

2022 Notice and Management Information Circular

For the Annual and Special Meeting
of Shareholders to be held
on May 4, 2022



Dear Stakeholders:

March 21, 2022

We are proud that our business model has created true shareholder value. Over the 14 years since our Initial Public Offering, our shareholders have realized an absolute return of over 860% and a compounded annual growth rate of greater than 18%. We have increased dividends for the fourteenth consecutive year and cumulative dividends now exceed US\$1.67 billion. At year-end, our market capitalization exceeded US\$26 billion, ranking Franco-Nevada among the largest gold companies in the world.

2021 ranked as one of our strongest growth years, with our business generating record results and US\$1.3 billion in revenue. Growth was driven by the first full year of operations from Cobre Panama and new contributions from the Condestable precious metal stream and the Vale iron ore and Haynesville natural gas royalties. The strong recovery in oil and gas prices more than doubled our energy revenues for the year.

Our tag-line is “Franco-Nevada is the gold investment that works” and we are committed to ensuring it does work, for our shareholders, our operating partners and our communities:

- ★ We believe combining a lower-risk gold investment with a strong balance sheet, progressive dividends and exposure to exploration optionality is the right mix to appeal to investors seeking to hedge market instability.
- ★ We build long-term alignment with our operating partners, knowing we are only successful if they are. This win-win approach and the natural flexibility of royalties and streams is an effective financing tool for the cyclical resource sector.
- ★ We work hard to be a positive force in our community, promoting responsible mining, providing a safe and diverse workplace and contributing to build community support for the operations in which we invest.

In 2021, we made progress toward our goal of at least 40% diverse representation at the Board and senior management level as a group by 2025, we expanded our community contributions and the executives were personally engaged in industry bodies to promote gold and its sustainable production. Franco-Nevada continues to receive top ESG ratings. In 2021, this included being ranked #1 out of 96 gold companies by Sustainalytics, receiving an MSCI ESG Rating of “AA” and being rated Prime by ISS ESG.

We operate our business with a small team of 35 people and have kept overhead low while our revenue and asset base have grown substantially. Our success is a result of a highly-capable team and the guidance of an experienced and engaged Board of Directors. All of them have a material stake in the Corporation and all of them think like owners.

We are convinced of the long-term investment appeal of gold and believe our “top line” business model will shine in today’s highly-inflationary world.

Thank you for your ongoing trust and support.

“David Harquail”
Chair of the Board

“Paul Brink”
President & CEO



At the Detour Lake Mine, August 2021

Notice of Annual and Special Meeting of Shareholders

Annual and Special Meeting (the “Meeting”) of the shareholders of Franco-Nevada Corporation (the “Corporation”)

Date:	Wednesday, May 4, 2022
Time:	4:00 p.m. (Toronto time)
Venue:	Virtually at https://web.lumiagm.com/484064175 and in person at the TMX Market Centre, 120 Adelaide Street West, Toronto, Ontario M5H 1P9
Items of Business:	✓ to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2021, together with the auditors’ report thereon; ✓ to elect the directors of the Corporation; ✓ to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors; ✓ to consider and, if thought appropriate, pass, with or without variation, an advisory resolution on the Corporation’s approach to executive compensation; and ✓ to transact such other business as may properly come before the Meeting or any adjournment thereof.

The management information circular (the “Circular”) dated March 21, 2022 provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

Hybrid Meeting

The Corporation plans on holding a hybrid meeting this year as COVID-19 restrictions have been lifted. The online meeting will be via live webcast at <https://web.lumiagm.com/484064175> and in person at the TMX Market Centre, 120 Adelaide Street West, Toronto, Ontario M5H 1P9. Registered shareholders and their duly appointed proxyholders can attend, submit questions and vote at the Meeting. Non-registered or beneficial shareholders must appoint themselves (or someone to attend on their behalf) as proxyholder in order to be able to vote at the Meeting. Otherwise, such non-registered or beneficial shareholders will only be able to attend as a guest. Detailed instructions on how to participate in the Meeting (either virtually or in person) are provided in the attached Circular. It is possible that changes to the date, time or location/format of the Meeting may be required as a result of COVID-19. We will announce any changes or updates in respect of our Meeting on our website or by press release.

Notice and Access

The Corporation is using the notice and access procedure (“**Notice and Access**”) adopted by the Canadian Securities Administrators for the delivery of the Circular. Under Notice and Access, shareholders are still entitled to receive a form of proxy (or voting instruction form) enabling you to vote at the Meeting. However, instead of receiving paper copies of the Circular, shareholders receive this notice of meeting which contains information on how to access the Circular electronically. Notice and Access reduces costs and is more environmentally friendly as it reduces the printing and mailing of documents.

The Circular and form of proxy (or voting instruction form) provide additional information concerning the matters to be dealt with at the Meeting. Shareholders are reminded to review all information contained in the Circular prior to voting.

For more information about Notice and Access procedures, please call toll-free at 1-866-964-0492.

Websites Where Meeting Materials are Posted

The Circular is available on the following Notice and Access website hosted by Computershare Investor Services Inc. (Canada): www.envisionreports.com/franco-nevada2022. The Circular is also available on the Corporation’s website, www.franco-nevada.com, under the Corporation’s profile on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

How to Obtain Paper Copies of Meeting Materials

All shareholders may request that paper copies of the Circular be sent to them by post delivery free of charge. Requests may be made up to one year from the date that the Circular is posted on the Corporation’s website. Prior to the Meeting, shareholders may request a paper copy of the Circular by calling the applicable toll-free number set out below and a copy will be mailed within three business days of receiving such request:

- ★ **For registered shareholders:** 1-866-962-0498 within North America and 1-514-982-8716 from outside North America. The 15-digit control number found on the proxy form will be required.
- ★ **For beneficial shareholders:** 1-877-907-7643 within North America and 1-303-562-9305 from outside North America or you may electronically submit a request at www.proxyvote.com. The 16-digit control number found on the voting instruction form will be required.

If a shareholder wishes to receive the Circular prior to the voting deadline as described below, the request should be made before 5:00 p.m. (Toronto time) on April 20, 2022.

After the Meeting, shareholders may request a paper copy of the Circular by calling 1-844-916-0609 within North America and 1-303-562-9305 from outside North America and a copy will be mailed within ten calendar days of receiving such request.

Voting

Shareholders are encouraged to vote. Registered shareholders as of the close of business on March 16, 2022 will be entitled to receive notice of, and vote at, the Meeting and any adjournment thereof. Please read the attached Circular carefully as it provides instructions on how shareholders can vote by proxy or virtually.

To be valid, proxies must be deposited with Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, no later than 5:00 p.m. (Toronto time) on May 2, 2022 or on the second business day preceding the date of any adjournment of the Meeting.

Non-registered beneficial shareholders should follow the instructions of their intermediaries in order to vote their shares.

By order of the Board of Directors

“Lloyd Hong”

Chief Legal Officer & Corporate Secretary

Dated at Toronto, the 21st day of March, 2022.

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PROXY INFORMATION – Q&A

This management information circular (this “**Circular**”) is furnished in connection with the solicitation by the management of Franco-Nevada Corporation (the “**Corporation**” or “**Franco-Nevada**”) of proxies to be used at the annual and special meeting (the “**Meeting**”) of shareholders of the Corporation to be held by live webcast at <https://web.lumiagm.com/484064175> and in person at the TMX Market Centre, 120 Adelaide Street West, Toronto, Ontario M5H 1P9 on Wednesday, May 4, 2022, at 4:00 p.m. (Toronto time), and at all adjournments thereof, for the purposes set forth in the notice of the Meeting that accompanies this Circular (the “**Notice of Meeting**”).

Who can vote?

The directors have fixed March 16, 2022 as the record date for the determination of shareholders entitled to receive notice of the Meeting. Shareholders of record on such date are entitled to vote at the Meeting.

Who is soliciting my proxy?

Management of the Corporation is soliciting your proxy. It is expected that the solicitation will be made primarily by mail but proxies may also be solicited personally by directors, officers or employees of the Corporation. Such persons will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares of the Corporation in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and the Circular to beneficial owners of common shares and obtaining proxies therefor. The total cost of the solicitation will be borne directly by the Corporation.

How do I vote?

Registered Shareholders

You are a Registered Shareholder if you hold your shares in your own name. A Registered Shareholder may vote via proxy in advance of the Meeting or during the Meeting (either virtually or in person). If you vote in advance of the Meeting via proxy and also vote at the Meeting, your voting instructions received via proxy will be revoked.

Beneficial Shareholders

You are a Beneficial Shareholder if your shares are not held in your own name and are held through your broker, investment dealer, bank, trust company, custodian or clearing agency, nominee or other intermediary. A Beneficial Shareholder may vote via VIF (as defined below) in advance of the Meeting or during the Meeting (either virtually or in person). If you vote in advance of the Meeting via VIF and also vote at the Meeting, your voting instructions received via VIF will be revoked.

Voting in advance of the Meeting via proxy or VIF

Registered Shareholder - Voting by Proxy

Registered Shareholders will receive a proxy form which can be completed in advance of the Meeting and provide voting instructions. The proxy form can be completed by mail, telephone or via the internet. The proxy form provides detailed instructions on how to use any of these voting options.

The persons named in the enclosed form of proxy are officers or directors of the Corporation. **You have the right to appoint a person (who need not be a shareholder of the Corporation) other than the persons specified in such form of proxy to attend and act on your behalf at the Meeting.**

If you submit a proxy without specific voting instructions, your shares will be voted FOR each of the matters referred to herein.

A shareholder who has given a proxy may revoke it:

- (i) by depositing an instrument in writing, including another completed form of proxy, executed by such shareholder or shareholder's attorney authorized in writing either:
 - a. at the registered office of the Corporation at any time up to and including the last business day preceding the date of the Meeting or any adjournment thereof; or
 - b. at the offices of Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, ON M5J 2Y1; or
- (ii) in any other manner permitted by law.

Beneficial Shareholder – Voting by VIF

Common shares held by brokers or their nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific voting instructions, brokers and their nominees are prohibited from voting common shares held for Beneficial Shareholders. ***Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person or that a proxyholder is duly appointed to attend the Meeting.***

Applicable securities regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting.

The majority of brokers now delegate responsibility for obtaining voting instructions from Beneficial Shareholders to Broadridge Investor Communications Corporation ("**Broadridge**"). Broadridge supplies a voting instruction form ("**VIF**") and the VIF can be completed by mail, telephone or via the internet. The VIF provides detailed instructions on how to use any of these voting options.

Voting at the Meeting

Registered Shareholders

Virtually

If you are a Registered Shareholder and wish to virtually vote at the Meeting instead of via proxy you should go to <https://web.lumiagm.com/484064175> prior to the start of the Meeting to login. Click on **"I have a login"** and enter your 15-digit control number along with the password "franco2022". Please follow the prompts provided once you have logged into the Meeting.

In Person

If you are a Registered Shareholder and wish to vote in person at the Meeting instead of via proxy, you should register with Lumi when you arrive at the Meeting.

If you are a Registered Shareholder and wish to appoint someone to attend as your proxyholder, please refer to "Voting by Proxyholder" below.

Beneficial Shareholders

If you are a Beneficial Shareholder and you wish to attend and vote (either virtually or in person) at the Meeting or appoint someone to attend as your proxyholder, please refer to "Voting by Proxyholder" below.

Voting by Proxyholder

Virtually

There is a two-step process that must be completed for any Registered or Beneficial Shareholder that wishes to appoint a proxyholder (other than the named Management Appointees) to virtually represent and vote on such shareholder's behalf at the Meeting. Specifically, the following two steps need to be completed:

- (1) You must follow the instructions provided in the proxy (in the case of Registered Shareholders) or VIF (in the case of Beneficial Shareholders) to appoint your proxyholder. You may appoint yourself or a third party that does not need to be a shareholder.
- (2) Once you have submitted your proxy or VIF with your new proxyholder, you must register your proxyholder at <https://www.computershare.com/FrancoNevada> by May 2, 2022 and provide the necessary contact information for your proxyholder so that Computershare may provide the proxyholder with a username via email.

Failure to complete both steps outlined above will result in the proxyholder not receiving a username to participate in the Meeting.

If you are a proxyholder, go to <https://web.lumiagm.com/484064175> prior to the start of the Meeting to login. Click on **"I have a login"** and enter your username along with the password "franco2022". Please follow the prompts provided once you have logged into the Meeting.

In Person

If you are a Beneficial Shareholder and wish to attend the Meeting in person or appoint some other person or company, who need not be a shareholder, to attend in person and act on your behalf at the Meeting or any adjournment or postponement thereof, please follow the instructions contained in the VIF.

Guests

Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. If you wish to simply attend the Meeting, please go to <https://web.lumiagm.com/484064175> prior to the start of the Meeting and click on “**I am a guest**” and complete the online form or attend in person at the TMX Market Centre, 120 Adelaide Street West, Toronto, Ontario M5H 1P9 and register as a guest.

Q&A at the Meeting

Attendees at the Meeting will have the opportunity to submit questions either virtually or in person.

Notice and Access

This Circular is being sent to both Registered Shareholders and Beneficial Shareholders of our common shares using Notice and Access, the delivery procedures that allow the Corporation to send shareholders paper copies of a Notice of Meeting and form of proxy (or VIF) while providing shareholders access to electronic copies of the Circular over the internet or the option to receive paper copies of the Circular if they so request within the prescribed time periods. For more information, please refer to the Notice of Meeting delivered to you.

MANAGEMENT INFORMATION CIRCULAR

Except where otherwise indicated, this Circular contains information as of the close of business on March 21, 2022.

Voting Securities and Principal Holders Thereof

As at March 21, 2022, there were 191,339,892 common shares of the Corporation issued and outstanding. Each common share has the right to one vote on each matter at the Meeting.

To the knowledge of the directors and officers of the Corporation, there are no persons or companies beneficially owning, or exercising control or direction over, directly or indirectly, 10% or more of the issued and outstanding common shares of the Corporation.

Interests of Certain Persons or Companies in Matters to be Acted Upon

Except as otherwise disclosed below, management of the Corporation is not aware of a material interest, direct or indirect, by way of beneficial ownership of common shares or otherwise, of any director or officer of the Corporation at any time since the beginning of the Corporation's last financial year, of any proposed nominee for election as a director of the Corporation, or of any associate or affiliate of any such person, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

Reporting Currency

Please note that all dollar amounts reported in this Circular are reported in **Canadian** dollars and the symbol \$ refers to the Canadian dollar, unless otherwise indicated.

BUSINESS OF THE MEETING

Item 1 – Financial Statements

The audited consolidated financial statements of the Corporation for the year ended December 31, 2021 and the auditors' report thereon will be placed before the shareholders at the Meeting. The audited consolidated financial statements are available from the Corporation upon request or they can be found on SEDAR at www.sedar.com, on EDGAR at www.sec.gov and on the Corporation's website at www.franco-nevada.com.

Item 2 – Election of Directors

At the Meeting, it is proposed that ten directors be elected to the board of directors of the Corporation (the “**Board**”). Each director's term of office will expire at the next annual meeting of shareholders of the Corporation or when his or her successor is duly elected or appointed, unless his or her term ends earlier in accordance with the articles or by-laws of the Corporation, he or she resigns from office or becomes disqualified to act as a director of the Corporation.

For further information on the director nominees, director compensation and our corporate governance practices, please refer to pages 10 to 45 of this Circular.

*Unless the shareholder has specified in the enclosed form of proxy that the common shares represented by such proxy are to be withheld from voting in the election of directors, the persons named in the enclosed form of proxy intend to vote **FOR** the election of the nominees whose names are set forth below.*

The Board has adopted a policy on majority voting. If, with respect to any particular nominee, such nominee is not elected by a majority (50% + 1 vote) of the votes cast with respect to his or her election, then for purposes of the policy the nominee shall be considered not to have received the support of the shareholders, even though duly elected as a matter of corporate law. A person elected as a director who is considered under this test not to have received the support of the shareholders must immediately submit to the Board his or her resignation, to take effect upon acceptance by the Board. The Board will refer the resignation to the Compensation and ESG Committee (the “**CESGC**”) for consideration. A nominee who tenders a resignation pursuant to the policy will not participate in any meeting of the Board or the CESGC at which the resignation is considered. The Board will promptly accept the resignation unless the CESGC determines that there are exceptional circumstances (for example, relating to the composition of the Board or the voting results) that should delay the acceptance of the resignation or justify rejecting it. In any event, it is expected that the resignation will be accepted (or in rare cases rejected) and the Board will promptly announce its decision in a press release within 90 days of the meeting, including reasons for rejecting the resignation, if applicable. This policy does not apply to a contested meeting.

Item 3 – Appointment of Auditors

The auditors of the Corporation are PricewaterhouseCoopers LLP, who were first appointed as auditors of the Corporation on November 29, 2007.

*Unless the shareholder has specified in the enclosed form of proxy that the common shares represented by such proxy are to be withheld from voting in the appointment of auditors, the persons named in the enclosed form of proxy intend to vote **FOR** the appointment of PricewaterhouseCoopers LLP, as auditors of the Corporation to hold office until the next annual meeting of shareholders, and to authorize the directors to fix the remuneration of the auditors.*

Fees

For the years ended December 31, 2021 and 2020, PricewaterhouseCoopers LLP was paid fees in Canadian dollars from the Corporation as detailed below:

	Dec 31, 2021	Dec 31, 2020
Audit Fees	C\$917,348	C\$1,221,016
Audit-Related Fees	C\$30,000	C\$86,670
Tax Fees	C\$118,246	C\$243,710
Other Fees	C\$17,663	C\$16,899
Total Fees	C\$1,083,257	C\$1,568,295

Note

Audit fees are reported on an accrual basis for the relevant year and include out-of-pocket expenses and administrative fees.

For the years ended December 31, 2021 and 2020, “Audit-Related Fees” noted above are fees incurred for the French translation of documents, “Tax Fees” are fees incurred for tax compliance, planning, and audit support services, and “Other Fees” are fees incurred for the completion of agreed upon procedures regarding the amounts of silver delivered under the Antamina stream. The change in “Audit Fees” and “Audit-Related Fees” for the year ended December 31, 2021 compared to December 31, 2020 relates primarily to fees incurred during 2020 for the Corporation’s at-the-market equity program which was not utilized during 2021.

Policies and Procedures Regarding Services Provided by External Auditors

The Board, upon the recommendation of the Audit and Risk Committee (“ARC”), has adopted policies and procedures regarding services provided by external auditors (collectively, the “**Auditor Independence Policy**”). Under the Auditor Independence Policy, specific proposals for audit services and permitted non-audit services must be pre-approved by the ARC. The ARC may delegate to any one or more of its members pre-approval authority (other than pre-approval of the annual audit service engagement). Any approvals granted under this delegated authority must be presented to the ARC at its next meeting. The Auditor Independence Policy also provides that the ARC may

pre-approve services (other than the annual audit service engagement) without the requirement for a specific proposal where the scope and parameters of such services and their attendant fees are clearly defined. The ARC must be informed in writing at its next scheduled meeting of any engagement of the external auditor to provide services in such circumstances. The Auditor Independence Policy deems *de minimus* non-audit services to have been pre-approved by the ARC in limited circumstances and subject to certain conditions being met.

The Auditor Independence Policy prohibits the external auditors from providing any of the following types of non-audit services: (a) bookkeeping or other services related to the accounting records or financial statements; (b) financial information systems design and implementation; (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (d) actuarial services; (e) internal audit outsourcing services; (f) management functions or human resources services; (g) corporate finance or other services; (h) broker-dealer, investment advisor or investment banking services; (i) legal services; (j) expert services; and (k) any other service that under applicable law and generally accepted auditing standards cannot be provided by an external auditor.

The Auditor Independence Policy provides that the external auditor should not be precluded from providing tax or advisory services that do not fall within any of the categories described above, unless the provision of those services would reasonably be expected to compromise the independence of the external auditor.

Item 4 – “Say-on-Pay” Advisory Resolution

Shareholders of the Corporation are being given the opportunity to vote on an advisory basis “for” or “against” the Corporation’s approach to executive compensation through the following resolution (the “**Say-on-Pay Advisory Resolution**”):

BE IT RESOLVED THAT, on an advisory basis and not to diminish the role and responsibilities of the board of directors of the Corporation, the shareholders accept the approach to executive compensation as disclosed in the Corporation’s management information circular dated March 21, 2022.

*The Board recommends to shareholders of the Corporation that they vote FOR the Say-on-Pay Advisory Resolution. Unless the shareholder has specified in the enclosed form of proxy that the common shares represented by such proxy are to be voted against the Say-on-Pay Advisory Resolution, the persons named in the enclosed form of proxy intend to vote **FOR** the Say-on-Pay Advisory Resolution.*

Since the vote is advisory, it will not be binding on the Board or the CESGC. However, the Board and, in particular, the CESGC, will consider the outcome of the vote as part of its ongoing review of executive compensation. The Corporation’s approach to executive compensation was accepted at the previous shareholder meeting in 2021. This advisory vote indicated “for” 117,963,681 (95.52%) and “against” 5,538,506 (4.48%). For further information on the Corporation’s approach to executive compensation, please refer to pages 46 to 82 of this Circular.

BOARD AND GOVERNANCE HIGHLIGHTS

The following table sets out certain highlights in respect of our board, committees, governance and other best practices:

✓	Board Members	✳ 30% gender diversity ✳ 80% independent
✓	Committee Highlights	✳ 100% independent members ✳ Composition of each Committee refreshed in 2021 ✳ CESGC mandate specifically includes ESG and review of all related-party transactions ✳ ARC mandate includes oversight of climate-related risks
✓	Governance Highlights	✳ Split Chair/CEO roles ✳ Independent Lead Director ✳ 40% Board refreshment over past three years as part of orderly, planned succession ✳ Board engagement with shareholders ✳ Regular continuing education provided
✓	Alignment with Shareholders	✳ Director compensation primarily share based ✳ Share ownership requirements for directors ✳ Share ownership by directors significantly above requirements of ownership policy ✳ No grant of stock options to directors
✓	Diversity	✳ Diversity goal of at least 40% diverse representation at Board and senior management level as a group by 2025
✓	Expertise	✳ Recognized experts across numerous disciplines as set out in the table below
		% OF BOARD WITH EXPERTISE
✓	Mining	✳ 80%
✓	Energy	✳ 60%
✓	Accounting & Finance	✳ 100%
✓	Risk Management	✳ 100%
✓	Cybersecurity	✳ 60%
✓	HR & Compensation	✳ 100%
✓	Corporate Governance	✳ 100%
✓	ESG	✳ 100%
✓	Climate Change	✳ 60%
✓	Public Company Boards	✳ 100%
✓	Public Company Management	✳ 100%
✓	Legal & Regulatory	✳ 70%

DIRECTOR INFORMATION

Nominee Information

The following table sets forth for each of the persons proposed to be nominated for election as directors their name, age, city, province/state, and country of residence; their principal occupations or employment; a brief biographical description; the date on which they became directors of the Corporation; their independence; their memberships on the ARC or CESGC, as applicable; their attendance at Board meetings; their attendance at ARC and CESGC meetings, as applicable; the number of common shares of the Corporation beneficially owned or over which control or direction is exercised, directly or indirectly; the number of stock options held; the number of deferred share units (“**DSUs**”) or restricted share units (“**RSUs**”) held; the “at-risk” values thereof; their voting results at previous shareholder meetings; and current other public board and committee memberships (including interlocks), all as at March 21, 2022.

For additional information regarding compensation, options and minimum ownership requirements, please see “Director Compensation” in this section.

David Harquail⁽¹⁾



David Harquail is Chair of the Board. In this capacity, Mr. Harquail provides leadership to the Board of Directors in discharging their duties but is not involved in the day-to-day operations of the Corporation. For further details, please see “Statement of Governance Practices – Chair of the Board”. Mr. Harquail was the founding CEO of the Corporation. Prior to his appointment as Chair in May 2020, Mr. Harquail served as the Corporation’s CEO for more than 13 years since its initial public offering in 2007. He serves as a director of the Bank of Montreal and is a past director and former Chair (2017-2020) of the World Gold Council. He has also held senior executive roles and served as a director of numerous public mining companies and has been actively involved in industry organizations. Mr. Harquail holds a B.A.Sc. in Geological Engineering from the University of Toronto, an MBA from McGill University and is a registered Professional Engineer in Ontario. He is also a major benefactor of the School of Earth Sciences and its Mineral Exploration Research Centre (MERC) at Laurentian University in Sudbury as well as the Centre for Neuromodulation at Sunnybrook Health Sciences in Toronto. In 2021, Mr. Harquail was the recipient of the Association of Mineral Exploration’s Murray Pezim Award for significant contributions to the mineral exploration and mining community by a financier.

Toronto, ON, Canada
Director Since:
Nov 13, 2007
Age: 65

Securities Held				
		At-Risk Value of Common Shares, DSUs and RSUs ⁽⁴⁾	At-Risk Value of Common Shares, DSUs, RSUs and Options ⁽⁶⁾	
Common Shares ⁽²⁾	DSUs ⁽³⁾	Aggregate of: (i) C\$193,359,578 (971,705 Common Shares); (ii) C\$441,758 (2,220 DSUs); (iii) C\$1,154,142 (5,800 Performance-based RSUs); and (iv) C\$384,648 (1,933 Time-based RSUs).	Options ⁽⁵⁾	
971,705	2,220		85,922	C\$203,229,803
	RSUs ⁽⁷⁾			
	7,733			

Board and Committee Positions	Membership and Attendance			
Non-Independent Member of the Board (Former CEO) Committee Memberships: None	Board Meetings Attended in 2021: 6 of 6 - 100% Mr. Harquail regularly attends meetings of the committees of which he is not a member.			
Annual and Special Meeting Voting Results	Votes in Favour		Votes Withheld	
2021	121,608,912	(98.47%)	1,893,278	(1.53%)
2020	136,237,484	(94.77%)	7,515,373	(5.23%)
Current Other Public Board Memberships	Current Committee Memberships on Other Public Boards			
Bank of Montreal	Audit and Conduct Review Risk Review			

Paul Brink⁽¹⁾



Paul Brink is President & CEO and a director of Franco-Nevada. Prior to his appointment as CEO, Mr. Brink served as President & Chief Operating Officer of Franco-Nevada from May 2018 to May 2020. He has been with Franco-Nevada since its IPO in 2007 and successfully led its business development activities as SVP, Business Development from 2008 until his promotion to President & Chief Operating Officer in 2018. Mr. Brink is active with a number of not-for-profit organizations. He previously had roles in corporate development at Newmont, investment banking at BMO Nesbitt Burns and project financing at UBS. Mr. Brink holds a Bachelor's degree in Mechanical Engineering from the University of Witwatersrand and a Master's degree in Management Studies from Oxford University.

Toronto, ON, Canada

Director Since:

May 6, 2020

Age: 54

Securities Held					
Common Shares ⁽²⁾		At-Risk Value of Common Shares and RSUs ⁽⁴⁾		At-Risk Value of Common Shares, RSUs and Options ⁽⁶⁾	
219,320	30,074	Aggregate of: (i) C\$43,642,487 (219,320 Common Shares); (ii) C\$4,277,091 (21,494 Performance-based RSUs); and (iii) C\$1,707,334 (8,580 Time-based RSUs).		192,619	C\$72,302,478

Board and Committee Positions

Non-Independent Member of the Board (President & CEO)

Committee Memberships: None

Membership and Attendance

Board Meetings Attended in 2021: 6 of 6 - 100%
Mr. Brink regularly attends meetings of the committees of which he is not a member.

Annual and Special Meeting Voting Results

	Votes in Favour		Votes Withheld	
2021	123,128,033	(99.70%)	374,157	(0.30%)
2020	142,952,173	(99.44%)	800,684	(0.56%)

Current Other Public Board Memberships

None

Current Committee Memberships on Other Public Boards

None

Tom Albanese⁽¹⁾



Tom Albanese is a director of Franco-Nevada. He served as CEO of Vedanta Resources plc (2014 to 2017), CEO of Vedanta Limited (2014 to 2017) and was CEO of Rio Tinto plc (2007 to 2013). Mr. Albanese is a director of CoTec Holdings Corp. and is the lead independent director of Nevada Copper Corp. He previously served on the boards of Vedanta Resources plc, Vedanta Limited, Rio Tinto plc, Ivanhoe Mines Limited, Palabora Mining Company and Turquoise Hill Resources Limited. Mr. Albanese holds a Master's of Science degree in Mining Engineering and a Bachelor of Science degree in Mineral Economics both from the University of Alaska Fairbanks.

Hillsborough, NJ, USA

Director Since:

Aug 8, 2013

Age: 64

Securities Held					
Common Shares ⁽²⁾		At-Risk Value of Common Shares and DSUs ⁽⁴⁾		At-Risk Value of Common Shares, DSUs and Options ⁽⁶⁾	
11,235	14,902	C\$5,201,002		75,000	C\$16,662,502

Board and Committee Positions

Independent Member of the Board

Committee Memberships: ARC

Membership and Attendance

Board Meetings Attended in 2021: 6 of 6 - 100%
ARC Meetings Attended in 2021: 4 of 4 - 100%
Mr. Albanese regularly attends CESC meetings.

Annual and Special Meeting Voting Results

	Votes in Favour		Votes Withheld	
2021	123,434,285	(99.95%)	67,905	(0.05%)
2020	143,705,092	(99.97%)	47,765	(0.03%)

Current Other Public Board Memberships

Nevada Copper Corp.

Current Committee Memberships on Other Public Boards

Compensation | Health, Safety, Environment and Technical | Sustainability
None

Derek W. Evans⁽¹⁾



Derek Evans is President & CEO of MEG Energy Corp. and is a director of Franco-Nevada. He served as President and CEO and a director of Pengrowth Energy Corporation from 2009 until March 15, 2018. Mr. Evans has over 40 years of experience in a variety of operational and senior executive positions in the oil and gas business in Western Canada. Mr. Evans is also active in not-for-profit organizations and is a board member of MaRS (an innovation hub). Mr. Evans holds a Bachelor of Science degree in Mining Engineering from Queen's University and is a registered Professional Engineer in Alberta. Mr. Evans is also a member of the Institute of Corporate Directors.

Calgary, AB, Canada
Director Since:

Aug 8, 2008

Age: 65

Securities Held				
Common Shares ⁽²⁾	DSUs ⁽³⁾	At-Risk Value of Common Shares and DSUs ⁽⁴⁾	Options ⁽⁵⁾	At-Risk Value of Common Shares, DSUs and Options ⁽⁶⁾
14,706	23,202	C\$7,543,313	Nil	C\$7,543,313

Board and Committee Positions

Lead Independent Director of the Board
Committee Memberships: CESGC⁽⁹⁾

Membership and Attendance

Board Meetings Attended in 2021: 6 of 6 - 100%
CESGC Meetings Attended in 2021: 4 of 4 - 100%⁽⁹⁾
Mr. Evans regularly attends ARC meetings.

Annual and Special Meeting Voting Results

2021

2020

Votes in Favour

120,329,491 (97.43%)

142,580,720 (99.18%)

Votes Withheld

3,172,699 (2.57%)

1,172,137 (0.82%)

Current Other Public Board Memberships

MEG Energy Corp.

Current Committee Memberships on Other Public Boards

None

Catharine Farrow⁽¹⁾



Catharine Farrow is a director of Franco-Nevada. She is a Registered Professional Geoscientist (PGO) with more than 26 years of mining industry experience. She also serves as a director of Centamin plc, Eldorado Gold Corporation and Aclara Resources Inc. She is also active in the mining industry in both private companies and academia. From 2012 to 2017, she was Founding CEO, Director and Co-Founder of TMAC Resources Inc. Dr. Farrow has served on the Board of a number of not-for-profit and government Advisory Boards. She has been honoured as one of the 100 Global Inspirational Women in Mining (2015 and 2018) and is a past recipient of the William Harvey Gross Medal of the Geological Association of Canada (2000) and the Distinguished Alumni Award from the Acadia Alumni Association (2020). Dr. Farrow obtained her BSc (Hons) from Mount Allison University, her MSc from Acadia University and her PhD from Carleton University. She also holds the ICD.D designation.

Sudbury, ON, Canada

Director Since:

May 6, 2015

Age: 57

Securities Held				
Common Shares ⁽²⁾	DSUs ⁽³⁾	At-Risk Value of Common Shares and DSUs ⁽⁴⁾	Options ⁽⁵⁾	At-Risk Value of Common Shares, DSUs and Options ⁽⁶⁾
301	14,141	C\$2,873,814	20,000	C\$5,680,214

Board and Committee Positions

Independent Member of the Board
Committee Memberships: CESGC

Membership and Attendance

Board Meetings Attended in 2021: 6 of 6 - 100%
CESGC Meetings Attended in 2021: 6 of 6 - 100%
Dr. Farrow regularly attends ARC meetings.

Annual and Special Meeting Voting Results

2021

2020

Votes in Favour

122,290,731 (99.02%)

142,525,541 (99.15%)

Votes Withheld

1,211,459 (0.98%)

1,227,316 (0.85%)

Current Other Public Board Memberships

Centamin plc
Eldorado Gold Corporation
Aclara Resources Inc.

Current Committee Memberships on Other Public Boards

Audit & Risk | Sustainability (Chair) | Technical
Compensation | Sustainability | Technical (Chair)
Audit | Sustainability | Technical

Louis Gignac⁽¹⁾



Louis Gignac is Chair of G Mining Ventures Corp. (a public mining exploration and development company) and of G Mining Services Inc. (a private consultancy) and is a director of Franco-Nevada. Mr. Gignac previously served as President, CEO and a director of Cambior Inc., from 1986 to 2006 and previously held management positions with Falconbridge Copper Company and Exxon Minerals Company and has served as a director of several public companies. Mr. Gignac is a member of the Ordre des ingénieurs du Québec. Mr. Gignac holds a Doctorate of Engineering in Mining Engineering from the University of Missouri Rolla, a Master's degree in Mineral Engineering from the University of Minnesota, and a Bachelor of Science degree in Mining Engineering from Laval University. He also holds the ICD.D designation. Mr. Gignac was inducted into the Canadian Mining Hall of Fame in 2016.

Brossard, QC, Canada

Director Since:

Nov 12, 2007

Age: 71

Securities Held				
Common Shares ⁽²⁾	DSUs ⁽³⁾	At-Risk Value of Common Shares and DSUs ⁽⁴⁾	Options ⁽⁵⁾	At-Risk Value of Common Shares, DSUs and Options ⁽⁶⁾
10,000	18,452	C\$5,661,663	Nil	C\$5,661,663

Board and Committee Positions

Independent Member of the Board

Committee Memberships: CESC (Chair)⁽¹⁰⁾

Membership and Attendance

Board Meetings Attended in 2021: 6 of 6 - 100%

CESC Meetings Attended in 2021: 6 of 6 - 100%

Mr. Gignac regularly attends ARC meetings.

Annual and Special Meeting Voting Results

2021

2020

Votes in Favour

119,687,158 (96.91%)

140,577,674 (97.79%)

Votes Withheld

3,815,032 (3.09%)

3,175,183 (2.21%)

Current Other Public Board Memberships

G Mining Ventures Corp. (Chair)

Current Committee Memberships on Other Public Boards

ESG | Technical and Health & Safety

Maureen Jensen⁽¹⁾



Maureen Jensen is a director of Franco-Nevada. She served as Chair and Chief Executive Officer of the Ontario Securities Commission (the "OSC") from 2016 until April 2020 and was previously the Executive Director and Chief Administrative Officer of the OSC from 2011 to 2016. Before joining the OSC, Ms. Jensen was Senior Vice-President, Surveillance and Compliance at the Investment Industry Regulatory Organization of Canada. Ms. Jensen has held senior regulatory and business positions at the Toronto Stock Exchange and had a 20-year career in the mining industry. Ms. Jensen is a director and chair-nominee of Canada's Ombudsman for Banking Services and Investments and is also active in other not-for-profit organizations including the Toronto Centre for Global Leadership in Financial Supervision, as Chair of The Prosperity Project and as a Public Governor of FINRA in the United States. Ms. Jensen is a Registered Professional Geoscientist (PGO), holds the ICD.D designation, has a BSc., Doctor of Laws (Honoris Causa) and is a member of the Investment Industry Hall of Fame.

Thornbury, ON, Canada

Director Since:

May 6, 2020

Age: 65

Securities Held				
Common Shares ⁽²⁾	DSUs ⁽³⁾	At-Risk Value of Common Shares and DSUs ⁽⁴⁾	Options ⁽⁵⁾	At-Risk Value of Common Shares, DSUs and Options ⁽⁶⁾
Nil	2,657	C\$528,716	Nil	C\$528,716

Board and Committee Positions

Independent Member of the Board

Committee Memberships: CESC⁽¹¹⁾

Membership and Attendance

Board Meetings Attended 2021: 6 of 6 - 100%

CESC Meetings Attended 2021: 4 of 4 - 100%⁽¹¹⁾

Ms. Jensen regularly attends ARC meetings.

Annual and Special Meeting Voting Results

2021

2020

Votes in Favour

122,278,407 (99.01%)

143,676,911 (99.95%)

Votes Withheld

1,223,783 (0.99%)

75,946 (0.05%)

Current Other Public Board Memberships

None

Current Committee Memberships on Other Public Boards

None

Jennifer Maki⁽¹⁾



Jennifer Maki is a director of Franco-Nevada. She is also a director of Baytex Energy Corp. and Pan American Silver Corp. She previously served as Chief Executive Officer of Vale Canada and Executive Director of Vale Base Metals (2014 to 2017) and previously held several other positions with Vale Base Metals, including Chief Financial Officer & Executive Vice-President and Vice-President & Treasurer. She has also served on the boards of not-for-profit organizations. Ms. Maki has a Bachelor of Commerce degree from Queen's University and a postgraduate diploma from the Institute of Chartered Accountants, both in Ontario, Canada. She also holds the ICD.D designation.

Toronto, ON, Canada
Director Since:
May 8, 2019
Age: 52

				Securities Held	
		Common Shares ⁽²⁾	DSUs ⁽³⁾	At-Risk Value of Common Shares and DSUs ⁽⁴⁾	At-Risk Value of Common Shares, DSUs and Options ⁽⁶⁾
		Nil	3,975	C\$790,985	C\$790,985
Board and Committee Positions			Membership and Attendance		
Independent Member of the Board			Board Meetings Attended 2021: 6 of 6 - 100%		
Committee Memberships: ARC (Chair) ⁽¹²⁾			ARC Meetings Attended 2021: 4 of 4 - 100%		
			Ms. Maki regularly attends CESGC meetings.		
Annual and Special Meeting Voting Results			Votes in Favour		Votes Withheld
2021			123,422,003	(99.94%)	80,187 (0.06%)
2020			143,676,298	(99.95%)	76,559 (0.05%)
Current Other Public Board Memberships			Current Committee Memberships on Other Public Boards		
Baytex Energy Corp			Audit (Chair) Human Resources & Compensation		
Pan American Silver Corp.			Audit Communities & Sustainable Development		

Randall Oliphant⁽¹⁾



Randall Oliphant is a director of Franco-Nevada. He has worked in natural resources in many capacities for over 30 years. From 1999 to 2003, Mr. Oliphant was the President and Chief Executive Officer of Barrick Gold Corporation and since that time he has served on the boards of numerous public companies and not-for-profit organizations. He served as Executive Chairman of New Gold from 2009 to 2017. Mr. Oliphant presently serves on the advisory board of Metalmark Capital LLC, a leading private equity firm. Mr. Oliphant also served as Chairman of the World Gold Council from 2013 to 2017. Mr. Oliphant is a CPA, CA and was granted the designation of FCPA in 2016 in recognition of his outstanding contribution to his profession.

Toronto, ON, Canada
Director Since:
Nov 12, 2007
Age: 62

				Securities Held	
		Common Shares ⁽²⁾	DSUs ⁽³⁾	At-Risk Value of Common Shares and DSUs ⁽⁴⁾	At-Risk Value of Common Shares, DSUs and Options ⁽⁶⁾
		50,000	12,055	C\$12,348,324	C\$12,348,324
Board and Committee Positions			Membership and Attendance		
Independent Member of the Board			Board Meetings Attended 2021: 6 of 6 - 100%		
Committee Memberships: ARC			ARC Meetings Attended 2021: 4 of 4 - 100%		
			Mr. Oliphant regularly attends CESGC meetings.		
Annual and Special Meeting Voting Results			Votes in Favour		Votes Withheld
2021			120,337,786	(97.44%)	3,164,404 (2.56%)
2020			142,013,374	(98.79%)	1,739,483 (1.21%)
Current Other Public Board Memberships			Current Committee Memberships on Other Public Boards		
None			None		



Elliott Pew is a director of Franco-Nevada. He has over 40 years of diverse experience in the oil and gas industry. Previously, Mr. Pew served as Board Chair and a Member of the Audit and Risk Committee of Enerplus Corporation, as a director of Southwestern Energy Company, and as co-founder, executive and member of the board of managers of Common Resources I, II and III (private E&P). Prior to that, Mr. Pew held senior executive positions with Newfield Exploration Company in Houston and was Senior Vice President, Exploration of American Exploration Company. He holds an M.A. in Geology from the University of Texas at Austin and an A.B. in Geology from Franklin and Marshall College and is a member of the ICD and NACD.

Boerne, TX, USA

Director Since:

Sep 9, 2019

Age: 67

Securities Held				
Common Shares ⁽²⁾	DSUs ⁽³⁾	At-Risk Value of Common Shares and DSUs ⁽⁴⁾	Options ⁽⁵⁾	At-Risk Value of Common Shares, DSUs and Options ⁽⁶⁾
Nil	3,821	C\$760,341	Nil	C\$760,341

Board and Committee Positions

Independent Member of the Board

Committee Memberships: ARC⁽¹³⁾

Membership and Attendance

Board Meetings Attended in 2021: 6 of 6 - 100%

ARC Meetings Attended in 2021: 3 of 3 - 100%⁽¹³⁾

Mr. Pew regularly attends CESGC meetings.

Annual and Special Meeting Voting Results

2021

2020

Votes in Favour

123,423,426

143,081,000

(99.94%)

(99.53%)

Votes Withheld

78,674

671,857

(0.06%)

(0.47%)

Current Other Public Board Memberships

None

Current Committee Memberships on Other Public Boards

None

Notes

- (1) Additional information is provided in the "Statement of Governance Practices – Nomination of Directors" section of this Circular, which contains a "skills matrix" highlighting individual director skills.
- (2) The information as to the number of common shares of the Corporation and any of its subsidiaries beneficially owned, or over which control or direction is exercised, directly or indirectly, by each proposed director, including those that are not registered in the name of such director and not being within the knowledge of the Corporation, has been furnished by the respective director.
- (3) Non-employee directors are eligible to participate in the Corporation's deferred share unit plan and receive DSUs thereunder. The CEO, as an employee director, is eligible to participate in the Corporation's share compensation plan and receive RSUs thereunder. For additional information regarding these plans, please see "Deferred Share Unit Plan" in this section and "Other Information – 2018 Share Compensation Plan Summary". Fractional DSUs have been rounded.
- (4) Calculated as of March 21, 2022 using the closing price of the common shares on the TSX of C\$198.99 per share.
- (5) For additional information regarding options held by directors, please see "Director Compensation" below.
- (6) Calculated as of March 21, 2022 using the closing price of the common shares on the TSX of C\$198.99 per share, less the applicable exercise price for options.
- (7) Comprised of 5,800 performance-based RSUs and 1,933 time-based RSUs for Mr. Harquail which were awarded to Mr. Harquail during his tenure as CEO and prior to the date of his appointment as Chair.
- (8) Comprised of 21,494 performance-based RSUs and 8,580 time-based RSUs for Mr. Brink. See "Statement of Executive Compensation".
- (9) Mr. Evans ceased serving as a member of the ARC and was appointed to the CESGC, both effective as of March 11, 2021. While Mr. Evans served as a member of the ARC he attended 100% of the ARC meetings held in 2021 (1 of 1) prior to his appointment to the CESGC.
- (10) Mr. Gignac became Chair of the CESGC effective as of May 5, 2021.
- (11) Ms. Jensen was appointed to the CESGC effective as of March 11, 2021.
- (12) Ms. Maki was appointed Chair of the ARC effective as of March 11, 2021.
- (13) Mr. Pew ceased serving as a member of the CESGC and was appointed a member of the ARC, both effective as of March 11, 2021. While Mr. Pew served as a member of the CESGC he attended 100% of the CESGC meetings held in 2021 (2 of 2) prior to his appointment to the ARC.

Securities laws require the Corporation to disclose whether a proposed director has within the past 10 years: (i) been a director or an executive officer of a company that has been subject to a cease trade or other order or become bankrupt; (ii) been bankrupt; (iii) been subject to any penalties or sanctions relating to securities legislation or entered into a settlement agreement with a securities regulatory authority; and (iv) been subject to any other penalties or sanctions that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director. To the Corporation's knowledge (based on information furnished by the proposed directors), no disclosure is required in respect of the proposed directors, other than as follows:

Derek Evans was a director (until his resignation in January 2016) of a private oil and gas company that sought protection under the *Companies' Creditors Arrangement Act* (Canada) in May 2016.

Under a settlement agreement dated November 30, 2017, Louis Gignac, a director of the Corporation, resolved concerns of the *Autorité des marchés financiers* ("**AMF**") regarding a trade in shares of another issuer made in 2015. The AMF and Mr. Gignac agreed in the settlement agreement that Mr. Gignac traded shares in error while in possession of privileged information, as defined in the Securities Act (Quebec) (the "**Quebec Act**"). The AMF and Mr. Gignac agreed that Mr. Gignac self-reported his trading to the AMF, fully cooperated with the AMF and that Mr. Gignac had no intention of trading with privileged information. Mr. Gignac agreed to pay an administrative fine of \$94,369 under section 204 of the Quebec Act to fully resolve the matter.

Other Disclosed Matters

On October 17, 2017, the SEC filed civil charges against each of Rio Tinto PLC, Tom Albanese and the former CFO of Rio Tinto PLC, alleging, among other things, violations of the anti-fraud, reporting, books and records and internal control provisions of U.S. federal securities laws in connection with conduct at Rio Tinto PLC and certain of its subsidiaries while Mr. Albanese was the CEO of Rio Tinto PLC and prior to his becoming a director of the Corporation.

On March 2, 2018, the Australian Securities and Investments Commission ("**ASIC**") commenced civil proceedings in the Federal Court of Australia against each of Rio Tinto Limited, Tom Albanese and the former CFO of Rio Tinto Limited related to statements which ASIC alleged were misleading contained in the annual report of Rio Tinto Limited for 2011. On May 1, 2018, ASIC expanded the proceedings commenced on March 2, 2018 in the Federal Court of Australia. The expanded proceedings related to Rio Tinto Limited's alleged failure to recognize an impairment of a wholly owned subsidiary, Rio Tinto Coal Mozambique in its 2012 Interim Financial Statements.

On February 28, 2022, ASIC amended the proceedings, dropping all of its claims for relief against Mr. Albanese and the former CFO. On March 7, 2022, the Federal Court of Australia entered an order that, among other things, dismissed the proceedings in their entirety against Mr. Albanese and the former CFO. There were no findings of liability or contraventions on the part of Mr. Albanese (or the former CFO). The proceedings are concluded.

The Corporation is aware of the SEC allegations and will continue to monitor the progress of the situation.

Director Compensation

Director Compensation Table

The following table (presented in accordance with Form 51-102F6 – *Statement of Executive Compensation* (“**Form 51-102F6**”) under National Instrument 51-102 – *Continuous Disclosure Obligations*) sets forth in Canadian dollars all amounts of compensation earned by the non-executive directors for the Corporation’s most recently completed financial year.

Director Compensation Table (in C\$)

Name	Fees earned ⁽¹⁾	Share-based awards ⁽²⁾	Option-based awards	Non-equity incentive plan compensation	All other compensation ⁽³⁾	Total
David Harquail	\$135,000	\$252,775	Nil	Nil	Nil	\$387,775
Tom Albanese	\$45,000	\$271,007	Nil	Nil	\$6,000	\$322,007
Derek Evans	\$75,000	\$282,937	Nil	Nil	\$6,000	\$363,937
Catharine Farrow	\$45,000	\$270,135	Nil	Nil	Nil	\$315,135
Louis Gignac ⁽⁴⁾	\$54,808	\$276,266	Nil	Nil	\$6,000	\$337,074
Maureen Jensen	\$45,000	\$253,178	Nil	Nil	Nil	\$298,178
Jennifer Maki ⁽⁵⁾	\$65,208	\$255,333	Nil	Nil	Nil	\$320,541
Randall Oliphant ⁽⁶⁾	\$49,792	\$267,099	Nil	Nil	Nil	\$316,891
David Peterson ⁽⁷⁾	\$20,769	\$93,405	Nil	Nil	Nil	\$114,174
Elliott Pew	\$45,000	\$254,873	Nil	Nil	Nil	\$299,873

Notes

- (1) For a breakdown of fees paid in cash versus fees credited in DSUs, see the chart under “Deferred Share Unit Plan” below. Fees paid or payable to the directors were payable in Canadian dollars. The annual retainer paid to each director is C\$45,000. Additional retainers are also paid for serving as Chair of the Board (C\$90,000/year), Lead Independent Director (C\$30,000/year), Chair of the ARC (C\$25,000/year) and Chair of the CESC (C\$15,000/year). The figures reported in the table reflect amounts received in 2021. See Notes 4 to 7 below and “Discussion of Director Compensation Table” below.
- (2) Represents the grant date fair value of the: (1) dividend equivalents credited under the DSU Plan (defined below) and (2) 1,395 DSUs credited to each director other than Mr. Peterson who received a pro-rated grant of 478 DSUs. See “Discussion of Director Compensation Table” below.
- (3) Includes travel fees for out-of-town directors and for directors travelling to out-of-town meetings, as applicable, of C\$1,500 per day to a maximum of two days per meeting. Reimbursement to each of the directors for other expenses and fees was made during the year. These reimbursements were not considered perquisites, as they were integrally and directly related to the performance of each director’s duties.
- (4) Mr. Gignac was appointed as Chair of the CESC as of May 5, 2021. The figures reported in the table include amounts received by Mr. Gignac as Chair of the CESC from the date of his appointment.
- (5) Ms. Maki was appointed as Chair of the ARC as of March 11, 2021. The figures reported in the table include amounts received by Ms. Maki as Chair of the ARC from the date of her appointment.
- (6) Mr. Oliphant ceased serving as Chair of the ARC as of March 11, 2021. The figures reported in the table include amounts received by Mr. Oliphant as Chair of the ARC up to his last day of service as Chair of the ARC.

-
- (7) Mr. Peterson did not stand for re-election at the 2021 annual meeting of the Corporation. The figures reported in the table reflect amounts received by Mr. Peterson up to his last day of service including as Chair of the CESGC.

Discussion of Director Compensation Table

Significant factors necessary to understand the information disclosed in the Director Compensation Table above include the Board's fee structure, the Corporation's deferred share unit plan, and directors' equity investment requirements.

Board Fees

The components of director compensation are as follows:

- ★ an annual retainer (the “**Annual Retainer**”) of C\$45,000;
- ★ an additional retainer to the Chair of the Board of C\$90,000, the Lead Independent Director of C\$30,000, the Chair of the ARC of C\$25,000, and the Chair of the CESGC of C\$15,000;
- ★ the grant of DSUs equal to the lesser of (i) that number of DSUs having a grant date fair value of C\$250,000 and (ii) 2,000 DSUs. This grant formula is intended to align director compensation with shareholder interests by not providing for guaranteed compensation while also ensuring the grant date value is not excessive (the “**Annual DSU Grant**”); and
- ★ the payment of travel fees (for out-of-town directors) of C\$1,500 per day to a maximum of two days per meeting.

Directors are also reimbursed for out-of-pocket expenses for attending Board and committee meetings and in respect of other activities relating to Board service, which include contributing significant additional time and expertise to management for which directors receive no additional compensation. No director compensation is paid to directors who are members of management of the Corporation.

Deferred Share Unit Plan

Effective March 26, 2008, the Board adopted a deferred share unit plan (the “**DSU Plan**”), which permits directors who are not salaried officers or employees of the Corporation or a related corporation (referred to as “**Eligible Directors**”) to defer receipt of all or a portion of their Board fees until termination of Board service. The DSU Plan also provides the Board with the flexibility to award deferred share units (“**DSUs**”) to Eligible Directors as another form of compensation. Only Eligible Directors are permitted to participate in the DSU Plan which is administered by the CESGC.

With respect to conversion of Board fees into DSUs (“**Conversion DSUs**”), each Eligible Director may elect to be paid a minimum of 20% up to a maximum of 100% (in 10% increments) of Board fees in the form of Conversion DSUs in lieu of being paid such fees in cash. On the date on which Board fees are payable (on a quarterly basis), the number of Conversion DSUs to be credited to a participating Eligible Director (a “**Participant**”) is determined by dividing an amount equal to the designated percentage of the Board fees that the Participant has elected to have credited in Conversion DSUs on that fee payment

date by the fair market value of a common share (i.e. weighted average trading price for the last five trading days) on that fee payment date.

The DSU Plan also permits the CESGC to award DSUs to directors as additional compensation. Under the DSU Plan, the CESGC is authorized to determine when these DSUs will be awarded, the number of DSUs to be awarded, the vesting criteria for each award of these DSUs, if any, and all other terms and conditions of each award. Unless the CESGC determines otherwise (as was done for the Annual DSU Grant as these DSUs are issued in arrears for services rendered), the DSUs awarded under the DSU Plan will be subject to a vesting schedule whereby they will become vested in equal instalments over three years with one-third vesting on the first anniversary of the award and one-third vesting on each of the subsequent anniversaries of the award. The CESGC may consider alternatives for vesting criteria related to the Corporation's performance and has the flexibility under the DSU Plan to apply such vesting criteria to particular awards of DSUs. The DSU Plan also provides that: (i) where a Participant's termination of Board service is as a result of death, all unvested DSUs will vest effective on the date of death, and (ii) in a change of control context, all unvested DSUs will vest immediately prior to the change of control.

When dividends are declared by the Corporation, a Participant is also credited with dividend equivalents in the form of additional DSUs based on the number of vested DSUs the Participant holds on the record date for the payment of a dividend.

A Participant is permitted to redeem his or her vested DSUs only following termination of Board service by way of retirement, non-re-election as a director, resignation or death. A Participant (or, in the case of death of the Participant, the Participant's legal representative) will be entitled, by giving written notice to the Corporation, provided the Participant is not at that time a salaried officer or an employee of the Corporation or a related corporation, to redeem, on one or more dates specified by the Participant (or the Participant's legal representative, as the case may be) occurring on or after the date of such notice, which date(s) shall not, in any event, be prior to the tenth trading day following the release of the Corporation's quarterly or annual financial results immediately following the Participant's termination of Board service and shall not be later than December 1st of the first calendar year commencing after the time of such termination of Board service, all or a portion of the vested DSUs. If the Participant (or the Participant's legal representative, as the case may be) fails to provide written notice to the Corporation in respect of the redemption of all or any portion of the Participant's vested DSUs, the Participant (or the Participant's legal representative, as the case may be) will be deemed to have elected to redeem all vested DSUs on December 1st of the calendar year commencing after the date of termination of Board service of the Participant. The DSU Plan has more specific restrictions on redemptions for U.S. Participants.

Upon redemption of DSUs, the Corporation will pay to the Participant a lump sum cash payment equal to the number of DSUs to be redeemed multiplied by a calculation of the fair market value of a common share (i.e. weighted average trading price for the last five trading days) on the redemption date, net of any applicable deductions and withholdings. The DSU Plan does not entitle any Participant to acquire common shares of the Corporation nor does it allow for the issuance of common shares of the Corporation from treasury.

The following table outlines the breakdown of fees paid in cash versus fees credited in DSUs during the year ended December 31, 2021 and the total DSUs accumulated during the year ended December 31, 2021.

Director Fees/DSUs Breakdown (in C\$)

Name	Fees earned ⁽¹⁾	DSU election percentage	Total fees paid in cash	Total fees accrued in cash ⁽²⁾	Total fees credited in DSUs	Number of DSUs ⁽³⁾	Dividend equivalents ⁽³⁾	Grant of DSUs ⁽⁴⁾	Total number of DSUs ⁽³⁾
David Harquail	\$135,000	0%	\$101,250	\$33,750	Nil	Nil	16	1,395	1,411
Tom Albanese	\$45,000	100%	Nil	Nil	\$45,000	268	124	1,395	1,787
Derek Evans	\$75,000	100%	Nil	Nil	\$75,000	446	196	1,395	2,037
Catharine Farrow	\$45,000	0%	\$33,750	\$11,250	Nil	Nil	119	1,395	1,514
Louis Gignac ⁽⁵⁾	\$54,808	50%	\$19,904	\$7,500	\$27,404	162	156	1,395	1,713
Maureen Jensen	\$45,000	100%	Nil	Nil	\$45,000	268	19	1,395	1,682
Jennifer Maki ⁽⁶⁾	\$65,208	0%	\$47,708	\$17,500	Nil	Nil	31	1,395	1,426
Randall Oliphant ⁽⁷⁾	\$49,792	0%	\$38,542	\$11,250	Nil	Nil	101	1,395	1,496
David Peterson ⁽⁸⁾	\$20,769	100%	Nil	Nil	\$20,769	129	50	478	657
Elliott Pew	\$45,000	100%	Nil	Nil	\$45,000	268	29	1,395	1,692

Notes

- (1) Fees paid or payable to the directors were payable in Canadian dollars.
- (2) Represents cash fees payable for the fourth quarter of 2021 which were paid in 2022.
- (3) Represents Conversion DSUs. Fractional DSUs have been rounded.
- (4) Represents the Annual DSU Grant.
- (5) Mr. Gignac was appointed as Chair of the CESGC as of May 5, 2021. The figures reported in the table include amounts received by Mr. Gignac as Chair of the CESGC from the date of his appointment.
- (6) Ms. Maki was appointed as Chair of the ARC as of March 11, 2021. The figures reported in the table include amounts received by Ms. Maki as Chair of the ARC from the date of her appointment.
- (7) Mr. Oliphant ceased serving as Chair of the ARC as of March 11, 2021. The figures reported in the table include amounts received by Mr. Oliphant as Chair of the ARC up to his last day of service as Chair of the ARC.
- (8) Mr. Peterson did not stand for re-election at the 2021 annual meeting of the Corporation. The figures reported in the table reflect amounts received by Mr. Peterson up to his last day of service including as Chair of the CESGC.

Directors' Equity Investment Requirements

With a view to aligning the interests of directors with those of shareholders, each director that is not a salaried officer or employee of the Corporation is required to hold a minimum equity investment in the Corporation equivalent in value to three times the Annual Retainer in the form of common shares of the Corporation and/or DSUs held pursuant to the DSU Plan. Each director has a period of three years from the date of his/her first election by shareholders or appointment by the Board, as applicable, to satisfy the minimum equity investment requirement.

Under the Equity Ownership Policy for Directors, if a director has not achieved the minimum equity investment at the time of any options being exercised by the director, he or she shall be required to continue to hold at least 50% or such lesser number of common shares issuable upon the exercise of such options as required to achieve the minimum equity ownership requirements. However, no options have been granted to

non-executive directors since 2015 and the Corporation has no intention of granting options to any non-executive director in the foreseeable future.

The value of the equity investment of a director at any time will be based on the current market value of the common shares and of the DSUs under the DSU Plan. Based on the Annual Retainer for fiscal 2021, the minimum equity investment is C\$135,000. The following table summarizes equity investment in the Corporation by the directors as at March 21, 2022.

Name	Equity Ownership March 21, 2022		Equity Ownership as at March 19, 2021		Net Changes in Equity Ownership		Value of Equity Investment at March 21, 2022 ⁽²⁾ (in C\$)	Additional Required Investment
	Common Shares	DSUs	Common Shares	DSUs	Common Shares	DSUs ⁽¹⁾		
David Harquail	971,705	2,220	969,912	809	1,793	1,411	\$193,801,336	Nil
Tom Albanese	11,235	14,902	11,235	13,115	Nil	1,787	\$5,201,002	Nil
Derek Evans	14,706	23,202	14,579	21,165	127	2,037	\$7,543,313	Nil
Catharine Farrow	301	14,141	301	12,627	Nil	1,514	\$2,873,814	Nil
Louis Gignac	10,000	18,452	10,000	16,739	Nil	1,713	\$5,661,663	Nil
Maureen Jensen	Nil	2,657	Nil	975	Nil	1,682	\$528,716	Nil
Jennifer Maki	Nil	3,975	Nil	2,549	Nil	1,426	\$790,985	Nil
Randall Oliphant	50,000	12,055	50,000	10,559	Nil	1,496	\$12,348,324	Nil
Elliott Pew	Nil	3,821	Nil	2,129	Nil	1,692	\$760,341	Nil

Notes

- (1) Fractional DSUs have been rounded.
- (2) Based on the closing price of the common shares on the TSX on March 21, 2022, which was C\$198.99 per share.

Other Information

There were no repricings during the financial year ended December 31, 2021. Other than the DSU Plan, the Corporation did not have any other share-based or option-based award programs for non-executive directors in place during the financial year ended December 31, 2021. No awards of DSUs other than Conversion DSUs and the Annual DSU Grant were made under the DSU Plan during the financial year ended December 31, 2021.

Incentive Plan Awards for Directors

Outstanding Share-Based Awards and Option-Based Awards

The following table (presented in accordance with Form 51-102F6) sets forth for each non-executive director all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options ⁽¹⁾	Option exercise price (in C\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (in C\$)	Number of shares or units of shares that have not vested ⁽³⁾	Market or payout value of share-based awards that have not vested (in C\$)	Market or payout value of vested share-based awards not paid out or distributed ⁽⁴⁾ (in C\$)
David Harquail ⁽⁵⁾	28,053 31,188 26,681	\$100.10 \$94.57 \$129.32	Dec 11, 2027 Dec 11, 2028 Dec 11, 2029	\$2,099,487 \$2,506,580 \$1,217,187	1,933 5,800	\$338,159 \$1,014,652	\$388,367
Tom Albanese	75,000	\$46.17	Aug 19, 2023	\$9,657,750	Nil	Nil	\$2,606,956
Derek Evans	Nil	-	-	Nil	Nil	Nil	\$4,058,958
Catharine Farrow	20,000	\$58.67	Aug 20, 2025	\$2,325,400	Nil	Nil	\$2,473,827
Louis Gignac	Nil	-	-	Nil	Nil	Nil	\$3,227,993
Maureen Jensen	Nil	-	-	Nil	Nil	Nil	\$464,816
Jennifer Maki	Nil	-	-	Nil	Nil	Nil	\$695,387
Randall Oliphant	Nil	-	-	Nil	Nil	Nil	\$2,108,902
David Peterson	Nil	-	-	Nil	Nil	Nil	\$2,136,017
Elliott Pew	Nil	-	-	Nil	Nil	Nil	\$668,446

Notes

- (1) Options vest over a three-year period in equal thirds commencing on the first anniversary of the grant date and have a 10-year term. Grant dates coincide with the date 10 years prior to the option expiration date.
- (2) The value of unexercised options was calculated using the closing price of the common shares on the TSX on December 31, 2021, which was C\$174.94 per share, less the exercise price of the option.
- (3) All dividend equivalents credited under the DSU Plan, Conversion DSUs and Annual DSU Grants since inception of the DSU Plan are vested, but under the terms of the DSU Plan cannot be paid out until redeemed by the Participant following termination of Board service. Conversion DSUs do not represent additional compensation or additional share-based awards as they are fees that directors have elected to be paid in the form of Conversion DSUs in lieu of cash and no shares are ever issued. The inclusion of Conversion DSUs in the table above is for informational purposes.
- (4) The market or payout value was calculated using the closing price of the common shares on the TSX on December 31, 2021, which was C\$174.94 per share. The aggregate number of dividend equivalents, Conversion DSUs and Annual DSU Grants since inception of the DSU Plan was as follows: Mr. Harquail-2,220, Mr. Albanese-14,902, Mr. Evans-23,202, Dr. Farrow-14,141, Mr. Gignac-18,452, Ms. Jensen-2,657, Ms. Maki-3,975, Mr. Oliphant-12,055 and Mr. Pew-3,821. Fractional DSUs have been rounded.
- (5) Represents share-based and option-based awards granted to Mr. Harquail as part of his compensation as the former CEO.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned by each non-executive director during the most recently completed financial year for each incentive plan award.

Name	Option-based Awards value vested during the year (in C\$)	Share-based Awards value vested during the year ⁽¹⁾ (in C\$)	Non-equity incentive plan compensation value earned during the year
David Harquail ⁽²⁾	\$1,146,709	\$2,530,121	Nil
Tom Albanese	Nil	\$316,007	Nil
Derek Evans	Nil	\$357,937	Nil
Catharine Farrow	Nil	\$270,135	Nil
Louis Gignac	Nil	\$303,670	Nil
Maureen Jensen	Nil	\$298,178	Nil
Jennifer Maki	Nil	\$255,333	Nil
Randall Oliphant	Nil	\$267,099	Nil
David Peterson	Nil	\$114,175	Nil
Elliott Pew	Nil	\$299,873	Nil

Notes

- (1) Dividend equivalents credited under the DSU Plan, Conversion DSUs and Annual DSU Grants vest on the date they are credited/awarded. Conversion DSUs do not represent additional compensation or additional share-based awards as they are fees that directors have elected to be paid in the form of Conversion DSUs in lieu of cash and no shares are ever issued. The inclusion of Conversion DSUs in the table above is for informational purposes. During 2021, Conversion DSUs, Annual DSU Grants and dividend equivalents were calculated based on the 5-day weighted average price on the TSX prior to the grant date:

Type	Grant date	TSX price (in C\$)
Dividend Equivalents (Q1)	March 25, 2021	\$154.81
Conversion DSUs (Q1)	March 31, 2021	\$154.92
Annual DSU Grant (May)	May 17, 2021	\$179.19
Dividend Equivalents (Q2)	June 24, 2021	\$182.22
Conversion DSUs (Q2)	June 30, 2021	\$179.70
Dividend Equivalents (Q3)	September 30, 2021	\$166.15
Conversion DSUs (Q3)	September 30, 2021	\$166.15
Dividend Equivalents (Q4)	December 23, 2021	\$171.68
Conversion DSUs (Q4)	December 31, 2021	\$173.54

The aggregate number of dividend equivalents credited under the DSU Plan, Conversion DSUs and Annual DSU Grants during 2021 was as follows: Mr. Harquail–1,411, Mr. Albanese–1,787, Mr. Evans–2,037, Dr. Farrow–1,514, Mr. Gignac–1,713, Ms. Jensen–1,682, Ms. Maki–1,426, Mr. Oliphant–1,496, Mr. Peterson–657 and Mr. Pew–1,692. While such DSUs technically vested when credited/awarded during 2021, under the terms of the DSU Plan they cannot be paid out until redeemed by the Participant following termination of Board service.

- (2) Represents share-based and option-based awards granted to Mr. Harquail as part of his compensation as the former CEO.

Aggregated Option Exercises During the Most Recently Completed Financial Year and Financial Year-End Option Values

The following table sets forth details of the exercise of options during the most recently completed financial year by each non-executive director and the financial year-end value of unexercised options on an aggregated basis.

Name	Securities Acquired on Exercise	Aggregate Value Realized ⁽¹⁾ (in C\$)	Unexercised Options at Financial Year-End Exercisable/Unexercisable	Value of Unexercised In-the-Money Options at Financial Year-End ⁽²⁾ Exercisable/Unexercisable (in C\$)
David Harquail ⁽³⁾	Nil	Nil	77,028 / 8,894	\$5,417,509 / \$405,744
Tom Albanese	Nil	Nil	75,000 / Nil	\$9,657,750 / Nil
Derek Evans	Nil	Nil	Nil / Nil	Nil / Nil
Catharine Farrow	Nil	Nil	20,000 / Nil	\$2,325,400 / Nil
Louis Gignac	Nil	Nil	Nil / Nil	Nil / Nil
Maureen Jensen	Nil	Nil	Nil / Nil	Nil / Nil
Jennifer Maki	Nil	Nil	Nil / Nil	Nil / Nil
Randall Oliphant	Nil	Nil	Nil / Nil	Nil / Nil
David Peterson	Nil	Nil	Nil / Nil	Nil / Nil
Elliott Pew	Nil	Nil	Nil / Nil	Nil / Nil

Notes

- (1) The aggregate value realized was calculated using the sale price of the common shares realized by each director following the exercise of options, less the exercise price of the options.
- (2) The value of unexercised options was calculated using the closing price of the common shares on the TSX on December 31, 2021, which was C\$174.94 per share, less the exercise price of the options.
- (3) Options in the table above represent option-based awards granted to Mr. Harquail as part of his compensation as a former Named Executive Officer.

Discussion of Incentive Plan Awards for Directors

The significant terms of all plan-based awards, including non-equity incentive plan awards, issued or vested, or under which options have been exercised, during the year, or outstanding at year-end, in respect of non-executive directors, are set out above in this section under “Deferred Share Unit Plan” and below under “Other Information – 2018 Share Compensation Plan Summary”. For clarity, the only plan-based awards for which non-executive directors are or will be eligible are options awarded under the 2018 Share Compensation Plan and DSUs under the DSU Plan. Non-executive directors are not eligible for annual cash bonuses or RSUs under the 2018 Share Compensation Plan.

While the 2018 Share Compensation Plan technically permits the grant of options to directors, the Corporation has no intention of granting options to any non-executive directors in the foreseeable future and no options have been granted to non-executive directors since 2015.

STATEMENT OF GOVERNANCE PRACTICES

Board of Directors

Composition of the Board – Independence

The Board is currently comprised of ten directors. The Board has considered the independence of each of its directors. Consistent with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) and the corporate governance standards of the New York Stock Exchange (“NYSE”), to be considered independent, the Board must conclude that a director has no material relationship with the Corporation. A “material relationship” is generally a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director’s independent judgment and includes an indirect material relationship.

The Board has concluded that eight directors (Dr. Farrow, Ms. Jensen, Ms. Maki and Messrs. Albanese, Evans, Gignac, Oliphant, and Pew) are “independent” for purposes of Board membership, as provided in NI 58-101 and by NYSE corporate governance standards, and therefore all of the directors are “independent” other than Messrs. Harquail and Brink, by virtue of their positions as former CEO and President & CEO, respectively.

The Board has also considered the independence of its directors more generally and whether they are “related” or “affiliated” as defined by various governance ratings agencies and confirms its view that Dr. Farrow, Ms. Jensen, Ms. Maki and Messrs. Albanese, Evans, Gignac, Oliphant, and Pew are not “related” or “affiliated” with the Corporation in such a way as to affect their exercise of independent judgment.

Shareholders and other interested parties may communicate with any member of the Board, including the Chair of the Board, and the independent directors as a group, by contacting the Chief Legal Officer & Corporate Secretary at 199 Bay Street, Suite 2000, P.O. Box 285, Commerce Court Postal Station, Toronto, Ontario, Canada M5L 1G9.

Independent Director Meetings

At 100% of the meetings of the Board and its committees held during fiscal 2021 (including those that were not regularly scheduled meetings), the independent directors held an *in-camera* session at which non-independent directors and members of management were not present. It is the intention of the directors to continue to hold an *in-camera* session at each Board and Committee meeting.

Chair of the Board

Mr. Harquail was appointed Chair of the Board on May 6, 2020. Mr. Harquail has had a distinguished career having led the IPO of Franco-Nevada in 2007 and serving as President & CEO (2007-2019) and CEO (2019-2020) of Franco-Nevada. He has held senior executive roles at other companies and has also been an industry leader serving in numerous industry organizations. Most recently, he was Chair of the World Gold Council from 2017-2020 during which period the World Gold Council implemented the Responsible Gold Mining Principles, a leading ESG initiative. Mr. Harquail is a dedicated philanthropist supporting education (the School of Earth Sciences and the Mineral Exploration Centre at Laurentian University), health research (the Centre for Neuromodulation at Sunnybrook Health Sciences) and the local community. The Chair of the Board's role is to provide leadership to the directors in discharging their mandate, including by: (i) leading, managing and organizing the Board, consistent with the approach to corporate governance adopted by the Board; (ii) promoting cohesiveness among the directors; and (iii) being satisfied that the responsibilities of the Board and its committees are well understood by the directors.

The responsibilities of the Chair of the Board include:

- ★ providing advice, counsel and mentorship to the CEO;
- ★ providing information to the directors on a timely basis;
- ★ chairing the Board, scheduling meetings, setting the agendas, co-ordinating with the chairs of the committees of the Board to schedule committee meetings, ensuring that all business required to come before the Board is brought properly, monitoring the adequacy of Board materials, ensuring sufficient time for review of materials, and encouraging free and open discussion at meetings of the Board; and
- ★ presiding over shareholder meetings.

Independent Lead Director

Mr. Harquail is currently a non-independent Chair because he was formerly CEO. As a matter of best practices, the Board created the position of Lead Independent Director and appointed Mr. Evans in this role to serve while Mr. Harquail is not independent. The Board has developed a mandate for the Lead Independent Director which provides that the Lead Independent Director shall, among other things:

- ★ support the Chair and the CEO in the discharge of their respective responsibilities;
- ★ regularly engage with the CEO, Chair and independent directors;
- ★ chair Board meetings where the Chair is not available;
- ★ chair *in-camera* sessions of the independent directors and provide feedback as appropriate;
- ★ have the right to call meetings of the independent directors and the Board as deemed appropriate by the Lead Independent Director;

- ★ have the right to engage third-party advisors and consultants to provide advice to the independent directors and the Board; and
- ★ be available to shareholders where appropriate for consultation and communication.

Attendance at Meetings

During the financial year ended December 31, 2021, the Board held six meetings. The ARC held four meetings and the CESGC held six meetings. The Board members are extremely engaged and non-committee members also regularly attend committee meetings. The following summarizes the attendance record for each of such meetings.

Name	Board Meetings Attended	ARC Meetings Attended	CESGC Meetings Attended
David Harquail	6 of 6 - 100%	N/A	N/A
Paul Brink	6 of 6 - 100%	N/A	N/A
Tom Albanese	6 of 6 - 100%	4 of 4 - 100%	N/A
Derek Evans	6 of 6 - 100%	1 of 1 - 100%	4 of 4 - 100%
Catharine Farrow	6 of 6 - 100%	N/A	6 of 6 - 100%
Louis Gignac	6 of 6 - 100%	N/A	6 of 6 - 100%
Maureen Jensen	6 of 6 - 100%	N/A	4 of 4 - 100%
Jennifer Maki	6 of 6 - 100%	4 of 4 - 100%	N/A
Randall Oliphant	6 of 6 - 100%	4 of 4 - 100%	N/A
David Peterson	4 of 4 - 100%	N/A	3 of 3 - 100%
Elliott Pew	6 of 6 - 100%	3 of 3 - 100%	2 of 2 - 100%

Note

Mr. Evans served as a member of the ARC until March 11, 2021 and as a member of the CESGC thereafter. Mr. Pew served as a member of the CESGC until March 11, 2021 and as a member of the ARC thereafter. Ms. Jensen was appointed to the CESGC on March 11, 2021. Mr. Peterson retired from the Board and as Chair of the CESGC on May 5, 2021.

It is the policy of the Board that, except in exceptional circumstances (i.e. due to illness or other incapacity), all directors of the Corporation shall attend the annual meeting of shareholders of the Corporation.

Board Mandate

A copy of the Board's written mandate is attached as Schedule "A" to this Circular and is also available on the Corporation's website at www.franco-nevada.com.

Board Engagement with Shareholders on Governance Matters

On November 11, 2010, the Board adopted a policy relating to Board engagement with shareholders on governance matters. The policy provides that the Board believes that it is important to have regular and constructive engagement directly with the shareholders of the Corporation to allow and encourage shareholders to express their views on

governance matters directly to the Board outside of the Corporation's annual meetings. These discussions are intended to be an interchange of views about governance and disclosure matters that are within the public domain and will not include a discussion of undisclosed material facts or material changes. This policy further provides that the Board will continue with developing practices to increase engagement with its shareholders as is appropriate for its shareholder base and size. During 2021, the Chair of the Board and a number of Board members engaged with a number of the Corporation's larger shareholders and potential shareholders in both North America and Europe, including ESG-focused meetings. It is also the practice of the Board to periodically host institutional investors and analysts at the Corporation's offices. This provides all Board members with an opportunity to engage directly with shareholders. Board members are also provided with opportunities to join management at industry conferences (such as the Denver Gold Show and BMO Global Metals & Mining Conference) including individual meetings with the Corporation's shareholders to understand their priorities and concerns. During 2021, a virtual Analyst Day was held due to the COVID-19 pandemic and Board members were invited to virtually participate in industry conferences. This policy also provides that the Board recognizes that shareholder engagement is an evolving practice in Canada and globally and will review this policy annually to ensure that it is effective in achieving its objectives.

Board Committees

Audit and Risk Committee



Jennifer
Maki⁽¹⁾
Chair



Tom
Albanese



Randall
Oliphant



Elliott
Pew⁽²⁾

★ All members of the ARC are (and have been) “independent” and “financially literate” (as defined in National Instrument 52-110 – *Audit Committees*)

★ Ms. Maki and Mr. Oliphant have been determined by the Board in its business judgment to each be a “financial expert”

Notes

- (1) Ms. Maki was appointed Chair of the ARC as of March 11, 2021.
(2) Mr. Pew was appointed a member of the ARC as of March 11, 2021. Prior thereto, he served as a member of the CESGC.

During 2021, the composition of the Committees was refreshed. Effective as of March 11, 2021, Ms. Maki was appointed the Chair of the ARC succeeding Mr. Oliphant, Mr. Pew was appointed to the ARC and Mr. Evans ceased to be a member of the ARC and was appointed to the CESGC.

The ARC has been established to assist the Board in fulfilling its oversight and evaluation of:

- ★ the quality and integrity of the financial statements of the Corporation;
- ★ the compliance by the Corporation with legal and regulatory requirements in respect of financial disclosure;
- ★ the qualification, independence and performance of the Corporation's independent auditors;
- ★ the performance of the Chief Financial Officer; and
- ★ risk management oversight, including climate-related risks.

Specifically, with respect to the independent auditors, the ARC is directly responsible for the appointment, compensation, retention (and termination) and oversight of the work of the independent auditor (including oversight of the resolution of any disagreements between management and the independent auditor regarding financial reporting).

The Corporation's Audit and Risk Committee Charter also addresses the ARC's responsibilities relating to risk management (including climate-related risks). A copy of the Corporation's Audit and Risk Committee Charter and additional disclosure relating to the ARC are set out in the Corporation's most recent Annual Information Form and Form 40-F which are available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov, respectively, and are also available on the Corporation's website at www.franco-nevada.com.

Compensation and ESG Committee



Louis
Gignac⁽¹⁾
Chair



Derek
Evans⁽²⁾



Dr. Catharine
Farrow



Maureen
Jensen⁽³⁾

☼ All members of the CESGC are "independent" (as defined in NI 58-101)

Notes

- (1) Mr. Gignac was appointed Chair of the CESGC as of May 5, 2021.
- (2) Mr. Evans was appointed to the CESGC as of March 11, 2021. Prior thereto, he served as a member of the ARC.
- (3) Ms. Jensen was appointed to the CESGC as of March 11, 2021.

During 2021, the composition of the Committees was refreshed. Effective as of March 11, 2021, (i) Ms. Jensen was appointed to the CESGC, (ii) Mr. Evans was appointed to the CESGC and ceased to be a member of the ARC, and (iii) Mr. Pew ceased to be a member of the CESGC and was appointed to the ARC. As well, Mr. Gignac was appointed Chair of the CESGC as of May 5, 2021, following the retirement of the former Chair of the CESGC, Mr. David Peterson.

Among other things, the CESGC:

- ☼ reviews and makes recommendations to the Board concerning the appointment of officers of the Corporation;
- ☼ annually reviews the CEO's goals and objectives for the upcoming year, provides an appraisal of the CEO's performance and reviews his compensation and the compensation of other executive officers;
- ☼ makes recommendations concerning the remuneration of directors; and
- ☼ administers and makes recommendations regarding the operation of the Corporation's employee incentive compensation plans.

The CESGC also serves as the Board's nominating committee. It is responsible for:

- ☼ developing the Corporation's approach to governance issues;
- ☼ filling vacancies among the directors (see "Nomination of Directors" in this section);
- ☼ reviewing the effectiveness and the contribution of the Board, its committees and individual directors (see "Board Assessment" in this section);
- ☼ adopting, reviewing and updating the Corporation's written Code of Business Conduct and Ethics and its written disclosure policy (see "Ethical Business Conduct" in this section);

-
- ★ reviewing all related-party transactions and situations involving a potential conflict of interest that are not required to be dealt with by an independent special committee pursuant to applicable securities laws; and
 - ★ ensuring compliance of the compensation policies and practices of the Corporation with its enterprise risk management goals.

The Corporation's Compensation and ESG Committee Charter provides that, in addition to the independence requirements, no more than one-third of the members of the CESGC can be current CEOs of publicly-traded companies and that the CESGC will have an *in-camera* session at every meeting, consistent with the Canadian Coalition for Good Governance's recommendations relating to best practices for compensation committees. A copy of the CESGC's Charter is available on the Corporation's website at www.franco-nevada.com.

In March 2020, the Charter of the CESGC was amended to specifically set out the Committee's mandate with respect to ESG issues. The amendments formalized the approach the CESGC had taken with respect to ESG in prior years and consist of the following responsibilities:

- ★ oversight over adoption of ESG standards and initiatives by the Corporation;
- ★ delegation of risk-related ESG issues to the ARC;
- ★ setting of ESG-related goals for compensation purposes; and
- ★ shareholder engagement on ESG matters.

In March 2021 and March 2022, the Charter of the CESGC was further amended to provide specific responsibility to the CESGC for the review of all related-party transactions.

The CESGC now has responsibility for reviewing all proposed related-party transactions (as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*) that are not required to be dealt with by an “independent special committee” pursuant to applicable securities laws, make recommendations to the Board for the approval of such transactions and approve any procedures or measures to be adopted in connection therewith. Any member of the Committee with an interest in the proposed transaction and the non-independent directors must abstain from voting on the proposed transaction.

Position Descriptions

The Board has developed and approved written position descriptions for the Chair of the Board, the Lead Independent Director, the Chair of the ARC, the Chair of the CESGC and for the CEO.

Orientation and Continuing Education

The Corporation provides an orientation program for new directors in order that they can become familiar with the role of the Board, its committees and its directors and with the nature and operation of the Corporation's business. All Board members are provided with a copy of the written mandate and charters for the Board and each of its committees and

a copy of the Board's approved policies relating to, among other things, the business conduct and ethics of directors, officers and employees, auditor independence, whistleblower procedures, diversity and inclusion, and confidentiality, fair disclosure and trading in securities. Board members are also provided with a copy of each committee's planning schedules/work plans, as applicable. New Board members will be provided with these materials and meet with the Chair of the Board and members of management as part of their orientation. The Corporation also maintains an online orientation portal with educational materials that are tiered by priority.

The Corporation works through continuing education with its Board to ensure that its directors maintain the skill and knowledge necessary to meet their obligations as directors by having management provide relevant presentations at Board and committee meetings, as appropriate, by bringing consultants and other outside experts in to address the Board on various issues, by arranging for meetings with management and other outside advisors/experts/third parties, and by arranging for site visits and offsite meetings. The Board also has scheduled dinners/meetings at which various topics are discussed, such as industry trends, technical updates, strategic opportunities, corporate goals and strategies, board composition, financing options, the dividend policy, executive compensation and succession matters. The Board also receives, on a regular basis, materials of interest, including analyst reports and industry reports, from the Chair and the Named Executive Officers. Individual directors are, subject to the approval of the Chair of the Board, also able to attend continuing education conferences at the Corporation's expense.

During 2021, external continuing education opportunities (such as site visits) and in-person interactions continued to be challenging due to the COVID-19 pandemic, associated travel restrictions and public health advisories. Management continued to provide standard management presentations on such matters as enterprise risk management, compensation policies and strategies, the Corporation's portfolio of assets and management thereof, analyst and other reports, corporate performance reviews and merger and acquisition strategies in mining, energy and other commodities. As well, presentations from management and outside advisors/experts/third parties were provided and Board members completed ongoing education at the following events:

TIMING/PLACE	ATTENDEES	TOPIC	PRESENTED/HOSTED BY
January 2021/ Virtual	Mr. Harquail	Symposium on Board Risk Oversight	Third-party expert
January 2021/ Virtual	Ms. Maki	Audit Committee education session	External advisors to the Corporation
February 2021/ Virtual	Dr. Farrow and Messrs. Brink and Oliphant	Investor and banking relationships	Management/external advisors to the Corporation
February and October 2021/Virtual and Oklahoma City	Messrs. Brink, Albanese and Pew	Oklahoma energy presentations	Continental Resources, Inc.
August 2021/ Ontario	All directors other than Dr. Farrow due to illness	Detour Mine site visit	Kirkland Lake Gold Ltd.
September 2021/ Calgary	Mr. Evans	Energy Capital Markets Update	External advisors to the Corporation
September 2021/ Virtual	Mr. Harquail	Governance Summit	External advisors to the Corporation
September 2021/ Virtual	Ms. Jensen	ESG and mining education session	Third-party expert
November 2021/ Toronto	All directors	Strategic and market overview	Management

Directors have full and free access to officers and employees of the Corporation and may arrange meetings either directly or through the CEO. In addition, Board members are encouraged to attend mining and energy industry events and other relevant stakeholder events.

Nomination of Directors, Board Renewal and Diversity

Nomination of Directors

The CESGC serves as the Board's nominating committee. The CESGC is composed entirely of independent directors. The responsibilities, powers and operation of the CESGC generally are summarized above. The CESGC has the authority to retain a search firm to be used to identify director candidates. With respect to nomination of directors, the CESGC is responsible for:

- ★ developing and recommending to the Board criteria for selecting new directors;
- ★ assisting the Board by identifying individuals qualified to become members of the Board; and
- ★ recommending to the Board the director nominees for the next annual meeting of shareholders and for each committee of the Board.

The process by which the Board will identify new candidates for Board nomination will involve:

- ★ annually reviewing the competencies, skills and personal qualities required of directors to add value to the Corporation;
- ★ annually reviewing the competencies and skills that the Board considers each director to possess, including the skills matrix as discussed below and what each new nominee should bring to the Board; and
- ★ working closely with the Chair of the Board in seeking individuals qualified to become members of the Board, in the context of the Corporation's needs and the criteria established by the Board, including the diversity criteria as discussed below.

Skills Matrix

The CESGC has developed a skills matrix comprised of the skills and competencies it expects the Board as a whole to possess and has identified which of those skills and competencies are possessed by its existing directors. The skills and competencies are as follows: experience with respect to the mining industry, energy industry, accounting and finance, risk management, cybersecurity, human resources and compensation matters, corporate governance, ESG, climate change, public company boards, public company management and legal and regulatory. Set out below are the skills identified for each director.

Skills	DAVID HARQUAIL	PAUL BRINK	TOM ALBANESE	DEREK EVANS	CATHARINE FARROW	LOUIS GIGNAC	MAUREEN JENSEN	JENNIFER MAKI	RANDALL OLIPHANT	ELLIOTT PEW
Mining	★	★	★		★	★	★	★	★	
Energy	★	★	★	★					★	★
Accounting & Finance	★	★	★	★	★	★	★	★	★	★
Risk Management	★	★	★	★	★	★	★	★	★	★
Cybersecurity	★		★	★	★		★			★
HR & Compensation	★	★	★	★	★	★	★	★	★	★
Corporate Governance	★	★	★	★	★	★	★	★	★	★
ESG	★	★	★	★	★	★	★	★	★	★
Climate Change	★		★	★	★		★			★
Public Company Boards	★	★	★	★	★	★	★	★	★	★
Public Company Management	★	★	★	★	★	★	★	★	★	★
Legal & Regulatory	★		★	★	★	★	★		★	

Director Retirement Policy/Term Limits

The Board has adopted a director retirement policy which provides the framework for the Corporation to allow for the renewal of the Board, where appropriate, by specifying a process for the Board to determine whether turnover in the Board is appropriate. In 2019, the Board amended the director retirement policy to incorporate a term limit principle. The director retirement policy now provides that a director is required to submit his/her resignation to the Board on the March 1st after such director's (i) 72nd birthday, or (ii) 10th anniversary of Board service (where such director joined the Board after his or her 62nd birthday) and on every March 1st thereafter while such individual is still a director of the Corporation. The CESGC will consider such resignation and, taking into account factors such as the competencies and skills possessed by the Board as a whole and the director individually, the size of the Board, and the overall best interests of the Corporation, make a recommendation to the Board as to whether the Board should accept such resignation in conjunction with the Corporation's next annual meeting of

shareholders or reject such resignation and nominate the director for election at the Corporation's next annual meeting of shareholders. The Board will then consider the CESGC's recommendation and make its determination. Neither the CESGC nor the Board has waived compliance with this policy to date.

The Board has determined, being a fourteen-year-old company, not to establish strict term limits for directors at this time due to the potential loss of contributions from directors who have significant insight into the Corporation and its operations. As well, the director retirement policy is expected to provide sufficient opportunities to consider Board renewal in the near-term such that meaningful Board renewal may occur. The Board will continue to evaluate whether strict term limits would be advisable on an ongoing basis.

Diversity and Inclusion

The Corporation is committed to diversity and inclusion among its employees, senior management and on the Board. The Board has had a formal written diversity policy (the "**Diversity Policy**") since 2015. The Diversity Policy and its current goals and targets are described below.

The Corporation became a signatory to the BlackNorth Initiative CEO Pledge at its inaugural summit in July 2020. The BlackNorth Initiative is aimed at eliminating systemic discrimination. The Corporation also became a founding partner of The Prosperity Project in early 2021 which is aimed at mitigating the disproportionate impact of COVID-19 on Canadian women.

The Diversity Policy emphasizes all forms of diversity in identifying candidates to recommend for appointment/election to the Board and for appointment/promotion to senior management positions. The Diversity Policy provides that diverse candidates must be included in any search for new Board members and senior management positions (Vice Presidents and above), including any new offices which may be established by the Corporation (which would include internal promotions). As well, the Diversity Policy was amended to adopt additional diversity goals for women, Black, Indigenous and other people of colour, individuals who identify as LGBTQ+ and people with disabilities (collectively, "**Diverse Persons**" with women, visible minorities, Indigenous people and people with disabilities being designated groups under the *Canada Business Corporations Act* (the "**CBCA**")). Specifically, the Diversity Policy now provides for the following goals:

- ★ maintaining at least 30% women directors on the Board, and
- ★ achieving 40% of Diverse Persons at the Board and senior management level (on an aggregated basis) by 2025.

In determining these goals, the CESGC took into account a number of factors including, (i) the recognition by the CESGC of the importance of diversity in the Corporation and how it contributes to the success of the Corporation, (ii) the goal of the CESGC to continue to increase the level of diversity in the Corporation, (iii) the recommendations of the Ontario Capital Markets Modernization Taskforce, (iv) the size of the workforce at the Corporation, (v) the extremely low turnover at the Corporation with a significant number of employees staying with the Corporation from hiring until retirement, and (vi) the

scalable and high-margin business model of the Corporation which allows for growth without needing to significantly increase the workforce.

Pursuant to the Diversity Policy, the CESGC can engage qualified independent external advisors to conduct a search for candidates that meet the Board's skills and diversity criteria to help achieve its diversity goals where appropriate.

As all recommendations of director nominees and appointments of senior management need to be approved by the CESGC, the Board has concluded that appropriate measures are in place to ensure that the Diversity Policy is effectively implemented.

The Board currently has three women directors, Dr. Farrow, Ms. Jensen and Ms. Maki, constituting 30% female representation on the Board and 37.5% of the independent directors. The Board is pleased that it achieved its goal of 30% female representation on the Board, one year ahead of its targeted timeline. Dr. Farrow, Ms. Jensen and Ms. Maki are currently the only Board members from designated groups and there currently are no Black, Indigenous or other people of colour, individuals who identify as LGBTQ+ or people with disabilities on the Board.

The Corporation also considers the level of diversity in senior management when making senior management appointments. The Corporation has considered Diverse Persons (and specifically women) for senior management positions as they have become available and has made additional progress during 2021 with the promotion of a female member of a visible minority to the office of VP Finance at the Corporation. The Corporation will continue to seek out and consider Diverse Persons (and specifically women) in all positions as they become available, including senior management positions. 38% of the Corporation's senior officers are from designated groups. The Corporation and its material subsidiaries currently have 13 senior officers (VP and above) of which five members are from designated groups comprising two female members of visible minorities (VP Finance at the Corporation and VP Finance and Operations at Franco-Nevada (Barbados) Corporation) and three male members of visible minorities (Chief Financial Officer, Chief Legal Officer & Corporate Secretary and VP Tax at the Corporation).

The Board has determined that its historical practices have resulted in meaningful diversity to date and, together with the Diversity Policy, the Board is committed to further progress. The Diversity Policy provides that the Board will review the policy annually to ensure that it is effective in achieving its objectives. Any changes to the policy as well as additional diversity achievements will be reported annually in the Corporation's Circular. A copy of the Diversity Policy is available on the Corporation's website at www.franco-nevada.com.

Compensation Process

The CESGC serves as the Board's compensation committee. The CESGC is composed entirely of independent directors. The responsibilities, powers and operation of the CESGC generally are summarized above under "Compensation and ESG Committee" in this section. With respect to compensation of directors and executive officers, the CESGC is responsible for:

- ★ assisting the Board in its annual review of the Board's performance and oversight of the evaluation of management's performance;
- ★ reviewing and making recommendations to the Board with respect to the compensation of directors and the executive officers (including the President & CEO) of the Corporation; and
- ★ approving and evaluating the compensation plans, policies and programs of the Corporation.

For information regarding the process by which the Board determines the compensation for the Corporation's executive officers, please see "Compensation Discussion & Analysis". For information regarding the process by which the Board determines the compensation for the Corporation's directors, please see "Director Information – Director Compensation" at pages 18 to 26.

Board Assessment

The Board assesses itself, its committees and individual directors with respect to their effectiveness and contribution on an annual basis. The assessment process involves a confidential director questionnaire and discussions among the Chair of the Board, the Chairs of the committees and individual directors relating to overall Board assessment, individual committee assessments, Chair of the Board assessment, individual committee Chair assessments, individual director self-assessments and peer assessments. The Chair of the Board meets with each individual director and the Chair of the CESGC meets with the Chair of the Board to discuss the above matters. Members of the CESGC are responsible for drafting, collecting and assessing questionnaires, and facilitating discussions. The Chair of the CESGC reports on the results of this process to the Board. The CESGC is also permitted to retain external advisors to assist with the assessment process. The assessment for 2021 was conducted in the first quarter of 2022 and the CESGC and the Board considered the results of the assessment process at their March meeting.

Succession Planning

The CESGC is responsible for ensuring that succession strategies, in consultation with the Board, are both appropriate and are being implemented. Over the past several years, succession planning has been ongoing. During 2021, meetings of the CESGC and meetings of the Board included an *in-camera* session with and without the CEO at which human resource issues and succession were regularly discussed. As Mr. Brink became CEO in May 2020, the CEO succession plan was achieved. In the event of an emergency, the Board and CESGC have temporary succession plans that can be implemented.

The CESGC also monitors progress in succession for executive positions reporting to the President & CEO. One of the five corporate goals for each executive is to ensure a succession plan and technical depth are in place. Specific succession objectives are included in the annual key responsibilities and specific objectives that are agreed upon by each executive and the President & CEO and which are provided to the CESGC. Each year, the President & CEO reviews the achievement of succession objectives with each executive which then forms part of the annual performance review with the CESGC. These reviews and recommendations are considered by the CESGC in connection with its recommendations to the Board for annual incentive compensation. Finally at year-end, the President & CEO provides the CESGC with a written memorandum assessing corporate accomplishments including an organizational chart and steps being undertaken to strengthen the Corporation. The Corporation is confident that appropriate succession strategies are being implemented to ensure the Corporation's business will continue to be strongly managed in the future.

The CESGC and Board are also actively engaged in the process of Board renewal. Over the past few years, several new directors comprising 40% of the current Board have joined the Board and further orderly renewal is expected over the near and medium term. As well, renewal of the Board Committees occurred during 2021 (as described above) with new Chairs of the ARC and CESGC being appointed as well as new members being appointed. Additional Board succession is regularly discussed at meetings as part of an orderly Board renewal process.

Ethical Business Conduct

Code of Business Conduct and Ethics

The Board has adopted a written Code of Business Conduct and Ethics (the “**Code**”) for the Corporation's directors, officers and employees. The Code is available on SEDAR at www.sedar.com and on the Corporation's website at www.franco-nevada.com.

The Code reflects the Corporation's core values of honesty, responsibility and fairness and addresses the following matters: compliance with laws, rules and regulations; conflicts of interest; confidentiality; corporate opportunities; protection and proper use of corporate assets; competition and fair dealing; gifts and entertainment; payments to government personnel; discrimination, harassment and equal opportunity; health and safety; accuracy of company records and reporting; use of e-mail and internet services; loans to or guarantees of obligations of the Corporation's personnel; and reporting of any illegal or unethical behaviour.

With respect to the issue of conflicts of interest in particular, various officers, directors or other insiders of the Corporation may hold senior positions with other entities, including entities involved in the resource industry or may otherwise be involved in transactions within the resource industry and may develop other interests outside the Corporation. In the event that any such conflict of interest arises (or could potentially arise) for a director, such director will be required to disclose the conflict to a meeting of the directors of the Corporation and abstain from voting for or against the approval of such participation or such terms. In the event that any such conflict of interest arises (or could potentially arise) for an officer or other insider of the Corporation, such person will be required to disclose the conflict to the Chief Legal Officer and abstain from participating in any discussions related to such matter and the Board will be apprised of

such conflict. In appropriate cases, the Corporation will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Any decision made by any of such directors involving the Corporation will be required to be made in accordance with their duties and obligations to deal honestly and in good faith with a view to the best interests of the Corporation and its shareholders. In the event such conflict of interest is a related-party transaction, the CESGC will review such transaction as described below and elsewhere in this Circular.

The CESGC monitors compliance with the Code and is responsible for granting any waivers from the application of the Code and reviews management's monitoring of compliance with the Code. To date, no such waivers have been granted.

Under the Code, the Corporation's personnel are expected to talk to supervisors, managers or other appropriate personnel including the Chief Legal Officer about observed illegal or unethical behaviour and when in doubt about the best course of action in a particular situation. All of the Corporation's personnel are required to cooperate in internal investigations of misconduct.

The CESGC is also responsible for reviewing all proposed related-party transactions (as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*) that are not required to be dealt with by an "independent special committee" pursuant to applicable securities laws, make recommendations to the Board for the approval of such transactions and approve any procedures or measures to be adopted in connection therewith.

Business Integrity Policy

The Board has adopted a Business Integrity Policy (the "**Business Integrity Policy**") for the Corporation's directors, officers and employees, which is intended to supplement the Code. The Business Integrity Policy is available on the Corporation's website at www.franco-nevada.com.

This Business Integrity Policy is intended to ensure that the Corporation does not receive an improper advantage in its business dealings and that all payments and expenses are properly recorded in its financial books and records and addresses the following matters. Among other things, the policy provides guidance on dealing with agents, contractors and public officials, acceptance of gifts, making political contributions and dealing with certain types of payments. Employees of the Corporation are obligated to promptly report any violations of the policy to the Chief Legal Officer who will in turn report to the Chief Financial Officer and the ARC.

Whistleblower Policies

The Board has adopted employee complaint procedures for, among other things, accounting and auditing matters (contained in the Corporation's Employee Complaint Procedures for Accounting and Auditing Matters) and violations of applicable laws or corporate policies (contained in the Corporation's Whistleblower Policy) for the Corporation's directors, officers and employees to enable such personnel to submit good faith complaints relating to any such matters. The procedures outline how an employee with a good faith concern can anonymously report those concerns directly to the Chief

Legal Officer, in the case of the Whistleblower Policy or directly to the Chair of the ARC, in the case of the Employee Complaint Procedures for Accounting and Auditing Matters.

Policy Concerning Confidentiality, Fair Disclosure and Trading in Securities

The Board has adopted a Policy Concerning Confidentiality, Fair Disclosure and Trading in Securities, which serves as the Corporation's corporate disclosure policy and insider trading policy. This policy applies to the Corporation's directors, officers and employees to ensure that such personnel comply with securities legislation and the rules of applicable stock exchanges relating to insider trading, tipping and selective disclosure.

With respect to confidentiality and disclosure, this policy generally outlines principles of confidentiality and guidelines for maintaining confidentiality, disclosure principles and guidelines for disclosure (including who the authorized spokespersons are and how discussions with the investing community will occur), what constitutes material information, what is non-public information and how forward-looking information should be disclosed.

With respect to trading in securities, this policy outlines prohibitions on trading, the Corporation's policies on trading windows and black-out periods, required pre-approval for trades by insiders and sanctions if improper trading were to occur. This policy also strictly prohibits the entering into of any "equity monetization" transactions or purchases of financial instruments that are designed to hedge or offset a decrease in market value of equity securities. This policy requires the Corporation's personnel to report any violations immediately to the CEO or the Chief Legal Officer.

Strategy and Risk Management

The Board regularly reviews the Corporation's goals and strategy with management. In addition, the Corporation's strategic plan and business objectives are reviewed annually with management taking into account the new opportunities and key risks of the business. During these discussions, the performance of the Corporation and future opportunities are extensively discussed to assess whether adjustments to strategy are warranted. The Corporation's core business principles and long-term strategy remains constant. The Corporation is a gold-focused royalty and streaming company with a diversified portfolio, providing investors with a low-risk gold investment with gold price and exploration optionality. The Corporation is focused on growing net asset value on a per share, sustainable, long-term basis. It recognizes that it operates in a highly-cyclical business and has maintained a capital structure that allows the Corporation to invest countercyclically. In executing its strategy, the Corporation is willing to make investments over the long term, including in projects that may take significant time before coming to fruition.

The Corporation's enterprise risk management environment ensures that the key objectives and strategy for the success of the Corporation are achieved. The risk management process of the Corporation is a several-pronged process involving management, the ARC and the Board of the Corporation. In its annual strategic planning session, the Board's understanding of the current business strategy, its critical success factors and the related business risks is a key focus. The risks of the business are analyzed and reviewed together with strategic opportunities and issues. Management

provides a detailed listing of risks and a related risk analysis, the latest of which was presented and reviewed with the ARC in November 2021 which identified risks to be monitored by the Board including (i) the ability to grow, (ii) transaction risk, (iii) commodity risk and commodity price risk, and (iv) ESG-related risks. Also included in this review, the roles of management, the ARC and the Board relating to risk were highlighted and reaffirmed. The Board is responsible for strategic aspects and the enforcement of an appropriate risk culture throughout the organization, including through the CESGC relating to compensation aspects. The ARC is charged with the supervision of the risk analysis and oversight of the mitigation factors and plans. Management conducts a periodic detailed analysis of risks, recommended mitigation plans and is responsible for the implementation and review of effectiveness of such mitigation plans.

In addition, critical to the Corporation's success is the appropriate management of risk around all assets including potential new investments. In this regard, the Board is fully engaged in the review of new investments. At Board meetings, management updates the Board on potential investments and seeks guidance on whether to proceed. Board members are also provided with at least monthly reports from the President & CEO in between Board meetings. Board members are very active in the review of potential investments including participating in due diligence and providing technical, political, financial, ESG and other expertise. Directors are frequently involved by management to advise on specific due diligence or asset management issues. Directors will often accompany management on site visits to existing assets or potential investments and report independently to the Board on their observations.

If management proposes to proceed with a transaction in excess of a threshold amount, it must first seek Board approval. Below this threshold amount, management has discretion to proceed with an investment but must report the transaction to the Board in order to refresh its executive authority before being able to proceed with another investment. The Board is also regularly updated as to existing material assets and provided with risk assessments of those assets and retrospective analyses as to lessons learned.

Non-Discrimination, Anti-Harassment and Equal Opportunity Policy

The Board has adopted a Non-Discrimination, Anti-Harassment and Equal Opportunity Policy which provides the framework for the Corporation to maintain an environment free of discrimination and harassment, in which all individuals are treated with respect and dignity, are able to contribute fully and have equal opportunities. This policy also deals with harassment and workplace violence. This policy articulates the Corporation's position with respect to: (i) diversity, equal opportunity, discrimination (including grounds therefore), harassment and threats or acts of violence; (ii) reporting inappropriate conduct, harassment and workplace violence; (iii) disciplinary measures; and (iv) the development of procedures to prevent and address human rights issues.

Environmental and Social Responsibility

The Corporation's business is investing in projects operated by third parties and does not directly operate any of its assets. The projects on which the Corporation has royalties and streams are owned and operated by independent mining and energy companies which are typically publicly listed. Management closely monitors the Corporation's portfolio of assets and engages with the operators of the projects on ESG matters but management is not responsible for the day-to-day operational or development decisions at a project. While the Corporation does not control or influence the operations of any of the properties over which it has an interest, it is committed to responsible mining and energy extraction in all aspects of its investments including with respect to ESG issues, which are addressed through a combination of the following:

- ★ policies, including ESG-specific policies, which guide investment decisions;
- ★ due diligence process for new investments;
- ★ contractual rights and obligations in royalty and stream agreements;
- ★ contributions to projects to build community strength at the operations in which the Corporation is invested; and
- ★ transparency in its disclosure.

The approach taken by the Corporation has generated significant value for shareholders and has allowed it to acquire royalties and streams on projects operated by some of the best operators in the industry. The Corporation has adopted policies and performs extensive due diligence on potential investments to address ESG issues, including climate-related risks, and has adopted best practices in other areas of ESG including transparent disclosure aligned with the Task Force on Climate-related Financial Disclosures ("TCFD") and Sustainability Accounting Standards Board ("SASB") frameworks. The Corporation has refrained from allocating capital to certain investments due to ESG issues. Detailed information can be found in the Corporation's most recent Environmental, Social and Governance (ESG) Report available on the Corporation's website at www.franco-nevada.com.

STATEMENT BY THE COMPENSATION AND ESG COMMITTEE

Dear Shareholders:

On behalf of the Board, the members of the Compensation and ESG Committee present our 2021 Statement of Executive Compensation.

The Committee maintains a highly-disciplined approach to the executive compensation program focused on pay for performance and alignment with shareholders. We have adopted several objective metrics against which performance is measured and also consider other accomplishments during the year within our framework of five Corporate Goals – Performance, Growth, ESG, Risk Management and Margins. Immediately following this letter, we have set out the highlights of our compensation program and best practices.

For 2021, key accomplishments taken into account by the CESGC included:

COVID-19 Mitigation

The COVID-19 pandemic continued to have significant adverse impacts through the year but the leadership team successfully managed the challenges. The leadership team prioritized the safety of the team and continued to implement work from home arrangements ensuring that all necessary supports were provided. As well, the leadership team maintained an inclusive and collaborative approach while the team worked from home. Going forward, a hybrid return to the office model is being implemented by the leadership team to provide team members with greater flexibility to manage their work.

ESG

On ESG matters, the team continued to be proactive and responsive to communities and our investors. During 2021, the team committed over US\$1 million towards operator and community initiatives, including initiatives aimed at improving the quality of life in local communities and pilot initiatives aimed at reducing emissions. The Corporation also provided first-time disclosure aligned with the TCFD and SASB frameworks and made further progress in its efforts to further diversity, both within the Corporation and the industry.

Growth and Performance

In terms of corporate growth, the team generated significant growth for the Corporation. The Corporation completed over US\$700 million in new precious metals and diversified investments, adding meaningful GEO growth and long-term optionality. Overall, the Corporation significantly exceeded its growth goal.

For 2021, the Corporation had exceptional financial performance. The Corporation (i) achieved the higher end of its revised GEO guidance with 611,000 GEOs sold, (ii) exceeded its revised Energy revenue guidance with US\$210 million of Energy revenue, and (iii) achieved record results on several financial metrics including Revenue, Adjusted EBITDA and Adjusted Net Income.⁽¹⁾

The Corporation's share price also outperformed against the price of gold and gold equity indices and performed in-line with the performance index adopted by the Corporation over the past year. On a three-year basis, the Corporation's share price significantly outperformed gold, the gold equity indices and the performance index and the performance-based multiplier was applicable for the vesting of the performance-based RSUs that were granted in 2018.

Overall, 2021 was a very strong year for the Corporation. The Corporation achieved outperformance on four of its five Corporate Goals and the leadership team made significant individual contributions, creating real value for all shareholders. As a result, above-target (but below maximum) cash bonuses were awarded as more particularly described in this Circular.

We are very proud to serve this Corporation and its shareholders and remain committed to compensation and governance best practices. We welcome and encourage your feedback.

Sincerely,

"Louis Gignac", Chair

"Derek Evans"

"Dr. Catharine Farrow"

"Maureen Jensen"

Note

(1) Please refer to Schedule "B" Non-GAAP Financial Measures.

COMPENSATION PROGRAM HIGHLIGHTS AND BEST PRACTICES

✓	Elements of compensation	✳ Only base salary guaranteed ✳ Majority of incentive compensation is share based ✳ Majority of share-based incentive compensation has performance-vesting criteria ✳ Stock option grants have been discontinued since 2020 ✳ Incentive compensation awards have maximum cap
✓	Defined objective performance metrics	✳ Relative TSR ✳ Resource Replacement per Share ✳ Book Value Growth per Share ✳ G&A per GEO
✓	ESG focus	✳ Executive compensation is directly tied to ESG performance
✓	Defined corporate goals for compensation program	✳ Performance ✳ Growth ✳ Proactive ESG Leadership ✳ Margins ✳ Risk Management
✓	Additional best practices	✳ CEO compensation look-back provided ✳ Employment agreements contain double-trigger change of control clauses ✳ Anti-hedging policy in place ✳ Clawback arrangements in place ✳ Share ownership requirements for executives
✓	Additional alignment with shareholders	✳ Performance-based RSUs multiplier subject to formula based on outperformance/underperformance against Corporation-adopted performance index ✳ Leadership team share ownership significantly above requirements of share ownership policy

COMPENSATION DISCUSSION & ANALYSIS

Compensation Governance

Composition, Experience and Skills of the Compensation and ESG Committee

Louis Gignac Chair, Independent	Derek Evans Independent	Catharine Farrow Independent	Maureen Jensen Independent
Member since Mar 20, 2014 Chair as of May 5, 2021	Appointed on Mar 11, 2021	Member since May 8, 2017	Appointed on Mar 11, 2021
* Chair, G Mining Ventures Corp. * Previous Member, Human Resources Committee, Domtar Corporation * Previous President & CEO, Cambior Inc. * Previous Chair, Human Resources Committee, Gaz Métro Inc.	* President, Chief Executive Officer and Director, MEG Energy Corp. * Previous President, CEO and Director, Pengrowth Energy Corporation * Member, Institute of Corporate Directors	* Chair, Sustainability Committee, Centamin plc * Member, Compensation and Sustainability Committees, Eldorado Gold Corporation * Previous CEO, TMAC Resources Inc. * Previous Chief Operating Officer of KGHM International Ltd. (formerly Quadra FNX Mining Company Inc.) * Member, Institute of Corporate Directors	* Previous Chair and Chief Executive Officer, Ontario Securities Commission * Previous CEO and Director, Market Regulation Services * Member, Institute of Corporate Directors

The members of the CESGC each have skills and direct experience as set out in the table above that are relevant to their responsibilities in executive compensation and which enable them to make decisions on the suitability of the Corporation's compensation policies and practices. Mr. Gignac has served on the compensation committees of other Canadian publicly-traded corporations and all members of the CESGC have provided leadership in business, legal and/or government organizations in their current and/or past roles. In these roles, they have participated in compensation planning sessions, made compensation decisions and participated in compensation discussions with external consultants.

Responsibilities of the Compensation and ESG Committee

The CESGC was established by the Board to assist the Board in fulfilling its responsibilities relating to compensation matters, including the evaluation and approval of the Corporation's compensation plans, policies and programs. It is the CESGC's responsibility to ensure that the Corporation develops and maintains a compensation program for its executive officers that will be fair, competitive and consistent with the best interests of the Corporation. The CESGC is also responsible for ensuring compliance of the compensation policies and practices of the Corporation with its enterprise risk management goals.

The CESGC is responsible for reviewing the position description and performance goals and objectives relevant to the compensation of the President & CEO and for evaluating the President & CEO's performance in light of those goals and objectives. The CESGC recommends to the Board the President & CEO's compensation based on such evaluation. The CESGC is also responsible for making recommendations to the Board with respect to the compensation of all executive officers and other officers, including incentive compensation plans, equity-based plans (which the CESGC administers), the terms of any employment agreement, severance and change of control arrangements and any special or supplemental benefits. The President & CEO provides the CESGC with recommendations for compensation of executive officers and other officers, supported by relevant factual data and an assessment of appropriate compensation. The CESGC is also responsible for making recommendations concerning the remuneration of directors.

Compensation Consultants

The CESGC has the authority to retain and receive advice from compensation consultants to carry out its duties but, to date, has not determined it necessary to do so. Specifically, during the financial years ended December 31, 2021 and 2020, no compensation consultants or advisors were retained to assist in determining compensation for any of the Corporation's directors and officers.

Compensation Philosophy and Objectives

The “Named Executive Officers” for purposes of this Circular (being the President & Chief Executive Officer, the Chief Financial Officer and the other three most highly compensated officers of the Corporation) are: (i) Mr. Paul Brink, President & Chief Executive Officer, (ii) Mr. Sandip Rana, Chief Financial Officer, (iii) Mr. Lloyd Hong, Chief Legal Officer & Corporate Secretary, (iv) Mr. Eaun Gray, Senior Vice President, Business Development, and (v) Mr. Jason O’Connell, Senior Vice President, Diversified. During 2021, Mr. O’Connell held the title of Senior Vice President, Energy which was changed to Senior Vice President, Diversified, effective January 1, 2022, to reflect Mr. O’Connell’s expanded mandate for business development activities in diversified mining commodities in addition to Energy.

The specific objectives of the Corporation’s compensation program for its officers are as follows:

- ★ to attract and retain talented officers;
- ★ to align the interests of officers with those of the Corporation’s shareholders; and
- ★ to link individual compensation to the performance of both the Corporation and the performance of each individual officer.

The Corporation’s compensation program is designed to reward officers for:

- ★ superior corporate performance relative to pre-set internal objectives;
- ★ superior corporate performance relative to an external performance index; and
- ★ exceptional levels of individual performance consistent with, and contributing to the achievement of, the Corporation’s strategic objectives.

In order to achieve the above objectives, the key structural features of the Corporation’s compensation program are as follows:

- ★ incentive compensation comprises a majority of overall compensation;
- ★ long-term, at-risk share-based compensation comprises a majority of incentive compensation; and
- ★ the value of long-term, at-risk share-based compensation is linked directly to the medium and long-term growth of the Corporation’s share price. Performance benchmarks must be achieved in order for performance-based share compensation to vest.

Benchmarking

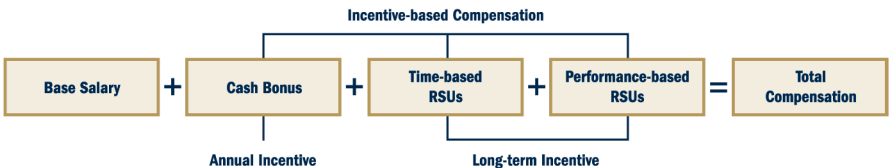
The Corporation has generally considered compensation programs in relevant sectors of the mining and energy industries as well as the compensation programs of its competitors but has not specifically engaged in benchmarking with a specific peer group for purposes of setting levels of compensation.

Risk Management

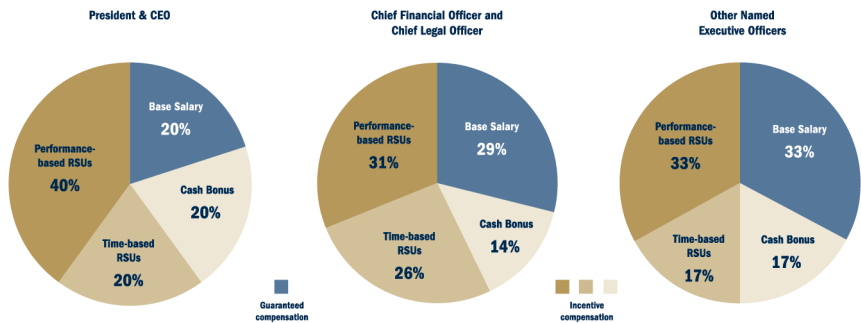
The Board is responsible for strategy relating to risk management and the enforcement of an appropriate risk management culture throughout the organization. The Board fulfils these responsibilities through the ARC generally and through the CESGC with respect to compensation and ESG matters. The Board is ultimately responsible for considering the implications of risks associated with the Corporation’s compensation policies and practices. Through the ARC and outside advisors, the Board is advised of potential risks, including those relating to human capital, such as recruitment/retention, redundancy, workload/resources, HR support and succession. Through the CESGC, the Board is involved in the design of compensation policies to meet the specific corporate goals (including ESG) and compensation objectives discussed above and considers the risks relating to such policies. To mitigate inappropriate or excessive risk taking, the Corporation has put practices in place. For example, the Corporation has a variety of compensation components that are designed to provide balance between base salary and long-term, at-risk variable compensation. Also, the Corporation’s long-term incentive compensation has been designed to address its retention objectives. The CESGC is responsible for ensuring compliance with the compensation policies and practices of the Corporation. The Corporation’s enterprise risk management environment is further described under “Statement of Governance Practices – Risk Management”. To date, the Board and CESGC have not identified any risks arising from the Corporation’s compensation policies and practices that would be reasonably likely to have a material adverse effect on the Corporation.

Elements of Compensation

The Corporation currently provides a compensation program for officers as illustrated below. The components of the compensation program are base salary and incentive compensation comprised of an annual incentive cash bonus and long-term, at-risk, share-based compensation which is further comprised of time-based RSUs and, performance-based RSUs. Previously, the Corporation awarded stock options as part of the annual compensation program but discontinued the practice in 2020 and replaced the grant with additional performance-based RSUs in order to increase the proportion of overall compensation that would be tied to performance-vesting criteria and the long-term performance of the Corporation. There is no pension plan.



The following charts set out the overall breakdown of total compensation between base salary (which is guaranteed) and incentive compensation (assuming incentive compensation is awarded at target). The Corporation places a greater emphasis on long-term, at-risk, share-based compensation with such compensation comprising 60% of targeted total compensation for the President & CEO, 57% of targeted total compensation for the Chief Financial Officer and the Chief Legal Officer and 50% for the other Named Executive Officers.



Each element of compensation is discussed in more detail below.

Base Salary

Base salary is a fixed element of compensation for each officer which is set by the CESGC annually and is the only component of compensation that is guaranteed. Base salary is intended to fit into the Corporation’s overall compensation objectives by serving to attract and retain talented officers. The CESGC principally considers the following factors in setting base salaries, including any increases to base salaries:

- ★ the level of responsibility related to each officer’s position;
- ★ the base salaries paid to equivalent officers at industry peers generally;
- ★ the experience of the officer;
- ★ the officer’s overall performance versus established goals and objectives; and
- ★ the retention risk for each officer.

Incentive Compensation

Incentive compensation is a variable element of compensation comprising annual cash bonuses and long-term, at-risk, share-based compensation. Incentive compensation is not guaranteed and is subject to the achievement of corporate and individual goals by each Named Executive Officer.

Incentive Compensation Targets

Targeted awards of each element of incentive compensation to Named Executive Officers are set each year as a percentage of base salary. The targeted awards place a greater emphasis on long-term, at-risk, share-based compensation. Awards of each element of incentive compensation may range from 0% to a maximum of 200% of base salary at the time of grant based on the CESGC's evaluation of the Corporation's performance and each Named Executive Officer's performance against the Corporate Goals (as defined below) and individual objectives. Awards have been capped at 200% of base salary in order to mitigate excessive risk-taking and limit potential windfalls. Historically, the Corporation has recognized outperformance through the award of above target cash bonuses while keeping awards of other incentive compensation at target. The President & CEO and the other Named Executive Officers are not guaranteed an award of any incentive compensation under poor market conditions and it is possible for the President & CEO and the other Named Executive Officers to receive no incentive compensation.

The CESGC continuously reviews its compensation program and considers compensation best practices. The compensation program is structured such that more than 50% of share-based incentive compensation is performance-based for all Named Executive Officers. As well, at-risk, share-based compensation constitutes a greater proportion of overall compensation ensuring alignment with shareholders.

For 2021, the targeted awards for the Named Executive Officers (expressed as a percentage of base salary) are illustrated below.



The CESGC and Board retain final discretion to modify an award when considered appropriate but this discretion will only be exercised in extraordinary circumstances and will be disclosed if such discretion is ever exercised.

Elements of Incentive Compensation

Annual Cash Bonus

Annual cash bonuses are a short-term variable element of compensation that reward each officer for both corporate and individual performance and are intended to fit into the Corporation's overall compensation objectives by directly linking individual compensation to the performance of both the Corporation and the individual. The process by which the CESGC determines the amount of cash bonuses is described further below under "Corporate Goals and Performance Measures".

Share-Based Compensation

Share-based compensation is a long-term, at-risk, variable element of compensation that directly and indirectly aligns the interests of officers with shareholders and encourages retention. The components of the share-based compensation consist of time-based RSUs and performance-based RSUs.

Restricted Share Units

The Corporation awards both time-based RSUs and performance-based RSUs as they have different vesting schedules which ensure strong alignment with shareholder interests.

Time-based RSUs, if awarded, vest in equal thirds over a three-year period commencing on the first anniversary of the grant date.

Performance-based RSUs, if awarded, vest on the third anniversary of the grant date subject to the achievement of pre-determined performance-vesting criteria on such vesting date. The performance-vesting criteria are described further below. The CESGC determines whether such criteria have been satisfied as of the vesting date. For performance-based RSUs awarded in 2021, the CESGC will determine the vesting of such performance-based RSUs in late 2024.

The CESGC believes the different components of share-based compensation, together with the different vesting schedules, directly tie an officer's compensation to shareholder returns and the performance of both the Corporation and the individual over the near, medium and long-term.

Performance-Based RSU Multiplier

If the CESGC determines that the performance-vesting criteria have only been partially met, it is possible that zero vesting may occur. As disclosed in the Corporation's management information circular dated March 19, 2021, the Corporation adopted a formulaic approach to the vesting of performance-based RSUs. Previously, it was in the CESGC's discretion to adjust the vesting of performance-based RSUs downwards in the event of underperformance. The CESGC determined that, effective with the 2021 compensation year, it would be appropriate to provide for both a downwards adjustment and an upwards adjustment based on an objective metric. The CESGC determined that the three-year Relative TSR Performance Metric, which was already being used to determine vesting of the performance-based RSUs, was appropriate to inform potential adjustments. The CESGC determined that, absent extraordinary circumstances, vesting

of the performance-based RSUs would be adjusted downwards and upwards within a range of 25% underperformance and 25% outperformance against the Performance Index with straight-line interpolation between the range. In the event of greater than 25% underperformance, zero performance-based RSUs would vest and, in the event of greater than 25% outperformance, the maximum number of performance-based RSUs to vest would be capped as described below. Illustrative examples are set out in the following table.

Performance Index	Relative TSR	Outperformance/ (Underperformance)	% of Performance-Based Shares Vesting
35%	9%	(26%)	0%
	30%	(5%)	80%
	35%	-	100%
	40%	5%	120%
	61%	26%	150%
	85%	50%	150%

Note

Illustrative examples based on performance-based RSUs granted in 2020 and thereafter.

The CESGC conducted back-testing of this methodology and determined that the 25% outperformance hurdle for the maximum adjustment was an appropriate stretch target for management. For performance-based RSUs which were granted in 2018 and 2019, it was determined that the maximum adjustment would be 2 times the original grant and for grants made in subsequent years the maximum adjustment would be 1.5 times the original grant to take into account the increase to the targeted award of performance-based RSUs as a percentage of base salary commencing in 2020. Any upward adjustments to the performance-based RSUs may be settled in cash or through the grant of additional RSUs which will be deducted from the share reserve of the 2018 Share Compensation Plan. For the application of the multiplier to the performance-based RSUs that were granted in 2018 and scheduled to vest in 2021, please refer to 2021 Performance Measures – Objective Performance Measure No. 1 – Relative Total Shareholder Return.

Corporate Goals and Performance Measures

The CESGC and Board have broadly set five corporate goals for the Corporation and the Named Executive Officers against which performance is considered in determining incentive awards. These goals are Performance, Growth, ESG, Margins and Risk Management (the “**Corporate Goals**”). ESG was adopted as a specific corporate goal starting in 2020 in recognition of the importance of managing ESG issues to the Corporation’s business and the greater emphasis on ESG that the CESGC would apply in evaluating management’s performance. In prior years, succession was a specific corporate goal but as the Corporation had just completed a multi-year succession process, the CESGC determined that succession could be incorporated into the goal of Risk Management. The Corporate Goals have been chosen to encourage good decision-making over the business cycle as opposed to focusing on results in any one year. Additionally, the President & CEO sets personal objectives for the Named Executive

Officers which are specific to the year and their personal development which are approved by the CESGC. The CESGC does not currently use a strictly formulaic approach for evaluating each of the Corporate Goals or the individual objectives as the nature of the Corporation’s business does not lend itself to such practices. As an example, it is not possible to predict the number or types of new investment opportunities that may arise during any given year and, as such, it would not be appropriate to set a specific growth target in terms of the number of investments or other specific metrics with respect to a new investment as it may encourage risk-taking behaviour. As well, avoiding investments with inappropriate risk or inappropriate risk-return profile is equally as important to the achievement of the Corporate Goals.

The Corporation’s success is driven by the ability to take advantage of opportunities that arise while maintaining strong discipline. In evaluating corporate and individual performance, the CESGC evaluates each Corporate Goal and individual performance taking into account numerous objective and subjective factors.

The CESGC regularly evaluates its compensation program and engages with institutional shareholders with a view to maintaining best practices. The Corporation has continued to refine its compensation program. Previously, the assessment of performance against the five Corporate Goals noted above was primarily subjective. Over the past three years, the CESGC has adopted four objective performance metrics which inform the assessment of three Corporate Goals (Performance, Growth and Margins). The remaining two Corporate Goals (ESG and Risk Management) remain subjective. The following table summarizes the five Corporate Goals and associated performance metric/subjective assessment. Outperformance or underperformance against the Corporate Goals, including the performance metrics, is used by the CESGC to determine adjustments to awards of incentive compensation above or below target.

	CORPORATE GOAL	APPLICABLE PERFORMANCE METRIC
✓	Performance	★ Relative Total Shareholder Return
✓	Growth	★ Resource Replacement per Share ★ Book Value Growth per Share
✓	ESG	★ Subjective Assessment
✓	Margins	★ G&A per GEO
✓	Risk Management	★ Subjective Assessment

2021 Objective Performance Metrics

Objective Performance Measure No. 1 – Relative Total Shareholder Return (“Relative TSR”)

The first objective performance measure used by the CESGC is Relative TSR (including capital appreciation and dividends) and this measure fits within the Corporate Goal of Performance. The CESGC has always maintained an absolute focus on performance and generation/preservation of shareholder value in determining compensation. In prior years, the CESGC developed a broadly-based Performance Index (as defined below)

which was then compared to the Corporation's total shareholder return in order to determine whether performance-based RSUs should vest.

The CESGC will continue to use this Performance Index to determine whether performance-based RSUs should vest (and the application of the performance-based multiplier) but the Performance Index is also used in determining incentive compensation awards.

The performance index (the "**Performance Index**") is weighted between three categories, being commodities (20%), market indices (40%) and a royalty/streaming peer group (40%) with the specific weightings of the individual components in each category being based on the breakdown of the Corporation's revenues and/or weightings in various indices. For the performance-based RSUs awarded in 2018 and 2019, the index was equally weighted between the three categories but the CESGC determined that the updated weightings were more appropriate commencing in 2020.

The components of the Performance Index and the rationale for their inclusion are as follows:

- ★ the prices of gold, silver, platinum, palladium, and oil (WTI), as these are the principal commodities underlying the Corporation's portfolio;
- ★ the S&P/TSX Global Gold Index for a comparison to operating gold companies;
- ★ the S&P/TSX Composite Index as it is a broad market index and a number of institutional investors invest in Franco-Nevada based on its inclusion in the Index; and
- ★ the royalty/streaming specific peer group consisting of Wheaton Precious Metals Corp., Royal Gold, Inc. and PrairieSky Royalty Ltd. as these are the largest (by market capitalization) royalty/streaming peers in the industry.

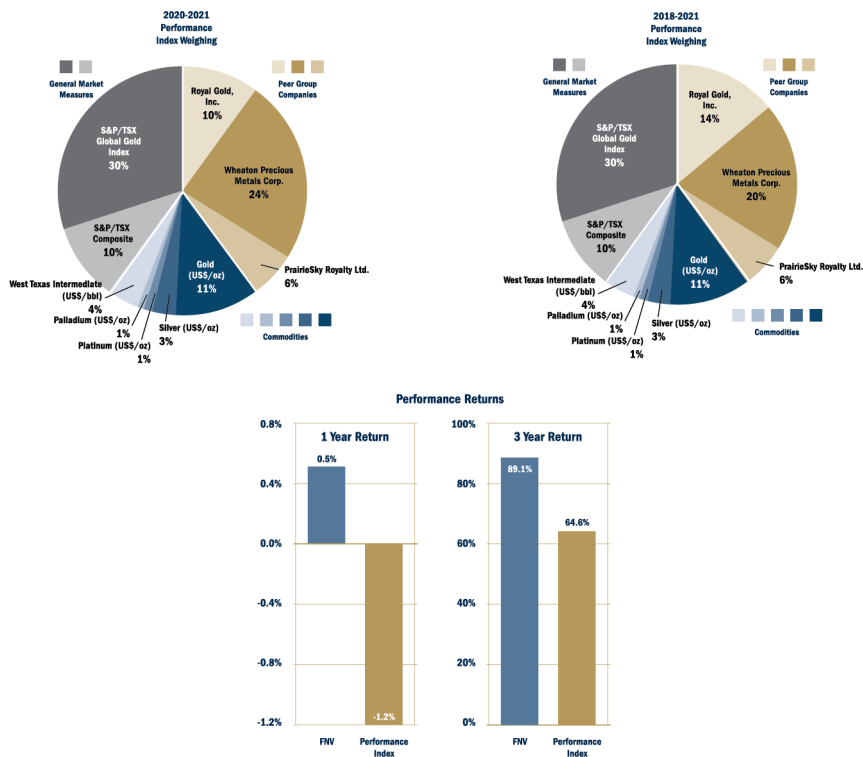
The Corporation's total shareholder return (assuming reinvestment of dividends) relative to the return generated by the Performance Index will be considered on a one-year and three-year basis. The CESGC has decided to use two time periods for measurement for a balanced perspective rather than taking a short-term focus.

If the Corporation's total shareholder return significantly outperforms or underperforms relative to the Performance Index, the CESGC will consider whether awards of incentive compensation above or below target are warranted. If the Corporation's total shareholder return is generally aligned relative to the Performance Index, the CESGC expects to award incentive compensation at targeted levels unless there are other extraordinary factors which would be disclosed.

The Corporation's total shareholder return (assuming reinvestment of dividends) on a three-year basis relative to the return generated by the Performance Index will also determine the vesting of the performance-based RSUs that were granted with the same vesting window. See "Share Based Compensation – Restricted Share Units" for further discussion on how the Performance Index will be used for the performance-based multiplier.

The Relative TSR performance measure will indicate how management has performed against (i) commodity prices, (ii) peers in the allocation of capital, and (iii) generalist investment alternatives.

The composition and performance of the Performance Index for 2021 and the period 2018-2021 (based on the existing methodology of equal weightings between the components) and the Corporation's total shareholder return for the same periods are set out below:



For the three-year period from December 11, 2018 to December 11, 2021 (corresponding to the three-year period from grant date), Franco-Nevada's total shareholder return was 89.1% compared to Performance Index performance of 64.6%. This outperformance of 24.5% resulted in a 1.98 times multiplier being applicable to the performance-based RSUs which vested in 2021.

Objective Performance Measure No. 2 – Resource Replacement per Share

The second objective performance measure used by the CESGC is Resource Replacement per Share and this measure fits within the Corporate Goal of Growth. The CESGC has used this performance measure to evaluate management's performance in accretively growing the Corporation's business.

The Corporation does not operate or explore for mines. Rather, it has a broad portfolio of royalties and streams on many operations allowing it to, among other things, maximize exploration upside and focus on new investments.

The CESGC will measure the Corporation's one-year and rolling three-year average royalty-equivalent precious metals ounces (based on measured and indicated royalty-equivalent ounces) in its portfolio against the prior one-year and three-year average on a per share basis. This will show whether the Corporation's resource base is growing sufficiently on a per share basis to replace precious metals ounces realized by the Corporation over the relevant time period. Growth is expected to occur from exploration conducted by operators of the assets on which the Corporation has royalty and stream interests and from new acquisitions. By measuring on a per share basis, the CESGC will be able to determine whether management has been growing the Corporation's business accretively and will also further provide a look back on management's initial evaluation of its investments.

In determining whether the Corporate Goal of Growth has been achieved, the CESGC will take into account whether the Resource Replacement per Share measure confirms replacement of precious metals ounces realized by the Corporation over the relevant time periods. Energy resources will not initially be considered in this metric given the current breakdown between energy assets and mining assets in the Corporation's overall portfolio. The Corporation will assess on a regular basis when it would be appropriate to incorporate energy resources into this metric.

For 2021, the CESGC determined that resources per share increased on a one-year and rolling three-year average compared to the prior periods and, accordingly, the Resource Replacement per Share measure was exceeded.

Objective Performance Measure No. 3 – Royalty, Stream and Working Interest Book Value Growth per Share (“Book Value Growth per Share”)

During 2020 and effective for the 2021 compensation year, the CESGC adopted another objective metric, Book Value Growth per Share, to evaluate management's ability to grow the Corporation. The CESGC adopted this performance measure to evaluate management's performance in accretively growing the business through new acquisitions. The book value of the Corporation's portfolio of royalty, stream and working interests is increased through the addition of new investments to the Corporation's portfolio and is decreased by depletion and any impairments of assets.

In determining whether the Corporate Goal of Growth has been achieved, the CESGC will measure whether the book value of the Corporation's royalty, stream and working interests have increased on a per share basis over a three-year period. The three-year period was selected in order to maintain a focus on long-term growth and creation of

shareholder value and to mitigate excessive risk-taking for short-term growth. Positive growth on a per share basis will confirm management's ability to grow the Corporation on an accretive basis. As this metric takes into account impairments of assets, it also provides a look back on management's evaluation of investments and does not reward short-term growth which is not supported in the long-term.

For 2021, the CESGC determined that there was significant Book Value Growth per Share over a three-year period.

Objective Performance Measure No. 4 – General and Administration Costs (“G&A”) per Gold Equivalent Ounce (“GEO”)

The fourth objective performance measure used by the CESGC is G&A per GEO and this measure fits within the Corporate Goal of Margins. The CESGC has used this performance measure to evaluate management's performance in containing costs and maintaining the scalability of the Corporation's business.

One of the Corporation's business principles is that its business is scalable such that management can continue to grow the business without significantly increasing costs.

The CESGC will measure the Corporation's one-year and rolling three-year average G&A against the prior one and three-year average on a per GEO basis. This will indicate whether the management team has been successful in maintaining costs and the scalability of the business.

In determining whether the Corporate Goal of Margins has been met, the CESGC will take into account whether G&A per GEO confirms that management has maintained cost control over the relevant time period.

For 2021, the CESGC determined that G&A per GEO trended downward on a one-year and a rolling three-year average compared to the prior periods and, accordingly, the G&A per GEO measure was exceeded.

Corporate Goal – Proactive ESG Leadership

In 2020, the CESGC, as part of its ongoing commitment to best practices, adopted ESG as a standalone corporate goal to properly recognize the importance of ESG in the Corporation's long-term strategy and success.

In adding ESG as a standalone corporate goal, the CESGC determined that (i) “Proactive ESG Leadership” would be the key principle guiding the Corporate Goal and (ii) the CESGC would focus on five ESG objectives when evaluating management's performance for compensation decisions. The CESGC believes that these five objectives are focused on the key ESG issues for the Corporation and strike the appropriate balance of subjective and measurable goals which are both backward and forward-looking. The table below sets out the five ESG objectives along with the rationale for each objective and the factors the CESGC will consider when evaluating management's performance.

For 2021, the CESGC determined that significant achievements were accomplished by the Named Executive Officers and the Corporate Goal of Proactive ESG Leadership was exceeded.

ESG OBJECTIVES FOR EVALUATING MANAGEMENT					
ESG Due Diligence	ESG due diligence is critical in growing the Corporation's business	ESG Reporting and Compliance	ESG initiatives should be adopted to be responsive to shareholders and stakeholders	Contributions and Community Outreach	The Corporation should make a positive impact in the local communities in which its assets are located as well as locally
Management will be evaluated on whether an appropriate level of ESG due diligence was presented to the Board in connection with new investments Management will also be evaluated on a look-back basis in the event of an ESG issue at an existing asset to determine if such issue was reasonably foreseeable through due diligence		Management will be evaluated on keeping the Board informed as to ESG initiatives and effective shareholder outreach Management will also be evaluated on the successful implementation of Board-approved ESG initiatives, many of which can be multi-year projects		Management will be evaluated on its successful execution of ESG contributions which will include pro-active outreach to operators Management will also be evaluated on their personal engagement in making positive contributions to the local community	
Diversity and Inclusion	Diversity and inclusion are key components to the Corporation's success	ESG Rankings	ESG rankings recognize management's efforts with respect to ESG		
Management will be evaluated on its progress in the area of diversity and inclusion including in recruiting, internal promotions and disclosed diversity goals		Management will be evaluated based on the Corporation's ESG rankings by the major agencies followed by institutional shareholders Management will not be evaluated for matters solely within the Board's purview			

The CESGC recognizes that ESG is a rapidly evolving area and will review the ESG objectives annually and disclose any changes in subsequent management information circulars.

2021 Corporate Performance and Incentive Compensation Awards

Set out in the chart below are (i) each Corporate Goal and the key principles for each Corporate Goal, (ii) the objective and subjective achievements for 2021 for each Corporate Goal in determining incentive awards for 2021, and (iii) the CESGC's conclusion as to the satisfaction of each Corporate Goal. In determining incentive awards for 2021, the CESGC took into account the outperformance of four of the five Corporate Goals and the personal achievements of the Named Executive Officers. The CESGC determined that cash bonuses between the range of target (100% of base salary for the CEO and 50% of base salary for the other Named Executive Officers) and maximum (200% of base salary) with no discretionary bonuses being awarded were warranted. The CEO's cash bonus was 150% of base salary. The other Named Executive Officers' cash bonuses were, on average, 92% of base salary. Share-based incentive compensation was awarded at target.

CORPORATE GOAL ⁽¹⁾	KEY PRINCIPLES	2021 ACHIEVEMENTS AND CONSIDERATIONS	CONCLUSION
	Outperform various external benchmarks Strong financial performance against guidance	★ Achieved higher end of revised GEO guidance ★ TSR performance in-line on a one-year basis and significant outperformance on a three-year basis vs Performance Index – Objective Performance Measure No. 1 ★ Exceeded revised Energy revenue guidance ★ Achieved record financial results for GEOs, Revenue (27% growth), Adjusted EBITDA⁽²⁾ and Adjusted Net Income⁽²⁾ (30% growth), including on a per share basis	Objective achieved
	Growth through value-added acquisitions Organic growth from existing investments	★ New precious metals and diversified investments executed during the year in excess of US\$700 million ★ Exceeded the Resource Replacement per Share Measure – Objective Performance Measure No. 2 ★ Exceeded the Book Value Growth per Share – Objective Performance Measure No. 3 ★ Numerous opportunities evaluated and declined	Objective significantly exceeded
	Proactive ESG leadership	★ Detailed ESG due diligence performed on all advanced business development opportunities ★ ESG disclosure reported under TCFD and SASB standards ★ ESG engagement with shareholders ★ Over US\$1 million committed toward community, industry and other ESG initiatives during 2021 ★ Internal diversity targets in place and tracking ★ Award of the inaugural Franco-Nevada Diversity Scholarship ★ Continued high rankings by ESG ratings agencies	Objective exceeded
	Maintain margins through containing costs Competitive margins relative to peers Maintain a sustainable dividend Strong treasury management	★ Margins⁽²⁾ of 84% ★ Improvement in G&A per GEO – Objective Performance Measure No. 4 ★ Achieved lower margins than peers on a number of operations metrics ★ Dividend increased for 14th consecutive year ★ Increased share ownership by the executive team	Objective exceeded
	Comprehensive risk management through robust asset management and risk control	★ Effective asset management to identify emerging risks ★ Favourable resolution of several outstanding issues ★ Enhanced Energy audit process resulting in more comprehensive performance tracking and additional recoveries ★ Successful work from home arrangements and staged, flexible and safe return to the office arrangements implemented	Objective exceeded

Notes

- (1) All the Named Executive Officers are responsible for the achievement of the Corporate Goals. However, the level of responsibility may be different based on the role of such Named Executive Officer. The President & CEO has greater responsibility for Growth, ESG and Performance and medium responsibility for Risk Management and Margins. Mr. Rana has greater responsibility for Risk Management and Margins and medium responsibility for Growth, ESG and Performance. Mr. Hong has greater responsibility for ESG and Risk Management and medium responsibility for Growth, Performance and Margins. Messrs. Gray and O'Connell have greater responsibility for Growth, ESG and Performance and medium responsibility for Risk Management and Margins.
- (2) Please refer to Schedule "B" Non-GAAP Financial Measures.

Named Executive Officers: Accomplishments and Incentive Awards

The following section provides information about each Named Executive Officer and their respective 2021 performance and compensation awards. For 2021, personal performance goals were set for the Named Executive Officers in the areas of strategy, communications and investor relations, enhanced asset management, ESG and deal origination and execution.

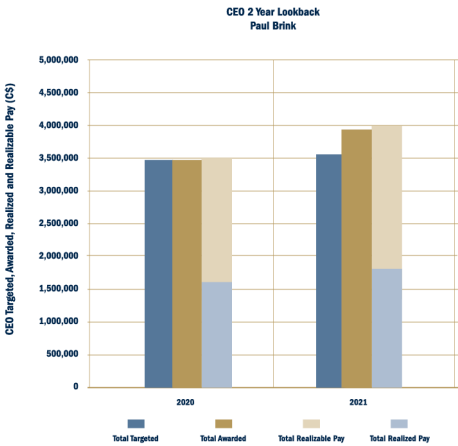
Paul Brink
President & CEO



Paul Brink is President & Chief Executive Officer of Franco-Nevada. Mr. Brink is responsible for, among other things: (i) providing leadership and direction to the Franco-Nevada management team; (ii) fostering a corporate culture that promotes ethical practices and encourages individual integrity; (iii) developing and recommending to the Board a long-term strategy and vision; and (iv) having overall responsibility for the achievement of Franco-Nevada’s financial and operating goals and objectives. For a brief biographical description for Mr. Brink, please see “Director Information – Nominee Information” above.

Individual performance considerations	CESGC conclusions
Mr. Brink: - Continued to provide outstanding leadership - Successfully led the review and communication of the Corporation’s evolving commodity mix strategy - Guided the application of over US\$700M in new investments - Successfully provided a diverse, inclusive and safe workplace including overseeing flexible work from home arrangements and safe, flexible return to the office arrangements	Mr. Brink met or exceeded all objectives set for him in 2021. In light of Mr. Brink’s individual outperformance and the results of the Corporate Goals performance, Mr. Brink was awarded an above-target (but below maximum) cash bonus and other incentive compensation at targeted levels, all as detailed in the Summary Compensation Table. For 2022, Mr. Brink’s base salary was adjusted to C\$900,000 in recognition of his progression in the role of CEO and to align with industry practice.

The adjacent graph sets out Mr. Brink’s: (i) targeted compensation for the past two years, (ii) the actual compensation awarded (based on the amounts reported in the Summary Compensation Tables in the Corporation’s management information circulars for the relevant years), (iii) the compensation realized based on the market value of vested time-based and performance-based RSUs as at the date of vesting, and (iv) the amounts which may be realized in the future in respect of each relevant year (based on the market value of unvested time-based and performance-based RSUs (based on original grant numbers) as at December 31, 2021).



Sandip Rana

Chief Financial Officer



Sandip Rana, Chief Financial Officer, joined Franco-Nevada in April 2010. He previously served in treasurer and controller roles at old Franco-Nevada until 2002 and then acted as an international controller for Newmont. From 2003 to April 2010, Mr. Rana held financial roles at Four Seasons Hotels Limited where he last served as Vice-President Corporate Finance. Mr. Rana holds a Bachelor of Business Administration degree from the Schulich School of Business and is a Chartered Professional Accountant, CA. In February 2019, Mr. Rana was recognized as a Top Gun CFO by Brendan Wood International.

Individual performance considerations	CESGC conclusions
Mr. Rana: ★ Maintained a strong balance sheet with the Corporation having no debt by the end of 2021 ★ Enhanced the asset management function and successfully resolved numerous outstanding issues ★ Oversaw a comprehensive review of cybersecurity systems and progressed implementation of cybersecurity improvements ★ Expanded investor relations outreach to a broader set of investors	Mr. Rana met or exceeded all objectives set for him in 2021. In light of Mr. Rana's individual outperformance and the results of the Corporate Goals performance, Mr. Rana was awarded an above-target (but below maximum) cash bonus and other incentive compensation at targeted levels, all as detailed in the Summary Compensation Table. For 2022, Mr. Rana received an inflationary adjustment to his base salary to C\$639,600.

Lloyd Hong

Chief Legal Officer & Corporate Secretary



Lloyd Hong, Chief Legal Officer & Corporate Secretary, joined Franco-Nevada in December 2012. He previously was the Senior Vice-President, Legal Counsel and Assistant Secretary of Uranium One Inc. Prior to that, he was a partner with the Canadian law firm of Davis LLP (now DLA Piper (Canada) LLP) with a practice focused on corporate finance and mergers and acquisitions. Mr. Hong holds a Bachelor of Commerce degree from the University of Alberta and a Bachelor of Laws degree from Queen's University. Mr. Hong is a member of The Law Society of Ontario and The Law Society of British Columbia (non-practising).

Individual performance considerations	CESGC conclusions
Mr. Hong: ★ Oversaw the Corporation's ESG efforts including first-time disclosure aligned with TCFD and SASB ★ Worked closely with the business development team on successful deal negotiation and execution of new investments in excess of US\$700 million ★ Led the Corporation's diversity leadership council which implemented several initiatives including unconscious bias training organization-wide	Mr. Hong met or exceeded all objectives set for him in 2021. In light of Mr. Hong's individual outperformance and the results of the Corporate Goals performance, Mr. Hong was awarded an above-target (but below maximum) cash bonus and other incentive compensation at targeted levels, all as detailed in the Summary Compensation Table. For 2022, Mr. Hong received an inflationary adjustment to his base salary to C\$582,400.

Eaun Gray

Senior Vice President, Business Development



Eaun Gray, Senior Vice President, Business Development, heads Franco-Nevada's mining business development group. Mr. Gray was previously a Vice President at Rothschild & Co where he advised on mergers and acquisitions and debt and stream transactions. Prior to that, Mr. Gray worked for CIBC in investment and corporate banking. Mr. Gray completed a Master of Business Administration degree at the Tuck School at Dartmouth College (Edward Tuck Scholar), is a CFA Charterholder and received a Bachelor of Commerce from Queen's University (First Class Honours).

Individual performance considerations	CESGC conclusions
Mr. Gray: ★ Successfully executed on over US\$700 million in new investments, including the Vale Royalty acquisition and Condestable precious metals stream ★ Evaluated and progressed numerous other opportunities with 2021 being a particularly active year for transaction reviews ★ Led and mentored the business development team	Mr. Gray met or significantly exceeded all objectives set for him in 2021 and Mr. Gray's performance in 2021 was determined to be exceptional. In light of Mr. Gray's exceptional individual outperformance and the results of the Corporate Goals performance, Mr. Gray was awarded an above-target (but below maximum) cash bonus and other incentive compensation at targeted levels, all as detailed in the Summary Compensation Table. For 2022, Mr. Gray's base salary was adjusted to C\$410,000 in recognition of his greater responsibilities and to provide Mr. Gray with a more competitive base salary.

Jason O'Connell

Senior Vice President, Diversified



Jason O'Connell, Senior Vice President, Diversified, has been with Franco-Nevada since 2008. His role includes leading business development activities for diversified mining and energy opportunities and managing the Corporation's Energy portfolio. Mr. O'Connell led the growth of the Corporation's US Energy portfolio and, prior to that, held roles in the business development group and managed investor relations. Prior to joining Franco-Nevada, he worked in mining equity research with the Bank of Montreal. Mr. O'Connell holds a Master of Business Administration degree from Dalhousie University and Bachelor of Science degree with honours in Geology from Acadia University.

Individual performance considerations	CESGC conclusions
Mr. O'Connell: ★ Assumed responsibility for evaluating non-precious metals opportunities in addition to Energy ★ Implemented enhanced internal and Board reporting for the Energy portfolio ★ Evaluated and progressed several non-precious metals opportunities	Mr. O'Connell met or exceeded all objectives set for him in 2021. In light of Mr. O'Connell's individual outperformance and the results of the Corporate Goals performance, Mr. O'Connell was awarded an above-target (but below maximum) cash bonus and other incentive compensation at targeted levels, all as detailed in the Summary Compensation Table. For 2022, Mr. O'Connell has taken on responsibility for investments in other commodities other than precious metals (in addition to Energy) and Mr. O'Connell's title was changed to Senior Vice President, Diversified. Mr. O'Connell's base salary was adjusted to C\$400,000 in recognition of his greater responsibilities and to provide Mr. O'Connell with a more competitive base salary.

Other

Pension, Perquisites and Personal Benefits

The Corporation has no pension plan, deferred compensation plan or other programs related to retirement funding. The Corporation provides health and insurance benefits, as well as basic fitness club memberships and parking or public transit reimbursement to all its employees including its Named Executive Officers. No additional benefits are provided to the Named Executive Officers. Given the relatively nominal nature of these perquisites and benefits, they do not affect decisions about other elements of compensation.

Termination and Change of Control Benefits

Messrs. Brink, Rana, Hong, Gray and O'Connell have termination and double-trigger change of control provisions in their respective employment agreements. See "Discussion of Summary Compensation Table – Employment Agreements", "Termination Benefits" and "Change of Control Benefits" in this section below. The CESGC took into account market standards for termination and change of control benefits when determining the events that trigger payment under these arrangements.

Other Compensation-Related Matters

Financial Instruments: The Corporation's Policy Concerning Confidentiality, Fair Disclosure and Trading in Securities requires pre-approval for trades by insiders. The policy also strictly prohibits the entering into of any "equity monetization" transactions or purchases of financial instruments that are designed to hedge or offset a decrease in market value of equity securities.

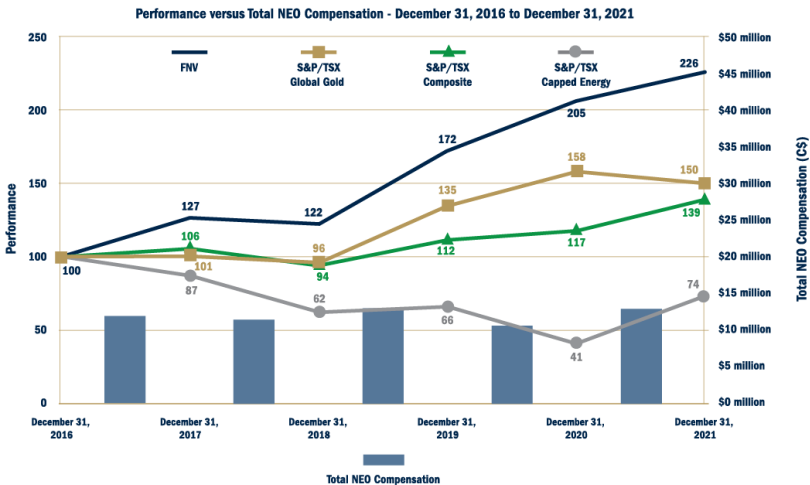
Anticipated Changes to Compensation Policies and Practices

The Corporation does not intend to make any significant changes to its compensation policies and practices for fiscal 2022. The Corporation regularly evaluates its compensation program with a view to maintaining best practices. Any changes for fiscal 2023 will be disclosed in next year's management information circular.

Performance Graph

The graph below compares the cumulative total return over the five years ended December 31, 2021 of the common shares of the Corporation with the cumulative total return of the S&P/TSX Global Gold Index, the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index assuming a C\$100 investment was made on December 31, 2016 and that all dividends had been reinvested.

Comparison of Cumulative Total Shareholder Return
on a C\$100 Investment in Common Shares
of the Corporation and the Relevant S&P/TSX Indices



Over the five-year period ended December 31, 2021, an investment in the Corporation has resulted in a compound annual return on the investment of 18.1% (assuming reinvestment of dividends), significantly outperforming the market as set out in the graph above. Over the same five-year period, the trend of executive compensation has been relatively stable. Total Named Executive Officer compensation is set out in the chart above illustrating the total amount of compensation awarded to the Named Executive Officers as reported in the Corporation’s management information circular for each relevant year.

Summary Compensation Table

The following table (presented in accordance with Form 51-102F6) sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation and its subsidiaries for the financial years ended December 31, 2021, 2020 and 2019 in respect of the Named Executive Officers. The table is presented in C\$ as the Corporation pays its Named Executive Officers in Canadian dollars.

Summary Compensation Table
(in C\$)

Name and principal position	Year	Salary ⁽¹⁾	Share-based awards ⁽²⁾	Option-based awards ⁽³⁾	Non-equity incentive plan compensation		All other compensation ⁽⁵⁾	Total compensation
					Annual incentive plans ⁽⁴⁾	Long-term incentive plans		
Paul Brink President & Chief Executive Officer	2021	\$715,000	\$2,145,000	Nil	\$1,072,500	Nil	\$829,742	\$4,762,242
	2020	\$673,790	\$2,100,000	Nil	\$700,000	Nil	\$14,893	\$3,488,683
	2019	\$625,000	\$1,250,000	\$625,000	\$937,500	Nil	\$15,527	\$3,453,027
Sandip Rana Chief Financial Officer	2021	\$615,000	\$1,230,000	Nil	\$507,500	Nil	\$514,983	\$2,867,483
	2020	\$600,000	\$1,200,000	Nil	\$300,000	Nil	\$15,043	\$2,115,043
	2019	\$600,000	\$600,000	\$300,000	\$900,000	Nil	\$16,868	\$2,416,868
Lloyd Hong Chief Legal Officer & Corporate Secretary	2021	\$560,000	\$1,120,000	Nil	\$480,000	Nil	\$468,240	\$2,628,240
	2020	\$550,000	\$1,100,000	Nil	\$275,000	Nil	\$14,144	\$1,939,144
	2019	\$550,000	\$550,000	\$275,000	\$825,000	Nil	\$16,022	\$2,216,022
Eaun Gray ⁽⁶⁾ Senior Vice President, Business Development	2021	\$355,000	\$532,500	Nil	\$477,500	Nil	\$222,272	\$1,587,272
	2020	\$305,000	\$457,500	Nil	\$242,500	Nil	\$15,499	\$1,020,499
	2019	\$275,000	\$275,000	\$137,500	\$412,500	Nil	\$17,210	\$1,117,210
Jason O'Connell ⁽⁶⁾ Senior Vice President, Energy	2021	\$355,000	\$532,500	Nil	\$277,500	Nil	\$235,509	\$1,400,509
	2020	\$335,000	\$502,500	Nil	\$167,500	Nil	\$12,285	\$1,017,285
	2019	\$300,000	\$300,000	\$150,000	\$450,000	Nil	\$15,501	\$1,215,501

Notes

- (1) Salary and other cash compensation awarded to, earned by, paid to, or payable to the Named Executive Officers was payable in Canadian dollars.
- (2) Represents time-based and performance-based RSUs. Time-based RSUs vest annually in equal thirds commencing on the first anniversary of the grant date. Performance-based RSUs vest on the third anniversary of the grant date (i.e. December 11, 2022, December 11, 2023 and December 11, 2024) upon satisfaction of certain performance criteria as described in "Elements of Incentive Compensation – Restricted Share Units". The value of the share-based awards was calculated using the 5-day weighted average price on the TSX prior to the grant date (the "Grant Date Price") and assuming pay-out of performance-based RSUs at target. The performance-based RSUs are subject to the performance-based multiplier (please refer to page 55 of this Circular). The relevant grant dates and Grant Date Prices in Canadian dollars are as follows:

Grant date	Grant Date Price
December 11, 2021	C\$168.43
December 11, 2020	C\$171.33
December 11, 2019	C\$129.32

- (3) Represents stock options granted which will vest annually in equal thirds commencing on the first anniversary of the grant date. The fair value of stock options granted was calculated using a Black-Scholes option pricing model (the most commonly used form of fair value determination with respect to stock options). The relevant grant dates and Black-Scholes assumptions are as follows:

	Black-Scholes assumptions			
Grant date	Risk-free rate	Life	Volatility	Dividend Yield
December 11, 2019	1.62%	4.0 years	27.54%	1.02%

- (4) Represents cash bonuses.
- (5) Includes all perquisites, including health and insurance benefits in all cases, C\$125 or less per month for fitness club memberships in some cases and parking/public transportation costs as follows: Mr. Brink (\$13,040), Mr. Rana (\$15,916), Mr. Hong (\$14,403), Mr. Gray (\$15,333) and Mr. O'Connell (\$15,137). Also includes additional fully-vested performance-based shares awarded to Messrs. Brink, Rana, Hong, Gray and O'Connell pursuant to the performance-based multiplier (please refer to page 55 of this Circular). The value of the additional performance-based shares was calculated using the closing price of C\$170.04 on the TSX on December 13, 2021. The performance-based multiplier was adopted in 2020 with effect on all outstanding performance-based RSU grants. While the performance-based multiplier represents value realized rather than awarded, the multiplier was not a disclosed feature for the 2018 and 2019 grants in the management information circulars for the respective years. As such, the Corporation is reporting the application of the multiplier in "All Other Compensation" above and the "Value Vested or Earned During the Year" table for 2021 and will do the same, if applicable, for 2022. Thereafter, the application of the performance-based multiplier will be reported in the "Value Vested or Earned During the Year" table.
- (6) Messrs. Gray and O'Connell held the offices of Vice President, Business Development and Vice President, Energy, respectively, during 2017-2020 and were promoted to the offices of Senior Vice President, Business Development and Senior Vice President, Energy, respectively, effective January 1, 2021. Mr. O'Connell's title was changed to Senior Vice President, Diversified effective January 1, 2022.

Discussion of Summary Compensation Table

Additional factors necessary to understand the information disclosed in the Summary Compensation Table above include the terms of each executive officer's employment agreement and executive officers' equity investment requirements.

Employment Agreements

Each of Messrs. Brink, Rana, Hong, Gray and O'Connell has entered into an employment agreement with the Corporation which provides for a base salary, subject to an annual review by the CESGC which may recommend to the Board increases to such base salary. Each such executive officer is also entitled to receive incentive compensation as described above (see "Elements of Compensation"). Each such executive officer is also eligible to participate in the 2018 Share Compensation Plan and is required to hold an amount of securities in accordance with the Corporation's Equity Ownership Policy for Executives. Mr. Brink has additionally agreed to hold for one year following his departure from the Corporation the securities he has received from the Corporation in the then most recent three-year period under the Corporation's equity incentive compensation plans.

For information as to the termination provisions and termination and change of control benefits provided in the above employment agreements, including changes to certain of the executive officers' employment agreements, see "Termination and Change of Control Benefits" in this section below.

Clawback

The Named Executive Officers have each agreed to a clawback of their incentive compensation if (i) the Corporation's financial statements are required to be restated due to the fraudulent behaviour or other intentional misconduct of such executive officers or (ii) they are found to have engaged in intentional, egregious misconduct whether or not the Corporation's financial statements are required to be restated. In each case they have agreed to reimburse the Corporation for, or forfeit, as applicable, any entitlement to any bonus or other incentive-based or equity-based compensation received by them during the 12-month period following the issuance/filing of the financial statements required to be restated or during the 12-month period prior to when the Corporation becomes aware of the misconduct, as applicable.

Executives' Equity Investment Requirements

With a view to aligning the interests of executive officers with those of the Corporation's shareholders, each executive officer of the Corporation is required to hold a minimum equity investment in the Corporation equivalent in value to a multiple of such executive officer's then current base salary as set out in the table below, depending on such executive officer's level of responsibility. The requirement is to be satisfied in the form of common shares and RSUs of the Corporation. Each executive officer has a period of three years from the date on which he commenced employment with the Corporation as an executive officer to satisfy the minimum equity investment requirement.

Under the Equity Ownership Policy for Executive Officers, if an executive officer has not achieved the minimum equity investment at the time of any options being exercised by

the executive officer, he shall be required to continue to hold at least 50% or such lesser number of the common shares issuable upon the exercise of such options as required to achieve the minimum equity ownership requirements and if an executive officer has not achieved the minimum equity investment at the time of any RSUs vesting, the executive officer will be required to continue to hold at least 50% or such lesser number of the common shares issuable upon the RSUs vesting required to achieve the minimum equity ownership requirements.

For the purpose of determining the value of the equity investment of an executive officer at any time, the value of common shares and RSUs held by such executive officer will be based on the current market value of the common shares held and of the RSUs. The following table summarizes the equity investment in the Corporation of each executive officer as at March 21, 2022 (including ownership requirements for 2022 and onwards).

Equity Investment Summary

Name	Ownership Requirement ⁽¹⁾ (in C\$)	Equity Ownership as at March 21, 2022		Equity Ownership as at March 19, 2021		Net Changes in Equity Ownership		Value of Equity Investment at March 21, 2022 ^(2,3)		Additional Required Investment
		Common Shares	RSUs ⁽²⁾	Common Shares	RSUs ⁽²⁾	Common Shares	RSUs	Common Shares	RSUs	
Paul Brink	3 times base salary/ \$2,700,000	219,320	30,074	211,686	26,847	7,634	3,227 ⁽²⁾	\$43,642,487	\$5,984,425	Nil
Sandip Rana	2 times base salary/ \$1,279,200	47,215	16,349	44,143	14,864	3,072	1,485	\$9,395,313	\$3,253,288	Nil
Lloyd Hong	2 times base salary/ \$1,164,800	12,757	14,942	8,535	13,596	4,222	1,346	\$2,538,515	\$2,973,309	Nil
Eaun Gray	2 times base salary/ \$820,000	5,674	6,952	3,249	6,098	2,425	854	\$1,129,069	\$1,383,378	Nil
Jason O'Connell	2 times base salary/ \$800,000	9,522	7,316	7,590	6,629	1,932	687	\$1,894,783	\$1,455,811	Nil

Notes

- (1) 2022 base salaries have been set as follows: C\$900,000 for Mr. Brink; C\$639,600 for Mr. Rana; C\$582,400 for Mr. Hong; C\$410,000 for Mr. Gray and C\$400,000 for Mr. O'Connell.
- (2) Consists of time-based RSUs and performance-based RSUs based on original grant numbers.
- (3) The closing price of the common shares on the TSX on March 21, 2022 was C\$198.99 per share.

Other Information

There were no repricings during the financial year ended December 31, 2021. During the financial year ended December 31, 2021, no changes were made to the 2018 Share Compensation Plan. Please refer to pages 83 to 88 of this Circular for a summary of the 2018 Share Compensation Plan.

The share-based awards reported in the Summary Compensation Table above are for RSUs awarded pursuant to the 2018 Share Compensation Plan. During 2019, an aggregate of 23,006 RSUs were awarded to the Named Executive Officers, being 11,503 performance-based RSUs which will vest on December 11, 2022 upon satisfaction of certain performance criteria and 11,503 time-based RSUs which will vest annually in equal thirds commencing on the first anniversary of the award date (being

December 11, 2020). In 2020, the CESGC eliminated the grant of stock options to Named Executive Officers as part of the annual compensation program and increased the target grants for performance-based RSUs such that more than 50% of share-based compensation was subject to performance-based vesting criteria. During 2020, an aggregate of 31,284 RSUs were awarded to the Named Executive Officers, being 19,289 performance-based RSUs which will vest on December 11, 2023 upon the satisfaction of certain performance criteria and 11,995 time-based RSUs which will vest annually in equal thirds commencing on the first anniversary of the award date (being December 11, 2021). During 2021, an aggregate of 45,931 RSUs were awarded to the Named Executive Officers, as follows: (i) 20,380 performance-based RSUs which will vest on December 11, 2024 upon the satisfaction of certain performance criteria, (ii) 12,631 time-based RSUs which will vest annually in equal thirds commencing on the first anniversary of the award date (being December 11, 2022), and (iii) 12,920 performance-based RSUs, which vested immediately, based on the application of the performance-based multiplier to the performance-based RSUs granted in 2018.

The only awards of options reported in the Summary Compensation Table above are as follows: an award of stock options to the Named Executive Officers in 2019 as part of the annual incentive compensation program (an aggregate of 52,917 options were awarded at an exercise price of C\$129.32, vesting over a three-year period).

There were no awards of stock options to Named Executive Officers in 2021 as the practice of granting stock options to management as part of the annual compensation program was discontinued starting in 2020. Stock options are granted from time to time in connection with new hires or internal promotions. During 2021, a total of 81,698 options were granted by the Corporation in connection with new hires, internal promotions and one-time grants to junior staff and the total option grant rate in 2021 as a percentage of the number of common shares outstanding as at December 31, 2021 was approximately 0.04%. The total cost of Named Executive Officer compensation in 2021 as a percentage of Adjusted EBITDA⁽¹⁾ was approximately 1.0%.

Note

(1) Please refer to Schedule "B" Non-GAAP Financial Measures.

Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

The following table (presented in accordance with Form 51-102F6) sets forth for each Named Executive Officer all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options ⁽¹⁾	Option exercise price (in C\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (in C\$)	Number of shares or units that have not vested ⁽³⁾	Market or payout value of share-based awards that have not vested ⁽⁴⁾ (in C\$)	Market or payout value of vested share-based awards not paid out or distributed
Paul Brink	12,373 17,307 13,076 14,251 45,914 9,901 39,777 17,786 22,234	\$55.58 \$40.87 \$59.52 \$65.76 \$75.45 \$100.10 \$88.76 \$94.57 \$129.32	Dec. 12, 2022 Dec. 11, 2023 Dec. 11, 2024 Dec. 11, 2025 Dec. 11, 2026 Dec. 11, 2027 Aug. 20, 2028 Dec. 11, 2028 Dec. 11, 2029	\$1,476,841 \$2,320,349 \$1,509,232 \$1,555,924 \$4,567,984 \$740,991 \$3,427,982 \$1,429,461 \$1,014,315	1,611 4,833 2,724 8,171 4,245 8,490	\$281,828 \$845,485 \$476,537 \$1,429,435 \$742,620 \$1,485,241	Nil
Sandip Rana	605 15,144 11,675 12,826 45,914 9,076 10,869 10,672	\$55.58 \$40.87 \$59.52 \$65.76 \$75.45 \$100.10 \$94.57 \$129.32	Dec. 12, 2022 Dec. 11, 2023 Dec. 11, 2024 Dec. 11, 2025 Dec. 11, 2026 Dec. 11, 2027 Dec. 11, 2028 Dec. 11, 2029	\$72,213 \$2,030,356 \$1,347,529 \$1,400,343 \$4,567,984 \$679,248 \$873,542 \$486,857	773 2,320 2,101 3,852 3,286 4,017	\$135,229 \$405,861 \$367,549 \$673,869 \$574,853 \$702,734	Nil
Lloyd Hong	8,251 9,881 9,783	\$100.10 \$94.57 \$129.32	Dec. 11, 2027 Dec. 11, 2028 Dec. 11, 2029	\$617,505 \$794,136 \$446,300	709 2,127 1,926 3,531 2,992 3,657	\$124,032 \$372,097 \$336,934 \$617,713 \$523,420 \$639,756	Nil
Eaun Gray	25,000 4,509 4,892	\$100.10 \$94.57 \$129.32	Dec. 11, 2027 Dec. 11, 2028 Dec. 11, 2029	\$1,871,000 \$362,388 \$223,173	354 1,063 593 1,780 1,054 2,108	\$61,929 \$185,961 \$103,739 \$311,393 \$184,387 \$368,774	Nil
Jason O'Connell	1,210 3,198 5,336	\$100.10 \$94.57 \$129.32	Dec. 11, 2027 Dec. 11, 2028 Dec. 11, 2029	\$90,556 \$257,023 \$243,428	387 1,160 652 1,955 1,054 2,108	\$67,702 \$202,930 \$114,061 \$342,008 \$184,387 \$368,774	Nil

Notes

- (1) Options vest over a three-year period in equal thirds commencing on the first anniversary of the grant date and have a 10-year term. Grant dates coincide with the date 10 years prior to the option expiration date.
- (2) The value of unexercised options was calculated using the closing price of the common shares on the TSX on December 31, 2021, which was C\$174.94 per share, less the exercise price of the options.
- (3) Represents time-based and performance-based RSUs. RSUs (ordered as time-based RSUs followed by performance-based RSUs) are listed in chronological order by grant date of December 11, 2019, December 11, 2020 and December 11, 2021, respectively. Time-based RSUs vest annually in equal thirds commencing on the first anniversary of the grant date and the figures listed represent the one-third (December 11, 2019 original grant), two-thirds (December 11, 2020 grant) and full grant (December 11, 2021 grant), respectively, of the original grant of RSUs that remain unvested. Performance-based RSUs vest on the third anniversary of the award date (i.e. December 11, 2022, December 11, 2023 and December 11, 2024) and are subject to the performance-based multiplier as described in "Elements of Compensation – Restricted Share Units" in this section above.
- (4) The market or payout value was calculated using the closing price of the common shares on the TSX on December 31, 2021, which was C\$174.94 per share.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned during the most recently completed financial year for each incentive plan award.

Name	Option-based awards Value vested during the year ⁽¹⁾ (in C\$)	Share-based awards Value vested during the year ⁽²⁾ (in C\$)	Non-equity incentive plan compensation Value earned during the year (in C\$)
Paul Brink	\$1,826,970	\$2,433,442	\$1,072,500
Sandip Rana	\$418,310	\$1,488,360	\$507,500
Lloyd Hong	\$381,386	\$1,355,559	\$480,000
Eaun Gray	\$179,805	\$599,391	\$477,500
Jason O'Connell	\$193,077	\$641,221	\$277,500

Notes

- (1) Represents 33 1/3% of options granted on December 11, 2019 for all Named Executive Officers and August 20, 2018 for Mr. Brink. The value vested during the year of option-based grants was calculated using the closing price of C\$199.42 and C\$170.04 on the TSX on the vesting dates, which were August 20, 2021 and December 13, 2021 (as December 11, 2021 fell on a Saturday), respectively, less the exercise price of the options.
- (2) Represents: (i) performance-based RSUs which vested on December 13, 2021 (as December 11, 2021 fell on a Saturday) which were granted on December 11, 2018 and adjusted upward pursuant to the performance-based multiplier and (ii) the portion of time-based RSUs which vested in 2021 in respect of time-based RSUs that were granted in 2018, 2019 and 2020, respectively (in each case, being 33 1/3% of the common shares subject to the original RSU grant) as set out below:

Name	Number of performance-based RSUs which vested in 2021	Number of time-based RSUs granted in 2018 which vested in 2021	Number of time-based RSUs granted in 2019 which vested in 2021	Number of time-based RSUs granted in 2020 which vested in 2021
Paul Brink	9,704	1,634	1,611	1,362
Sandip Rana	5,930	998	774	1,051
Lloyd Hong	5,392	908	709	963
Eaun Gray	2,459	414	355	297
Jason O'Connell	2,618	441	386	326

The value vested was calculated using the closing price of C\$170.04 on the TSX on the vesting date of December 13, 2021 (as December 11, 2021 fell on a Saturday).

Aggregated Option Exercises During the Most Recently Completed Financial Year and Financial Year-End Option Values

The following table sets forth details of the exercise of options during the most recently completed financial year by each Named Executive Officer and the financial year-end value of unexercised options on an aggregated basis.

Name	Securities Acquired on Exercise	Aggregate Value Realized ⁽¹⁾ (in C\$)	Unexercised Options at Financial Year-End Exercisable/ Unexercisable	Value of Unexercised In-the-Money Options at Financial Year-End ⁽²⁾ Exercisable/ Unexercisable (in C\$)
Paul Brink	Nil	Nil	185,208 / 7,411	\$17,704,990 / \$338,090
Sandip Rana	Nil	Nil	113,224 / 3,557	\$11,295,800 / \$162,270
Lloyd Hong	Nil	Nil	24,654 / 3,261	\$1,709,174 / \$148,767
Eaun Gray	Nil	Nil	32,770 / 1,631	\$2,382,155 / \$74,406
Jason O'Connell	Nil	Nil	7,965 / 1,779	\$509,850 / \$81,158

Notes

- (1) The aggregate value realized was calculated using the sale price of the common shares realized by each Named Executive Officer following the exercise of options by each Named Executive Officer, less the exercise price of the options.
- (2) The value of unexercised options was calculated using the closing price of the common shares on the TSX on December 31, 2021, which was C\$174.94 per share, less the exercise price of the options.

Discussion of Incentive Plan Awards

The significant terms of all plan-based awards, including non-equity incentive plan awards, issued or vested, or under which options have been exercised, during the year, or outstanding at year end, are set out above in “Compensation Discussion & Analysis” and below under “Other Information – 2018 Share Compensation Plan Summary”. No stock options held by Named Executive Officers were exercised during the financial year ended December 31, 2021.

For 2022, incentive compensation is expected to consist of an award of a cash bonus, time-based RSUs and performance-based RSUs which in the aggregate will be targeted at 400% of base salary for the President & Chief Executive Officer, 250% of base salary for the Chief Financial Officer and Chief Legal Officer and 200% for the Senior Vice President, Business Development and Senior Vice President, Diversified. For illustrative purposes, if all pre-set corporate and personal objectives for 2022 are met, in 2022 cash bonuses, time-based RSUs and performance-based RSUs are targeted to be awarded as follows:

Illustrative Incentive Compensation (in C\$)

Name	Base Salary	Target 2022 Cash Bonus	Target 2022 Time-based RSUs	Target 2022 Performance-based RSUs
Paul Brink	\$900,000	\$900,000	\$900,000	\$1,800,000
Sandip Rana	\$639,600	\$319,800	\$575,640	\$703,560
Lloyd Hong	\$582,400	\$291,200	\$524,160	\$640,640
Eaun Gray	\$410,000	\$205,000	\$205,000	\$410,000
Jason O'Connell	\$400,000	\$200,000	\$200,000	\$400,000

Termination and Change of Control Benefits

Each of Messrs. Brink, Rana, Hong, Gray and O'Connell has entered into an employment agreement with the Corporation that provides for payments at, following, or in connection with, a termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Corporation or a change in such executive officers' responsibilities.

Termination Benefits

If any of Messrs. Brink, Rana, Hong, Gray and O'Connell is terminated without just cause or resigns for “good reason” as defined in the applicable employment agreement (see below), such executive officer will be entitled to a lump-sum severance payment equal to the sum of 24 months' base salary (determined as at the time of termination or resignation, as applicable). The individual will also be entitled to continue participating in the Corporation's benefit plans for the same 24-month period. If the Corporation is unable to continue the individual's participation in one or more of its benefit plans, the

Corporation is required to pay an amount equal to the premium cost or contributions that would have otherwise been made for the same period of time.

Under the terms of the executive officers' employment agreements, the concept of resignation for "good reason" applies in circumstances unrelated to a "change of control" (see below). The concept of "good reason" generally includes:

- ★ changes in an executive officer's duties or status, including a material change to the executive officer's reporting relationship;
- ★ a change in aggregate compensation which would include annual base salary and the executive officer's aggregate incentive compensation or aggregate target incentive compensation that would have the effect of reducing aggregate compensation by 35% or more, including any change in performance metrics that would produce such a result;
- ★ failure by the Corporation to continue to provide benefits at least as favourable as those initially provided or the taking of any action that would materially reduce any such benefits;
- ★ the Corporation requiring the executive officer to relocate; and
- ★ failure by the Corporation to obtain a satisfactory agreement from a successor corporation to assume and agree to perform the employment agreement.

Change of Control Benefits

The executive officers have double-trigger "change of control" provisions in their applicable employment agreements. A "change of control" is defined as: (i) the acquisition of control in law (whether by sale, transfer, merger, consolidation or otherwise) of the Corporation by a third party (that is, the acquisition of control of at least 50.1% of the issued and outstanding voting shares of the Corporation) or (ii) the sale, transfer or other disposition of all or substantially all of the assets of the Corporation to a third party.

In the event that a "change of control" occurs and the executive officer is terminated without cause or resigns for "good reason" (as defined above) within the twelve-month period following the "change of control", the Corporation is required to provide to the executive officer a lump-sum payment equal to a multiple of the executive officer's base salary and bonus (see below) at the time of termination or resignation, as applicable. For this purpose, the term bonus means the sum of: (i) the cash bonus awarded for performance during the calendar year preceding the "change of control" and (ii) the grant date dollar value of all share-based compensation awarded for performance during the calendar year preceding the "change of control". The Corporation is also required to continue the executive officer's benefits coverage for a specified period (see below). If the Corporation is unable to continue the executive officer's participation in one or more of its benefit plans, the Corporation is required to pay an amount equal to the premium cost or contributions that would have otherwise been made for the same period of time.

Under the terms of the 2018 Share Compensation Plan, all unvested RSUs and all options (whether or not currently exercisable) will vest or become exercisable, as applicable, at such time as determined by the CESGC in its sole discretion such that the

executive officers will be able to participate in a change of control transaction, including by surrendering such RSUs or options, for consideration in the form of cash and/or securities, to be determined by the CESGC in its sole discretion.

For illustrative purposes, in accordance with Form 51-102F6, the following table sets out in Canadian dollars the amounts payable:

- a. if an executive officer had been terminated without just cause or had resigned for “good reason” on December 31, 2021,
- b. if an executive officer had been terminated without just cause or had resigned for “good reason” on December 31, 2021 following a “change of control” (based on the applicable multiple and the actual base salary and bonus received for 2021, the specified period for benefits and the actual benefits received for 2021, the value of options vested as of such date (assuming accelerated vesting of all options as a result of the change of control) and the value of RSUs vested as of such date (assuming accelerated vesting of all RSUs (both time-based and performance-based) as a result of the change of control)), and
- c. if an executive officer had neither been terminated without just cause nor had resigned for “good reason” on December 31, 2021 following a “change of control” (based on the value of options and RSUs vested as of such date assuming accelerated vesting of all options and RSUs as a result of the change of control).

Name	Involuntary termination without cause or resignation for "good reason" (a) (in C\$)	Change of control and involuntary termination without cause or resignation for "good reason" (b) (in C\$)	Change of control without involuntary termination but assuming accelerated vesting of stock options and RSUs (c) (in C\$)
Paul Brink Severance Option-based awards value vested Share-based awards value vested Benefits	\$1,430,000 ⁽¹⁾ Nil Nil \$26,079 ⁽²⁾	\$7,865,000 ⁽³⁾ \$338,090 ⁽⁴⁾⁽⁷⁾ \$5,261,146 ⁽⁵⁾⁽⁷⁾ \$26,079 ⁽³⁾⁽⁶⁾	Nil \$338,090 ⁽⁴⁾⁽⁷⁾ \$5,261,146 ⁽⁵⁾⁽⁷⁾ Nil
Sandip Rana Severance Option-based awards value vested Share-based awards value vested Benefits	\$1,230,000 ⁽¹⁾ Nil Nil \$31,831 ⁽²⁾	\$3,528,750 ⁽³⁾ \$162,270 ⁽⁴⁾⁽⁷⁾ \$2,860,094 ⁽⁵⁾⁽⁷⁾ \$23,873 ⁽³⁾⁽⁶⁾	Nil \$162,270 ⁽⁴⁾⁽⁷⁾ \$2,860,094 ⁽⁵⁾⁽⁷⁾ Nil
Lloyd Hong Severance Option-based awards value vested Share-based awards value vested Benefits	\$1,120,000 ⁽¹⁾ Nil Nil \$28,806 ⁽²⁾	\$3,240,000 ⁽³⁾ \$148,767 ⁽⁴⁾⁽⁷⁾ \$2,613,953 ⁽⁵⁾⁽⁷⁾ \$21,604 ⁽³⁾⁽⁶⁾	Nil \$148,767 ⁽⁴⁾⁽⁷⁾ \$2,613,953 ⁽⁵⁾⁽⁷⁾ Nil
Eaun Gray Severance Option-based awards value vested Share-based awards value vested Benefits	\$710,000 ⁽¹⁾ Nil Nil \$30,666 ⁽²⁾	\$2,047,500 ⁽³⁾ \$74,406 ⁽⁴⁾⁽⁷⁾ \$1,216,183 ⁽⁵⁾⁽⁷⁾ \$22,999 ⁽³⁾⁽⁶⁾	Nil \$74,406 ⁽⁴⁾⁽⁷⁾ \$1,216,183 ⁽⁵⁾⁽⁷⁾ Nil
Jason O'Connell Severance Option-based awards value vested Share-based awards value vested Benefits	\$710,000 ⁽¹⁾ Nil Nil \$30,274 ⁽²⁾	\$1,747,500 ⁽³⁾ \$81,158 ⁽⁴⁾⁽⁷⁾ \$1,279,861 ⁽⁵⁾⁽⁷⁾ \$22,705 ⁽³⁾⁽⁶⁾	Nil \$81,158 ⁽⁴⁾⁽⁷⁾ \$1,279,861 ⁽⁵⁾⁽⁷⁾ Nil

Notes

- (1) Equal to 24 months' base salary for each executive officer as disclosed in the Summary Compensation Table.
- (2) The actual amounts of perquisites for all executive officers have been disclosed in the Summary Compensation Table and it has been assumed that payment of these amounts would continue for 24 months.
- (3) The multiple and corresponding compensation period used for calculating the applicable lump-sum payments upon a "change of control" is: (i) 2 times or 24 months for Mr. Brink and (ii) 1.5 times or 18 months for Messrs. Rana, Hong, Gray and O'Connell.
- (4) The value of stock options (assuming accelerated vesting of all options as a result of the change of control as provided or permitted for in the 2018 Share Compensation Plan) was calculated using the closing price of the common shares on the TSX on December 31, 2021, which was C\$174.94 per share, less the exercise price of the options.
- (5) The value of RSUs (assuming accelerated vesting of all RSUs (both time-based and performance-based at target) as a result of the 2018 Share Compensation Plan was calculated using the closing price of the common shares on the TSX on December 31, 2021, which was C\$174.94 per share.
- (6) The actual amounts of perquisites for all executive officers have been disclosed in the Summary Compensation Table and it has been assumed that payment of these amounts would continue for the compensation period.
- (7) Under the terms of the 2018 Share Compensation Plan, all unvested RSUs and all options (whether or not currently exercisable) will vest or become exercisable, as applicable, at such time as determined by the CESGC in its sole discretion such that the executive officers will be able to participate in a change of control transaction, including by surrendering such RSUs or options, for consideration in the form of cash and/or securities, to be determined by the CESGC in its sole discretion. Assumes performance-based RSUs vest at target.

OTHER INFORMATION

Securities Authorized for Issuance Under Equity Compensation Plans

The following table (presented in accordance with Form 51-102F5 – *Information Circular*) sets forth all compensation plans under which equity securities of the Corporation are authorized for issuance as of the end of the most recently completed financial year.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b) (in C\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by shareholders – 2018 Share Compensation Plan – RSUs	98,894	N/A	N/A
Equity compensation plans approved by shareholders – 2018 Share Compensation Plan – Options	822,046	\$97.88	N/A
Total	920,940	N/A	4,446,173 ⁽¹⁾

Note

(1) The weighted average term in respect of outstanding options is 5.85 years.

2018 Share Compensation Plan

Background: The 2018 Share Compensation Plan was approved by shareholders at the annual and special meeting of shareholders held on May 9, 2018. The 2018 Share Compensation Plan amended and restated the Corporation's 2010 Share Compensation Plan approved by shareholders in May 2010.

Plan Maximum and Common Shares Reserved for Issuance Under the 2018 Share Compensation Plan: The 2018 Share Compensation Plan has a fixed maximum of 9,700,876 common shares, representing approximately 5.1% of the issued and outstanding common shares as of December 31, 2021.

Common Shares Available for Issuance Under the 2018 Share Compensation Plan: An aggregate of 4,446,173 common shares remain available for issuance pursuant to future grants and an aggregate of 920,940 common shares remain available for issuance for outstanding awards granted under the 2018 Share Compensation Plan

(being approximately 2.32% and 0.48%, respectively, of the issued and outstanding common shares as of December 31, 2021). Of the 920,940 common shares issuable for outstanding awards, 822,046 common shares are issuable upon exercise of options and 98,894 are issuable upon vesting of RSUs (being approximately 0.43% and 0.05%, respectively, of the issued and outstanding common shares as of December 31, 2021).

Annual Burn Rates: The Corporation's annual burn rate under the 2018 Share Compensation Plan for each of the Corporation's three most recently completed fiscal years are as follows:

Burn Rates under the 2018 Share Compensation Plan

	2019	2020	2021
Total number of annual awards granted under the 2018 Share Compensation Plan ⁽¹⁾	144,897	98,659	136,341
Weighted average number of common shares outstanding ⁽²⁾	187,677,339	190,287,170	191,078,878
Burn rate	0.08%	0.05%	0.07%

Notes

- (1) Includes options, performance-based RSUs and time-based RSUs.
- (2) Calculated in accordance with the CPA Canada Handbook: The weighted average number of common shares outstanding during the period is the number of common shares outstanding at the beginning of the applicable fiscal year, adjusted by the number of common shares bought back or issued during the applicable fiscal year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the common shares are outstanding as a proportion of the total number of days in the applicable fiscal year.

Amendments to the 2018 Share Compensation Plan: During the year ended December 31, 2021, no amendments were made to the 2018 Share Compensation Plan.

2018 Share Compensation Plan Summary

The ensuing description is a summary of the 2018 Share Compensation Plan.

Purpose: The stated purpose of the 2018 Share Compensation Plan is to advance the interests of the Corporation and its shareholders by: (a) ensuring that the interests of officers and employees are aligned with the success of the Corporation; (b) encouraging stock ownership by such persons; and (c) providing compensation opportunities to attract, retain and motivate such persons.

Participants: Each officer and employee of the Corporation and its subsidiaries is eligible to participate in the 2018 Share Compensation Plan. Non-employee directors of the Corporation are not eligible to participate in the 2018 Share Compensation Plan in respect of RSUs. Under the 2018 Share Compensation Plan, non-employee directors of the Corporation are eligible to participate in respect of options, however, only on a limited basis consistent with the guidelines of certain governance rating agencies. See "Restriction on the Award of RSUs and Grant of Options" in this section below.

Administration: The 2018 Share Compensation Plan is administered by the CESGC, which determines, from time to time, the eligibility of persons to participate in the 2018 Share Compensation Plan, when RSUs and options will be awarded or granted, the number of RSUs and options to be awarded or granted, the vesting criteria for each award of RSUs and grant of options and all other terms and conditions of each award and grant, in each case in accordance with applicable securities laws and stock exchange requirements.

Restriction on the Award of RSUs and Grant of Options: Certain restrictions on awards of RSUs and grants of options apply as follows: (a) the total number of common shares issuable to any one person under the 2018 Share Compensation Plan and any other share compensation arrangements cannot exceed 5% of the common shares then outstanding; (b) the number of common shares reserved for issuance under the 2018 Share Compensation Plan together with any other share compensation arrangements cannot exceed 5% of the common shares then outstanding; (c) the number of common shares issuable to insiders under the 2018 Share Compensation Plan and any other share compensation arrangements cannot exceed 5% of the common shares then outstanding; (d) the number of common shares issued to insiders under the 2018 Share Compensation Plan and any other share compensation arrangements within any one-year period cannot exceed 5% of the common shares then outstanding; and (e) the number of common shares issued to any one person within any one-year period cannot exceed 5% of the common shares then outstanding. In addition, consistent with the guidelines of certain governance rating agencies relating to participation of non-employee directors in option plans, the number of common shares reserved for issuance over the life of the 2018 Share Compensation Plan to non-employee directors pursuant to options under the 2018 Share Compensation Plan is limited to 1.00% of the common shares then issued and outstanding. Further, annual grants are limited to a grant value of C\$100,000 per non-employee director per year based on a valuation determined using the Black-Scholes formula or any other formula which is widely accepted by the business community as a method for the valuation of options.

Restricted Share Units:

- (a) **Mechanics for RSUs:** RSUs awarded to participants under the 2018 Share Compensation Plan are credited to an account that is established on their behalf and maintained in accordance with the 2018 Share Compensation Plan. Each RSU awarded conditionally entitles the holder thereof to the issuance of one common share upon achievement of the vesting criteria. It is currently anticipated that RSUs awarded under the 2018 Share Compensation Plan will be redeemed for common shares issued from treasury once the vesting criteria established by the CESGC at the time of the award have been satisfied. However, the Corporation will continue to retain the flexibility through the amendment provisions in the 2018 Share Compensation Plan to satisfy its obligation to issue common shares by purchasing common shares in the open market or by making a lump sum cash payment of equivalent value.
- (b) **Vesting:** The 2018 Share Compensation Plan provides that: (i) at the time of the award of RSUs, the CESGC will determine the vesting criteria applicable to the awarded RSUs; (ii) vesting of RSUs may include criteria such as performance-vesting; (iii) RSUs with time-vesting criteria will, at a minimum (i.e.

as the least restrictive criteria), vest annually in equal thirds commencing on the first anniversary of the award date; and (iv) RSUs with performance-vesting criteria will, at a minimum (i.e. as the least restrictive criteria), vest on the first day after the first anniversary of the award date of such RSUs. Currently, the CESGC has determined that performance-based RSUs will, subject to the achievement of pre-determined performance objectives, vest on the first day after the third anniversary of the award date of such RSUs. It is the CESGC's current intention that RSUs will be awarded with both time-based vesting provisions and performance-based vesting provisions as components of the Corporation's long-term, at-risk, incentive compensation program.

Options:

- (a) **Mechanics for Options:** Each option granted will entitle the holder thereof to the issuance of one common share upon achievement of the vesting criteria and payment of the applicable exercise price. Options granted under the 2018 Share Compensation Plan are exercisable for common shares issued from treasury once the vesting criteria established by the CESGC at the time of the grant have been satisfied. However, participants may also elect to exercise options pursuant to a broker-assisted cashless exercise, which provides for a full deduction of the number of underlying common shares from the 2018 Share Compensation Plan's reserve. Specifically, the 2018 Share Compensation Plan has a cashless exercise feature in respect of options to facilitate the required tax and source deduction remittances. Under this feature, a participant may elect a cashless exercise in a notice of exercise of options if the common shares issuable on the exercise are to be immediately sold.
- (b) **Vesting:** The 2018 Share Compensation Plan provides that at the time of the grant of options, the CESGC will determine the vesting criteria applicable to the granted options and that unless otherwise determined by the CESGC, options shall vest annually in equal thirds commencing on the first anniversary of the award date.
- (c) **Exercise Price:** The CESGC will determine the exercise price and term/expiration date of each option, provided that the exercise price shall not be less than the fair market value (i.e. weighted average trading price for the last five trading days) on the date the option is granted and no option shall be exercisable after ten years from the date on which it is granted.

Termination, Retirement and Other Cessation of Employment: A person participating in the 2018 Share Compensation Plan will cease to be eligible to participate in the following circumstances: (a) receipt of any notice of termination of employment or service (whether voluntary or involuntary and whether with or without cause); (b) retirement; and (c) any cessation of employment or service for any reason whatsoever, including disability and death (an "**Event of Termination**"). In such circumstances, unless otherwise determined by the CESGC in its discretion, any unvested RSUs will be automatically forfeited and cancelled and any unvested options will be automatically cancelled, terminated and not available for exercise. Any vested options may be exercised only before the earlier of: (i) the termination of the option; and (ii) six months after the date of the Event of Termination. If a person is terminated for just cause, all unvested RSUs must be forfeited

and cancelled and all options are (whether or not then exercisable) automatically cancelled. If a person retires in accordance with the Corporation's retirement policy at such time, the pro-rata portion of any unvested performance-based RSUs will not be forfeited or cancelled and instead shall vest after the retirement has occurred (as if it had not occurred), but only if the performance vesting criteria are met on the applicable measurement date.

Blackout Periods: Under the 2018 Share Compensation Plan, should the vesting of an RSU fall, or the term of an option expire on a date that falls, within a blackout period or within nine business days following the expiration of a blackout period, the vesting or expiration dated, as applicable, will be automatically extended to the tenth business day after the end of the blackout period.

Change of Control: The 2018 Share Compensation Plan provides that any unvested RSUs and any unvested options will vest at such time as determined by the CESGC such that RSU and option holders will be able to participate in a change of control transaction, including by surrendering such RSUs and options to the Corporation or a third party or exchanging such RSUs and options for consideration in the form of cash and/or securities.

Transferability: RSUs awarded and options granted under the 2018 Share Compensation Plan are non-transferable other than in accordance with the 2018 Share Compensation Plan.

Amendment Provisions in the 2018 Share Compensation Plan: The Board may amend the 2018 Share Compensation Plan or any RSU or option at any time without the consent of any participants under the 2018 Share Compensation Plan provided that such amendment shall:

- (a) not adversely alter or impair any RSU previously awarded or any option previously granted except as permitted by the adjustment provisions of the 2018 Share Compensation Plan;
- (b) be subject to any regulatory approvals including, where required, the approval of the TSX; and
- (c) be subject to shareholder approval, where required, by law or the requirements of the TSX, provided that shareholder approval shall not be required for the following amendments:
 - (i) amendments of a "housekeeping nature", including any amendment to the 2018 Share Compensation Plan or a RSU or option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority or stock exchange and any amendment to the 2018 Share Compensation Plan or a RSU or option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;
 - (ii) amendments that are necessary for RSUs or options to qualify for favourable treatment under applicable tax laws;

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- (iii) a change to the vesting provisions of any RSU or any option (including any alteration, extension or acceleration thereof);
 - (iv) a change to the termination provisions of any option (for example, relating to termination of employment, resignation, retirement or death) that does not entail an extension beyond the original expiration date (as such date may be extended by virtue of a blackout period);
 - (v) the introduction of features to the 2018 Share Compensation Plan that would permit the Corporation to, instead of issuing common shares from treasury upon the vesting of the RSUs, retain a broker and make payments for the benefit of participants under the 2018 Share Compensation Plan to such broker who would purchase common shares through the facilities of the TSX for such persons;
 - (vi) the introduction of features to the 2018 Share Compensation Plan that would permit the Corporation to, instead of issuing common shares from treasury upon the vesting of the RSUs, make lump-sum cash payments to participants under the 2018 Share Compensation Plan;
 - (vii) the introduction of a cashless exercise feature payable in cash or securities, which provides for a full deduction of the number of underlying securities from the 2018 Share Compensation Plan reserve (which amendment has been made in respect of options to facilitate the required tax and source deduction remittances); and
 - (viii) change the application of adjustment and change of control sections.

For greater certainty, shareholder approval will be required in circumstances where an amendment to the 2018 Share Compensation Plan would:

- (a) increase the fixed maximum number of common shares issuable under the 2018 Share Compensation Plan, other than by virtue of the adjustment provisions in the 2018 Share Compensation Plan, or change from a fixed maximum number of common shares to a fixed maximum percentage of issued and outstanding common shares;
- (b) increase the limits referred to in this section above under “Restriction on the Award of RSUs and Grant of Options”;
- (c) permit the award of RSUs to non-employee directors of the Corporation or a change in the limitations on grants of options to non-employee directors;
- (d) permit RSUs or options to be transferable or assignable other than for normal estate settlement purposes;
- (e) reduce the exercise price of any option (including any cancellation of an option for the purpose of reissuance of a new option at a lower exercise price to the same person);
- (f) extend the term of any option beyond the original term (except if such period is being extended by virtue of a blackout period); or
- (g) amend the amendment provisions in the 2018 Share Compensation Plan.

Indebtedness of Directors and Officers

During the most recently completed financial year and as at the date hereof, no director, proposed nominee for election as a director, officer, employee or associate of any such persons has been or is indebted to the Corporation nor has the Corporation guaranteed any loans on behalf of any of these individuals.

Interest of Management and Others in Material Transactions

Management of the Corporation is not aware of a material interest, direct or indirect, of any director or officer of the Corporation, any director or officer of a body corporate that is itself an insider or subsidiary of the Corporation, any proposed nominee for election as a director of the Corporation, any principal shareholder, or any associate or affiliate of any such person, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

Directors and Officers Liability Insurance

The Corporation maintains directors' and officers' liability insurance for the officers and directors of the Corporation which provides coverage in the amount of US\$80 million in each policy year. The deductible amount on the policy is US\$5 million and the total annual premium for the policy for 2022 is US\$0.8 million, which excludes any commissions paid to brokers.

SHAREHOLDER PROPOSALS FOR NEXT MEETING

The CBCA, which governs the Corporation, sets out detailed requirements to be complied with for shareholder proposals and provides that they must be received by December 21, 2022 to be considered for inclusion in the management information circular and the form of proxy for the 2023 annual meeting of shareholders, which is expected to be held on or about May 2, 2023.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com, on EDGAR at www.sec.gov and on the Corporation's website at www.franco-nevada.com. Financial information is provided in the Corporation's audited annual financial statements and management's discussion and analysis as at and for the year ended December 31, 2021.

In addition, copies of the Corporation's audited annual financial statements and management's discussion and analysis as at and for the year ended December 31, 2021 may be obtained upon request to the Corporate Secretary of the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

DIRECTORS' APPROVAL

The directors of the Corporation have approved the contents and the sending of this Circular.

DATED as of March 21, 2022.

ON BEHALF OF THE BOARD OF DIRECTORS

"Lloyd Hong"

Chief Legal Officer & Corporate Secretary

SCHEDULE “A”

FRANCO-NEVADA CORPORATION

MANDATE OF THE BOARD OF DIRECTORS

1. PURPOSE

The purpose of this mandate is to set out the mandate and responsibilities of the board of directors (the “**Board of Directors**” or “**Board**”) of Franco-Nevada Corporation (“**Franco-Nevada**”). The Board of Directors is committed to fulfilling its statutory mandate to supervise the management of the business and affairs of Franco-Nevada with the highest standards of ethical conduct and in the best interests of Franco-Nevada.

2. COMPOSITION

The Board of Directors shall be composed of between 6 and 12 individuals, the majority of whom will be Canadian residents. The Board shall be constituted with a majority of individuals who qualify as “independent” directors as defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

3. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the stewardship of Franco-Nevada and in that regard shall be responsible for:

- (a) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other executive officers and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization;
- (b) enhancing the reputation, goodwill and image of Franco-Nevada;
- (c) adopting a strategic planning process and reviewing, on an annual basis, the strategic plan and business objectives of Franco-Nevada (taking into account, among other things, the opportunities and risks of Franco-Nevada’s business) that are presented by management;
- (d) the identification and review of the principal risks of Franco-Nevada’s business and ensuring, with the assistance of the audit committee of the Board (the “Audit and Risk Committee”), the implementation of appropriate risk management systems;
- (e) ensuring, with the assistance of the Compensation and ESG Committee of the Board (the “Compensation and ESG Committee”), the effective functioning of the Board of Directors and its committees in compliance with the corporate governance requirements of applicable laws, and that such compliance is reviewed periodically by the Compensation and ESG Committee;

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- (f) assessing the performance of Franco-Nevada's executive officers, monitoring succession plans and periodically monitoring the compensation levels of executive officers based on the determinations and recommendations made by the Compensation and ESG Committee;
 - (g) ensuring internal control and management information systems are in place for Franco-Nevada, with the Audit Committee assessing the effectiveness of the internal control and management information systems through meetings held with the external auditors, as appropriate, and senior management and a review of reports prepared by senior management;
 - (h) establishing the Audit and Risk Committee as a standing audit committee of the Board;
 - (i) developing Franco-Nevada's approach to corporate governance by establishing the Compensation and ESG Committee as a standing committee of the Board, including developing a set of corporate governance principles and guidelines that are specifically applicable to Franco-Nevada;
 - (j) ensuring that Franco-Nevada has in place a communication policy which enables Franco-Nevada to effectively communicate with shareholders, other stakeholders and the public generally, and is reviewed at such intervals as the Board deems appropriate; and
 - (k) establishing measures for receiving feedback from stakeholders.

4. EXPECTATIONS OF DIRECTORS

The Board of Directors has developed a number of specific expectations of directors to promote the discharge by the directors of their responsibilities and to promote the proper conduct of the Board.

- (a) ***Commitment and Attendance.*** All directors are expected to maintain a high attendance record at meetings of the Board and the committees of which they are members. Attendance by telephone or video conference may be used to facilitate a director's attendance.
- (b) ***Preparation for Meetings.*** All directors are expected to review the materials circulated in advance of meetings of the Board and its committees and should arrive prepared to discuss the issues presented. Directors are encouraged to contact the Chair of the Board, the Chief Executive Officer and any other appropriate executive officer(s) of Franco-Nevada to ask questions and discuss agenda items prior to meetings.
- (c) ***Participation in Meetings.*** Each director is expected to be sufficiently knowledgeable of the business of Franco-Nevada, including its financial statements, and the risks it faces, to ensure active and effective participation in the deliberations of the Board of Directors and of each committee on which he or she serves.
- (d) ***Loyalty and Ethics.*** In their roles as directors, all directors owe a duty of loyalty to Franco-Nevada. This duty of loyalty mandates that the best

interests of Franco-Nevada take precedence over any other interest possessed by a director. Directors are expected to conduct themselves in accordance with Franco-Nevada's Code of Business Conduct and Ethics.

- (e) ***Other Directorships and Significant Activities.*** Franco-Nevada values the experience directors bring from other boards on which they serve and other activities in which they participate, but recognizes that those boards and activities also may present demands on a director's time and availability and may present conflicts or legal issues, including independence issues. No director should serve on the board of a competitor or of a regulatory body with oversight of Franco-Nevada. Each director should, when considering membership on another board or committee, make every effort to ensure that such membership will not impair the director's time and availability for his or her commitment to Franco-Nevada. Directors should advise the chair of the Compensation and ESG Committee and the Chief Executive Officer before accepting membership on other public company boards of directors or any audit committee or other significant committee assignment on any other board of directors, or establishing other significant relationships with businesses, institutions, governmental units or regulatory entities, particularly those that may result in significant time commitments or a change in the director's relationship to Franco-Nevada.
- (f) ***Contact with Management and Employees.*** All directors should be free to contact the Chief Executive Officer at any time to discuss any aspect of Franco-Nevada's business. Directors should use their judgement to ensure that any such contact is not disruptive to the operations of Franco-Nevada. The Board of Directors expects that there will be frequent opportunities for directors to meet with the Chief Executive Officer in meetings of the Board of Directors and committees, or in other formal or informal settings.
- (g) ***Speaking on Behalf of Franco-Nevada.*** It is important that Franco-Nevada speak to employees and outside constituencies with a single voice, and that management serve as the primary spokesperson. As a result, directors should ensure that they adhere to Franco-Nevada's disclosure policy.
- (h) ***Confidentiality.*** The proceedings and deliberations of the Board of Directors and its committees are confidential. Each director will maintain the confidentiality of information received in connection with his or her service as a director.

5. MEASURES FOR RECEIVING SHAREHOLDER FEEDBACK

All publicly disseminated materials of Franco-Nevada shall provide for a mechanism for feedback from shareholders. Persons designated to receive such information shall be required to provide a summary of the feedback to the Board of Directors on a semi-annual basis or at such other interval as they see fit. Specific procedures for permitting shareholder feedback and communication with the Board will be prescribed by Franco-Nevada's disclosure policy approved by the Board.

6. MEETINGS

The Board of Directors will meet not less than four times per year: three meetings to review quarterly results and one prior to the issuance of the annual financial results of Franco-Nevada.

7. INDEPENDENT ADVICE

In discharging its mandate, the Board of Directors shall have the authority to retain and receive advice from, special legal, accounting or other advisors and outside consultants if appropriate.

8. EXPECTATIONS OF MANAGEMENT OF FRANCO-NEVADA

Management shall be required to report to the Board of Directors at the request of the Board on the performance of Franco-Nevada, management's concerns and any other matter the Board or its Chair may deem appropriate. In addition, the Board expects management to promptly report to the Chair of the Board any significant developments, changes, transactions or proposals respecting Franco-Nevada.

9. ANNUAL EVALUATION

At least annually, the Board of Directors through the Compensation and ESG Committee shall, in a manner it determines to be appropriate:

- (a) conduct a review and evaluation of the performance of the Board and its members, its committees and their members, including the compliance of the Board with this mandate and of the committees with their respective charters; and
- (b) review and assess the adequacy of this mandate on an annual basis.

SCHEDULE "B"

NON-GAAP FINANCIAL MEASURES

Cash Costs and Cash Costs per GEO

Starting in Q4 2021, revenue from Franco-Nevada's Energy assets are included in the calculation of GEOs. Similarly, the composition of Cash Costs and Cash Costs per GEO has been amended to include costs and GEOs related to Franco-Nevada's Energy assets. Cash Costs and Cash Costs per GEO for comparative periods have been recalculated to conform with current presentation.

Cash Costs and Cash Costs per GEO sold are non-GAAP financial measures. Cash Costs sold is defined by Franco-Nevada as total costs of sales less depletion and depreciation expense. Cash Costs per GEO sold are calculated by dividing Cash Costs by the number of GEOs sold in the period, excluding prepaid GEOs.

Management uses Cash Costs and Cash Costs per GEO sold to evaluate Franco-Nevada's ability to generate positive cash flow from its royalty, stream and working interests. Management and certain investors also use this information to evaluate Franco-Nevada's performance relative to peers in the mining industry who present this measure on a similar basis. Cash Costs and Cash Costs per GEO are only intended to provide additional information to investors and analysts and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. They do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other issuers.

Reconciliation of Cash Costs and Cash Costs per GEO Sold

(expressed in millions, except per GEO amounts)	For the three months ended December 31,		For the year ended December 31,	
	2021	2020	2021	2020
Total costs of sales	\$ 126.6	\$ 114.2	\$ 477.9	\$ 399.8
Depletion and depreciation	(78.2)	(67.5)	(299.6)	(241.0)
Cash Costs	\$ 48.4	\$ 46.7	\$ 178.3	\$ 158.8
GEOs	182,543	162,533	728,237	573,347
Cash Costs per GEO sold	\$ 265	\$ 287	\$ 245	\$ 277

Adjusted EBITDA and Adjusted EBITDA per share

Adjusted EBITDA and Adjusted EBITDA per share are non-GAAP financial measures, which is defined by Franco-Nevada by excluding the following from net income (loss) and earnings (loss) per share ("EPS"):

- Income tax expense/recovery;
- Finance expenses;
- Finance income;
- Depletion and depreciation;

- Impairment charges and reversals related to royalty, stream and working interests;
- Impairment of investments;
- Gains/losses on sale of royalty, stream and working interests;
- Gains/losses on investments;
- Foreign exchange gains/losses and other income/expenses; and
- Unusual non-recurring items.

Management uses Adjusted EBITDA and Adjusted EBITDA per share to evaluate the underlying operating performance of Franco-Nevada as a whole for the reporting periods presented, to assist with the planning and forecasting of future operating results, and to supplement information in its financial statements. Management believes that in addition to measures prepared in accordance with IFRS such as Net Income and EPS, our investors and analysts use Adjusted EBITDA and Adjusted EBITDA per share to evaluate the results of the underlying business of Franco-Nevada, particularly since the excluded items are typically not included in our guidance, with the exception of depletion and depreciation expense. While the adjustments to net income and EPS in these measures include items that are both recurring and non-recurring, management believes that Adjusted EBITDA and Adjusted EBITDA per share are useful measures of Franco-Nevada's performance because they adjust for items which may not relate to or have a disproportionate effect on the period in which they are recognized, impact the comparability of our core operating results from period to period, are not always reflective of the underlying operating performance of our business and/or are not necessarily indicative of future operating results. Adjusted EBITDA and Adjusted EBITDA per share are only intended to provide additional information to investors and analysts and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. They do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other issuers.

Reconciliation of Net Income to Adjusted EBITDA

(expressed in millions, except per share amounts)	For the three months ended December 31,		For the year ended December 31,	
	2021	2020	2021	2020
Net income	\$ 220.9	\$ 176.7	\$ 733.7	\$ 326.2
Income tax expense	44.7	21.5	124.1	13.3
Finance expenses	0.9	0.8	3.6	3.5
Finance income	(0.7)	(0.7)	(3.7)	(3.7)
Depletion and depreciation	78.2	67.5	299.6	241.0
Impairment (reversals) and charges	(75.5)	(9.6)	(68.0)	262.1
Foreign exchange loss (gain) and other (income) expenses	1.3	(2.5)	3.0	(2.8)
Impairment (reversals) and charges	\$ 269.8	\$ 253.7	\$ 1,092.3	\$ 839.6
Foreign exchange loss (gain) and other (income) expenses	191.2	190.9	191.1	190.3
Basic earnings per share	\$ 1.16	\$ 0.93	\$ 3.84	\$ 1.71
Income tax expense	0.22	0.11	0.65	0.07
Finance expenses	Nil	Nil	0.02	0.01
Finance income	Nil	Nil	(0.02)	(0.02)
Depletion and depreciation	0.41	0.35	1.57	1.27
Impairment charges	(0.39)	(0.05)	(0.36)	1.38
Foreign exchange loss (gain) and other (income) expenses	0.01	(0.01)	0.02	(0.01)
Adjusted EBITDA per share	\$ 1.41	\$ 1.33	\$ 5.72	\$ 4.41

Margin

Margin is a non-GAAP ratio which is defined by Franco-Nevada as Adjusted EBITDA divided by revenue. Franco-Nevada uses Margin in its annual incentive compensation process to evaluate management's performance in increasing revenue and containing costs. Management believes that in addition to measures prepared in accordance with IFRS, our investors and analysts use Margin to evaluate the Corporation's ability to contain costs relative to revenue. Margin is intended to provide additional information to investors and analysts and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. It does not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other issuers.

Calculation of Margin

(expressed in millions, except Margin)	For the three months ended December 31,		For the year ended December 31,	
	2021	2020	2021	2020
Adjusted EBITDA	\$ 269.8	\$ 253.7	\$ 1,092.3	\$ 839.6
Revenue	327.7	304.5	1,300.0	1,020.2
Margin	82.3 %	83.3 %	84.0 %	82.3 %

Adjusted Net Income and Adjusted Net Income per share

Adjusted Net Income and Adjusted Net Income per share are non-GAAP financial measures, which is defined by Franco-Nevada by excluding the following from net income (loss) and earnings (loss) per share:

- Foreign exchange gains/losses and other income/expenses;
- Impairment charges and reversals related to royalty, stream and working interests;
- Impairment of investments;
- Gains/losses on sale of royalty, stream and working interests;
- Gains/losses on investments;
- Unusual non-recurring items; and
- Impact of income taxes on these items.

Management uses Adjusted Net Income and Adjusted Net Income per share to evaluate the underlying operating performance of Franco-Nevada as a whole for the reporting periods presented, to assist with the planning and forecasting of future operating results and to supplement information in its financial statements. Management believes that in addition to measures prepared in accordance with IFRS such as Net Income and EPS, our investors and analysts use Adjusted Net Income and Adjusted Net Income per share to evaluate the results of the underlying business of Franco-Nevada, particularly since the excluded items are typically not included in our guidance. While the adjustments to net income and EPS in these measures include items that are both recurring and non-recurring, management believes that Adjusted Net Income and Adjusted Net Income per share are useful measures of Franco-Nevada's performance because they adjust for items which may not relate to or have a disproportionate effect on the period in which

they are recognized, impact the comparability of our core operating results from period to period, are not always reflective of the underlying operating performance of our business and/or are not necessarily indicative of future operating results. Adjusted Net Income and Adjusted Net Income per share are intended to provide additional information to investors and analysts and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. They do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other issuers.

Reconciliation of Net Income to Adjusted Net Income

(expressed in millions, except per share amounts)	For the three months ended December 31,		For the year ended December 31,	
	2021	2020	2021	2020
Net income	\$ 220.9	\$ 176.7	\$ 733.7	\$ 326.2
Impairment (reversals) and charges	(75.5)	(9.6)	(68.0)	262.1
Foreign exchange loss (gain) and other (income) expenses	1.3	(2.5)	3.0	(2.8)
Tax effect of adjustments	19.3	(1.6)	17.8	(69.2)
Other tax related adjustments:				
Recognition of previously unrecognized deferred tax assets	(2.3)	Nil	(12.9)	Nil
Adjusted Net Income	\$ 163.7	\$ 163.0	\$ 673.6	\$ 516.3
Basic weighted average shares outstanding	191.2	190.9	191.1	190.3
Basic earnings per share	\$ 1.16	\$ 0.93	\$ 3.84	\$ 1.71
Impairment charges	(0.40)	(0.05)	(0.36)	1.38
Foreign exchange loss (gain) and other (income) expenses	0.01	(0.01)	0.02	(0.01)
Tax effect of adjustments	0.10	(0.02)	0.09	(0.37)
Other tax related adjustments:				
Recognition of previously unrecognized deferred tax assets	(0.01)	Nil	(0.07)	Nil
Adjusted Net Income per share	\$ 0.86	\$ 0.85	\$ 3.52	\$ 2.71



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