guiding Principles on Business and Human Rights, and the United Nation's Global Compact, of which the Company is a signatory.

2. Purpose

This Policy sets out the guiding principles on the expectations we have as it relates to our actions and behaviours with respect to human rights. In addition, this Policy articulates our responsibility to ensure that we are not complicit in human rights abuses and ensures we avoid infringing on the rights of others and engage in activities that directly or indirectly violate human rights.

3. Scope

Our responsibility to respect human rights applies to all our business activities and to our business relationships with others.

This Policy applies to all part-time and full-time employees, suppliers, contractors, officers and directors of the Company, including any subsidiaries thereof from time to time (collectively, "**covered persons**").

This Policy aligns with the human rights attributes embedded in other Company policies and guidelines, including but not limited to, the Company's *Business Code of Conduct*, *Supplier Code of Conduct*, *Respectful Workplace Policy* and *Joint Work Site Health and Safety Committee Policy*.

Fundamental to this Policy is the understanding that a business, in all of its activities, must operate in full compliance with applicable laws, rules and regulations of the jurisdictions in which it operates. PrairieSky seeks to go beyond legal compliance, drawing upon internationally recognized standards, in order to instill principles of human rights in our business practices and culture. Where this Policy and federal, provincial or local laws have

requirements overlapping the same subject matter, we strive to meet the more stringent requirements.

Covered persons should carefully read and understand this Policy and must agree to abide by its requirements as a condition of employment and/or doing business with us. This Policy supplements the requirements, guidelines and standards of conduct described in PrairieSky's governance policies, including our Business Code of Conduct and Supplier Code of Conduct.

4. Guiding Principles

Our commitment to human rights is based on the following principles:

A. Child Labour

Child labour is not acceptable under any circumstances. We employ personnel who meet the applicable minimum legal age requirement to work in the jurisdictions in which we operate.

B. Forced Labour, Modern Slavery, Human Trafficking

We have zero tolerance for forced or enslaved labour under any circumstances, whether in the form of compulsory or trafficked labour, indentured labour, bonded labour or other forms. Mental and physical coercion, human trafficking, and modern slavery are prohibited.

C. Non-Discrimination

Discrimination in any form is prohibited. Employees can expect to perform their roles in a work environment free from discrimination or harassment. This includes, but is not limited to, discrimination based on race, ethnicity, colour, age, gender, gender identity or expression, sexual orientation, pregnancy, political beliefs, citizenship, national origin, religion, disability, parental status, economic/class status, veteran status, or any other protected status or characteristic that is not related to the individual's merit or the inherent requirements of the position of employ.

D. Respect and Dignity, Harassment and Violence

We are committed to maintaining an environment that is free from harassment, violence, intimidation and other like behaviours. We treat all our employees (regardless of their employment status) fairly, ethically, respectfully and with dignity. We protect them from harassment, bullying and victimization in the workplace, as well as from any form of retaliation. We do not exhibit or threaten to exhibit harsh or inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, abusive disciplinary practices, mental, physical or psychological coercion or verbal abuse of workers. Our commitment to a respectful, diverse and inclusive workplace is defined further in our *Respectful Workplace Policy*.

E. Working Conditions and Compensation

We comply with the International Labour Organization conventions as well as local laws and regulations related to working conditions, including working hours, minimum wages, over-time, days of rest, wages, mandated benefits and layoff practices.

F. Freedom of Association and Collective Bargaining

We respect the right of workers to choose whether to lawfully and peacefully form or join trade unions of their choosing and to bargain collectively without fear of discrimination, retaliation, harassment or intimidation. In cases where freedom of association is restricted by local law, alternative means of freedom of association will not be obstructed.

G. Health and Safety

We are committed to providing a safe, healthy and well-being oriented working environment, in accordance with all applicable municipal, provincial and federal laws and regulations and international standards. Our employees have the right to refuse and report unsafe or unhealthy working conditions regardless of role, title or responsibility. We take proactive action to prevent occupational illnesses and work-related accidents and hazards, including through emergency preparedness and response plans. Our commitment to occupational health and safety, including providing a safe and hygienic working environment, is defined further in our *Environment, Climate Change, Health and Safety Policy* and *Joint Work Site Health and Safety Committee Policy*.

H. Indigenous Peoples' Rights

We value and respect the rights and land of Indigenous people and local communities. We ensure that all negotiations with regards to our property or land adhere to the principles of free, prior and informed consent, contract transparency and disclosure.

I. Communities

We respect the cultures, customs and values of the communities in which we carry on business. We believe that people impacted by our business have a right to be informed about our activities, participate in a transparent engagement process and be involved in the issues and opportunities affecting them. We believe our business activities should contribute to the economic well-being and quality of life where we do business, as do our community investments. PrairieSky has a Community Investment Program that guides the Company to achieve the foregoing goals and beliefs.

5. Implementation

The implementation of this Policy occurs through our due diligence procedures, as well as through processes related to reporting concerns in this area.

A. Human Rights Due Diligence

A process for human rights impact and risk assessment is necessary to identify, prevent, mitigate and remedy potential impacts on human rights. The scope of our human rights due diligence focuses on our own business operations, but also includes examining opportunities to influence our material third-party business relationships, those of others, where possible. PrairieSky will endeavor to conduct business with such third parties who share our values and business principles. We recognize that a heightened level of due diligence is required if PrairieSky's business operations were, in the future, extended to high risk and conflict environments.

B. Reporting Concerns

Consistent with our commitment to respect human rights as outlined in this Statement, there exist a variety of mechanisms available to address concerns in this area. Covered persons affected by our activities have access to mechanisms to voice concerns that are legitimate, accessible, predictable, equitable and transparent. In addition to those offered by governments through various regulatory structures, PrairieSky has also developed our own mechanisms that enable covered persons, business partners and other stakeholders to raise concerns, including concerns arising out of human rights impacts. We are committed to providing remedy to correct any human rights violations, disputes or concerns.

Covered persons who witness, discover or become aware of a violation of this Policy 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 their concerns beyond their manager or senior management if the violation or 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*.

6. Communication

Awareness among covered persons is key to ensuring that PrairieSky meets the goals of this Policy and the Company is committed to training and communicating our approach to human rights as part of the implementation of this Policy. PrairieSky will inform our stakeholders of the existence of this Policy and will also look for opportunities to promote a broader understanding of human rights values among our stakeholders.

7. Monitoring and Reporting

This Policy will be reviewed annually with respect to its suitability and effectiveness, and the Company will provide regular, objective monitoring and reporting on our human rights progress and impacts in our annual Responsibility Report. PrairieSky welcomes feedback and dialogue with interested parties. All feedback and comments on this Policy should be sent to PrairieSky's Chief Operating Officer.

8. Governance and Accountability

The Company believes that this Policy guides us to implement effective engagement measures. The President and Chief Executive Officer of PrairieSky is accountable to the Board of Directors for ensuring this Policy is effectively implemented. All PrairieSky employees, officers and contractors engaged in activities under PrairieSky's control are responsible for the application of this Policy. 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