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Management Information Circular

Annual and Special Meeting
May 11
2021

Freehold
ROYALTIES LTD.

TSX FRU

Quality Assets. Sustainable Dividends.

The Royalty Advantage

Freehold Royalties Ltd. is one of the largest owners of privately held mineral rights in Canada, with an expanding land base in the United States, uniquely positioning Freehold as a North American royalty company.

We are publicly traded on the Toronto Stock Exchange (TSX: FRU). Find out more on our website www.freeholdroyalties.com, or contact Investor Relations toll free (Canada and U.S.) at 1-888-257-1873.

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Proxy Summary

The following summary highlights some of the important information you will find in this Information Circular. We recommend you read the entire Information Circular before voting.

Shareholder Voting Matters

Voting Matters	Board Vote Recommendation	For More Information See Pages
Election of Eight (8) Directors	FOR each nominee	12
Appointment of KPMG LLP as Auditors	FOR	14
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Capitalized terms used in the Letter to Shareholders and the accompanying Information Circular and not otherwise defined have the meaning ascribed to such terms in Appendix D – Glossary of Terms of the Information Circular.

Letter to Shareholders

March 22, 2021

Fellow Shareholders,

On behalf of the Board and management of Freehold, I am pleased to present our Information Circular for the annual and special meeting of Shareholders to be held on May 11, 2021.

Freehold continued to perform well throughout 2020 and into 2021 despite the challenges associated with the sharp contraction in oil prices and the impact of the COVID-19 pandemic. The Board, management and staff of Freehold have done an excellent job mitigating risks and providing returns to our Shareholders.

We are proud of the work that we have done incorporating Environmental, Social and Governance ("ESG") into our business and sharing our results and vision with our Shareholders and stakeholders. The work we have done to date has been well received, scoring top decile results for our industry sector. We will continue to advance our work and share an updated ESG Report in 2021.

Freehold continues to follow public health guidelines to ensure the safety of our staff with a return to office plan driven by public health measures. Our office in Calgary currently remains closed with staff working remotely and protocols in place to ensure effective ongoing business function.

In January of 2021, we appointed David Spyker as Freehold's President and Chief Executive Officer. This promotion of an internal candidate, after an external search, highlights the approach we have taken in the development, progression, and succession planning for leadership in our organization. David will be one of the eight nominees for election to the Board. All eight director nominees, including myself, bring significant oil and gas, financial, and business expertise to Freehold.

The Board is committed to open and transparent communication with our Shareholders. We encourage you to engage with us on our strategy and governance with any related questions you may have. We invite you to give direct feedback to your Board by mail at Suite 1000, 517 – 10th Avenue S.W., Calgary, Alberta T2R 0A8, by telephone at 1-888-257-1873, or email at boardofdirectors@freeholdroyalties.com.

Finally, although we usually welcome the attendance of all Shareholders and other interested parties to our Meeting, given the ongoing COVID-19 pandemic, we will be holding the Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location. **As always, we encourage Shareholders to vote their Common Shares prior to the Meeting by following the instructions under the heading "About the Shareholder Meeting" in the accompanying Information Circular.** We encourage you to continue to monitor our website at www.freeholdroyalties.com for updated information.

On behalf of the Board and management of Freehold, we thank you for your ongoing support and confidence.

Sincerely,

(signed) "Marvin F. Romanow"

Chair of the Board

Notice of Annual & Special Meeting

To The Shareholders:

NOTICE is hereby given that an Annual and Special Meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of Freehold Royalties Ltd. ("**Freehold**") will be held as a virtual only meeting via live audio webcast online at <https://web.lumiagm.com/478980034> on Tuesday, May 11, 2021 at 4:00 p.m. (Mountain Daylight time) for the following purposes, namely:

1. to receive and consider the consolidated financial statements for the fiscal year ended December 31, 2020, together with the Auditors' report thereon;
2. to elect the directors of Freehold for the ensuing year;
3. to appoint Auditors of Freehold for the ensuing year;
4. to vote, on an advisory, non-binding basis, to accept Freehold's approach to executive compensation;
5. consider, and if thought appropriate, to pass an ordinary resolution to approve and ratify an amendment to the Company's By-Laws to permit shareholder meetings to be held by electronic means; and
6. to transact all such other business that may properly be brought before the Meeting or any adjournment thereof.

The specific details of these matters proposed to be put before the Meeting are set forth in the accompanying Management Information Circular dated March 22, 2021.

The record date for the Meeting has been fixed at the close of business on March 22, 2021 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he or she owns such Common Shares, demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Out of an abundance of caution, to proactively deal with the unprecedented public health impact of the 2019 coronavirus disease, also known as COVID-19, and to mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders, Freehold will hold the Meeting in a virtual only format, which will be conducted via live audio webcast commencing at 4:00 p.m. (Mountain Daylight time) on Tuesday, May 11, 2021. Shareholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location. As always, Freehold encourages Shareholders to vote their Common Shares prior to the Meeting by following the instructions under the heading "About the Shareholder Meeting" in the accompanying Management Information Circular dated March 22, 2021.

DATED at Calgary, Alberta this 22nd day of March 2021.

BY ORDER OF THE BOARD OF DIRECTORS OF
FREEHOLD ROYALTIES LTD.

(signed) "**Karen C. Taylor**"
Corporate Secretary

About the Shareholder Meeting

Voting

How to vote in Advance of the Meeting

The voting process is different depending on whether you are a registered or non-registered Shareholder:

Registered Shareholders Your Common Shares are registered in your name. This means you have the right to appoint someone else (your proxyholder) to attend the Meeting and vote your Common Shares for you. Your proxyholder does not need to be a Shareholder, but this person or company must be registered after the proxy is submitted to attend the Meeting and vote on your behalf (see the instructions under the heading "Voting – Attending the Virtual Meeting" and "Voting – Registration of a Proxyholder for Online Meeting Participation"). Print the name of the person or company you are appointing in the space provided on the proxy form you received in your package of materials. Then complete your voting instructions, date and sign the form and return it to Computershare Trust Company of Canada ("Computershare"). If you do not appoint your own proxyholder, the Freehold representatives named on the proxy form will act as your proxyholder, and will vote your Common Shares according to your instructions. If you wish to appoint a proxyholder other than the Freehold representatives named on the proxy included in your package to represent you at the Meeting you must submit your proxy prior to registering the proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their proxy. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting. If you sign and return the form but do not give your voting instructions or specify that you want your Common Shares withheld from voting on certain matters, the Freehold representatives will vote FOR the following items of business: • FOR each of the nominated directors • FOR the appointment of KPMG LLP as our auditors • FOR the Say on Pay Advisory Vote • FOR the Amendment By-Law Vote by proxy <table border="1"> <tr> <td>Internet</td><td>Go to www.investorvote.com. Enter the 15-digit control number printed on the form and follow the instructions on screen.</td></tr> <tr> <td>Phone</td><td>1.866.732.8683 (toll-free in North America) and enter the 15-digit control number printed on the form. Follow the interactive voice recording instructions to submit your vote.</td></tr> <tr> <td>Mail</td><td>Enter your voting instructions on the proxy form, sign and date it, and send the completed form to: Computershare Trust Company of Canada Attention: Proxy Department 135 West Beaver Creek, P.O. Box 300, Richmond Hill, ON L4B 4R5</td></tr> </table>	Internet	Go to www.investorvote.com . Enter the 15-digit control number printed on the form and follow the instructions on screen.	Phone	1.866.732.8683 (toll-free in North America) and enter the 15-digit control number printed on the form. Follow the interactive voice recording instructions to submit your vote.	Mail	Enter your voting instructions on the proxy form, sign and date it, and send the completed form to: Computershare Trust Company of Canada Attention: Proxy Department 135 West Beaver Creek, P.O. Box 300, Richmond Hill, ON L4B 4R5	Beneficial Shareholders Your Common Shares are held in the name of your nominee (usually a bank, trust company, broker, securities dealer or other financial institution) and you are the Beneficial Shareholder. The majority of brokers in Canada and the United States delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. Please return your voting instructions as specified in the voting instruction form. Beneficial Shareholders who wish to attend the Meeting and vote by completing a ballot online during the Meeting must appoint themselves as their own proxyholders by following the instructions herein. See "Voting – Logging into the Meeting to Vote – Registered Shareholders and Duly Appointed Proxyholders" and "Voting – Registration of a Proxyholder for Online Meeting Participation". Submit your voting instructions Use one of the methods provided on the voting instruction form, or simply complete the form and mail it to the address provided on the form. Vote by proxy <table border="1"> <tr> <td>Internet</td><td>Go to www.proxyvote.com. Enter the control number printed on the form and follow the instructions on screen.</td></tr> <tr> <td>Phone</td><td>1.800.474.7493 (toll-free in North America) and enter the specified control number printed on the form. Follow the interactive voice recording instructions to submit your vote.</td></tr> <tr> <td>Mail</td><td>Enter your voting instructions on the voting instruction form, sign and date it, and send the completed form as specified in the voting instruction form.</td></tr> </table>	Internet	Go to www.proxyvote.com . Enter the control number printed on the form and follow the instructions on screen.	Phone	1.800.474.7493 (toll-free in North America) and enter the specified control number printed on the form. Follow the interactive voice recording instructions to submit your vote.	Mail	Enter your voting instructions on the voting instruction form, sign and date it, and send the completed form as specified in the voting instruction form.
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How to Attend, Participate and Vote at the Meeting

Out of an abundance of caution, to proactively deal with the unprecedented public health impact of the 2019 coronavirus disease, also known as COVID-19, and to mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders, the Meeting will be held in a virtual only format. The virtual Meeting will be conducted via live audio webcast. Shareholders will have an opportunity to participate at the Meeting online regardless of their geographic location.

Attending the Virtual Meeting

Registered Shareholders and duly appointed proxyholders will be able to listen to the Meeting, ask questions and vote online, all in real time, provided they are connected to the Internet and comply with all of the requirements set out herein.

Beneficial Shareholders who have not duly appointed themselves as proxyholders may still attend the Meeting as guests. **Guests will be able to listen to the Meeting but will not be able to vote at the Meeting. Guests will be able to ask questions during the corporate presentation following the formal portion of the Meeting.**

To register for the Meeting:

- Go to <https://web.lumiagm.com/478980034> in your web browser.
- If you are a Registered Shareholder or duly appointed proxyholder, select "I have a login" and enter a Username and Password before the start of the Meeting.
 - **Registered Shareholders** - The 15-digit control number located on the enclosed Instrument of Proxy or in the email notification you received is the Username and the Password is "freehold2021".
 - **Duly appointed proxyholders** – Computershare will provide the proxyholder with a Username after the voting deadline has passed. The Password to the meeting is "freehold2021".
- If you are a Beneficial Shareholder or guest, select "I am a Guest" and fill in the form. See "*Voting – Registration of a Proxyholder for Online Meeting Participation*" below.

For registered Shareholders, the Control Number (Username) is located on the proxy included in your package of materials or in the email notification received from Freehold's registrar and transfer agent, Computershare. For duly appointed proxyholders, provided that the instructions in this Information Circular have been followed, Computershare will provide a Meeting-specific control number by e-mail after the proxy deposit deadline has passed.

If you wish to appoint a proxyholder other than the Freehold representatives named on the proxy included in your package to represent you at the Meeting you must submit your proxy prior to registering the proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their proxy. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting. To register a proxyholder, you MUST visit <http://www.computershare.com/FreeholdAGM> by May 7, 2021 at 4:00 p.m. (Mountain Daylight time) and provide Computershare with the proxyholder's contact information, so that Computershare may provide the proxyholder with a Username via email. Beneficial Shareholders located in the United States are also required to take the further steps described below under "*Voting – Logging into the Meeting to Vote – Registered Shareholders and Duly Appointed Proxyholders – United States Beneficial Holders*".

See "*Voting – Participating and Voting at the Meeting*" below for additional instructions on voting.

Logging into the Meeting to Vote – Registered Shareholders and Duly Appointed Proxyholders

To participate online, Shareholders must have a valid 15-digit control number (Username) and proxyholders must have received an email from Computershare containing a Username.

Shareholders and duly appointed proxyholders can participate, ask questions and vote, all in real time, during the Meeting as follows:

Registered Shareholders and Duly Appointed Proxyholders

Registered Shareholders and duly appointed proxyholders who have been assigned a Username by Computershare (see instructions under the heading "*Voting – Attending the Virtual Meeting*"), will be able to vote and submit questions during the Meeting. To do so, please go to <https://web.lumiagm.com/478980034> prior to the start of the meeting to login. Click on "I have a login" and enter your 15-digit control number or Username along with the password "freehold2021".

United States Beneficial Holders:

To attend and vote at the Meeting, Beneficial Shareholders in the United States must first obtain a valid legal proxy from their broker, bank or other agent and then register in advance to attend the Meeting. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to:

Computershare Trust Company of Canada
100 University Avenue
8th Floor
Toronto, Ontario
M5J 2Y1

OR

Email at uslegalproxy@computershare.com

Requests for registration must be labeled as "Legal Proxy" and be received no later than May 7, 2021 at 4:00 p.m. (Mountain Daylight time). You will receive a confirmation of your registration by email after Computershare receives your registration materials. You may attend the Meeting and vote your shares at <https://web.lumiagm.com/478980034> during the Meeting. Please note that you are required to register your appointment at <http://www.computershare.com/FreeholdAGM>.

Beneficial Shareholders

Beneficial Shareholders who do not have a 15-digit control number or Username will only be able to attend the Meeting as a guest which allows them listen to the Meeting however will not be able to vote at the Meeting. Please see the information under the heading "*Notice to Beneficial Holders of Common Shares*" below.

Participating and Voting at the Meeting

Attending the Meeting online gives Shareholders an opportunity to hear directly from Management and the Board. Registered Shareholders and duly appointed proxyholders can participate, ask questions and vote online by following the instructions herein.

Registered Shareholders who wish to participate and vote at the Meeting do not need to complete or return the accompanying form of proxy. If a Registered Shareholder submits a form of proxy, they do not need to vote again at the Meeting as their vote will already be recorded. Registered Shareholders who submit proxies in advance of

the Meeting can still attend the Meeting and not vote. If they do vote at the Meeting again, the online vote will revoke their previously submitted proxy. See "*Proxies – Appointment and Revocation of Proxies*" below.

Beneficial Shareholders who wish to attend the Meeting and vote by completing a ballot online during the Meeting must appoint themselves as their own proxyholders by following the instructions herein. See "*Voting – Registration of a Proxyholder for Online Meeting Participation*" and "*Voting – Appointment and Revocation of Proxy*" below.

If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

The Company recommends that Shareholders and proxyholders log in at least thirty (30) minutes before the time of the Meeting. Shareholders will be able to log in to the site one hour before the time of the Meeting.

Registration of a Proxyholder for Online Meeting Participation

The following applies to Shareholders who wish to appoint someone as their proxyholder other than the Freehold representatives named on the proxy included in their package to attend the virtual Meeting and vote on their behalf. This includes Beneficial Shareholders who wish to appoint themselves as proxyholder to attend and participate in the Meeting. Shareholders who wish to appoint someone other than the Freehold representatives named on the proxy included in their package as their proxyholder to attend and participate at the Meeting as their proxy and vote their Common Shares MUST submit their form of proxy appointing that person as proxyholder AND must register that proxyholder, as described below. **Registering a Shareholder's proxyholder is an additional step to be completed AFTER such Shareholder has submitted their proxy. Failure to register the proxyholder will result in the proxyholder not receiving the Meeting-specific control number from Computershare that is required in order to participate and vote at the Meeting.** If you are a Beneficial Shareholder and you wish to participate or vote at the Meeting, you must appoint yourself as proxyholder by inserting your own name in the space provided on the form of proxy sent to you by your intermediary, and follow all of applicable instructions provided by your intermediary AND you must also register yourself as your proxyholder, as described below. By doing so, you are instructing your intermediary to appoint you as proxyholder. Beneficial Shareholders who have not appointed themselves as proxyholder (and registered as instructed below) cannot vote online during the Meeting. This is because the Company and Computershare do not maintain the records for Beneficial Shareholders and we have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder.

Shareholders must register their proxyholder (if such proxyholder other than the Freehold representatives named on the proxy) in advance of the Meeting. Before registering, you must first appoint your proxyholder. To register a proxyholder, Shareholders MUST contact Computershare by 4:00 p.m. (Mountain Daylight time) on Friday, May 7, 2021 and provide Computershare with the required proxyholder contact information, so that Computershare may provide the proxyholder with a Meeting-specific control number via email. Beneficial Shareholders in the United States must first obtain a valid legal proxy from their broker, bank or other agent and then register in advance to attend the Meeting. See "*Voting – Logging into the Meeting to Vote – Registered Shareholders and Duly Appointed Proxyholders – United States Beneficial Shareholders*" for more information.

Without a Meeting-specific control number, proxyholders will not be able to attend and vote online at the Meeting.

Who can vote

You are entitled to receive notice of and vote at the Meeting if you held Common Shares at the close of business on March 22, 2021, the Record Date. Shareholders will vote on four items of business and any other matters that may properly come before the Meeting (see page 12).

If you acquired your Common Shares after the Record Date, you can ask for your name to be included in the list of eligible Shareholders up until 10 days before the Meeting if you have proper proof that you own the Common Shares. Contact our transfer agent, Computershare at 1-800-564-6253.

As of the Record Date, we had 131,435,334 Common Shares issued and outstanding. Each Common Share entitles the holder to one vote on each of the items to be voted on.

Send your voting instructions right away

Take some time to read this Information Circular and then vote your Common Shares right away. We must receive your voting instructions by 4:00 p.m. (Mountain Daylight time) on May 7, 2021 to ensure your Common Shares are voted at the Meeting.

If you are a Beneficial Shareholder, you will need to allow enough time for your nominee (or their representative) to receive your voting instructions and then submit them to Computershare.

If the Meeting is postponed or adjourned, you must send your voting instructions at least 48 hours (not including Saturdays, Sundays and holidays) before the time the Meeting is reconvened.

Changing your vote

If you change your mind about how you want to vote your Common Shares, you can revoke your proxy in one of the following ways, or by any other means permitted by law.

If you are a registered Shareholder:

- Vote again on the internet or by phone before 4:00 p.m. (Mountain Daylight time) on May 7, 2021
- Complete a proxy form with a later date than the form you originally submitted, and mail it as soon as possible so that it is received before 4:00 p.m. (Mountain Daylight time) on May 7, 2021
- Send a written notice from you or your authorized attorney revoking your previously provided proxy to our Corporate Secretary so that it is received before 4:00 p.m. (Mountain Daylight time) on May 7, 2021
- By attending the Meeting and voting again.

If you are a Beneficial Shareholder, follow the instructions provided by your nominee or in the voting instruction form you have received.

How to obtain paper copies of our meeting materials

Registered and Beneficial Shareholders can ask for free paper copies of this Information Circular and the proxy form or voting information form to be sent to them by mail. If you have any questions about the Notice and Access Provisions or would like to request paper copies of the materials for the Meeting, please contact our Corporate Secretary toll-free at 1-888-257-1873 or 403-221-0891.

Or request free paper copies from our Corporate Secretary:

Freehold Royalties Ltd.
Suite 1000, 517 – 10th Avenue SW
Calgary, AB T2R 0A8
noticeandaccess@freeholdroyalties.com

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the management of Freehold for use at the Meeting of Shareholders on May 11, 2021, commencing at 4:00 p.m. (Mountain Daylight time) for the purposes set forth in the Notice of the Meeting accompanying this Information Circular. The costs incurred in the solicitation of proxies and in the preparation and mailing of this Information Circular will be borne by Freehold. Solicitation of proxies by management will be through the mail, in person, and by telephone.

Appointment and Revocation of Proxy

A form of proxy accompanies the Notice of the Meeting and this Information Circular. The persons named in such form of proxy are directors and officers of Freehold. A person or corporation submitting the proxy shall have the right to appoint a person (who need not be a Shareholder) to be a representative at the Meeting, other than the persons designated in the form of proxy furnished by Freehold. As indicated above, such appointment may be exercised by inserting the name of the appointed representative in the blank space provided for that purpose.

Shareholders who wish to appoint someone other than the Freehold representatives named on the proxy included in their package as their proxyholder to attend and participate at the Meeting as their proxy and vote their Common Shares MUST submit their form of proxy appointing that person as proxyholder AND must register that proxyholder, as described below. **Registering a Shareholder's proxyholder is an additional step to be completed AFTER such Shareholder has submitted their proxy. Failure to register the proxyholder will result in the proxyholder not receiving the Meeting-specific control number from Computershare that is required in order to participate and vote at the Meeting.** See "Voting – Registration of a Proxyholder for Online Meeting Participation" above for more information.

As indicated above, a Shareholder who has given a proxy may revoke it by depositing an instrument in writing executed by such Shareholder (or by an attorney duly authorized in writing) or, if such Shareholder is a corporation, by any officer or attorney thereof duly authorized, either at the registered office of Freehold at any time up to and including the close of business on the last business day preceding the Meeting or any adjournment(s) thereof, or with the Chair of the Meeting on the day of the Meeting or any adjournment thereof. Registered Shareholders can also revoke a proxy by attending the Meeting and voting again, an online vote will revoke a previously submitted proxy.

Notice to Beneficial Holders of Common Shares

The information in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold Common Shares in their own name. If you do not hold your Common Shares in your own name, you are considered a "Beneficial Shareholder". You should note that only proxies deposited by Shareholders whose names appear on the records of Freehold as the registered holders of the Common Shares can be recognized and acted upon at the Meeting.

If your Common Shares are listed in an account statement provided to you by a broker, then in almost all cases those Common Shares will not be registered in your name on the records of Freehold. Those Common Shares will more likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Freehold does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Each intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by the intermediary/broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the intermediary/broker on how to vote on behalf of the Beneficial Shareholder.

The majority of brokers in Canada and the United States delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. **The Beneficial Shareholder is requested to complete and return the voting instruction form to Broadridge or otherwise vote their Common Shares following the instructions provided on page 3.** Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting.

Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting Common Shares for their clients. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by the intermediary/broker in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed voting instruction forms as directed well in advance of the Meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and vote by completing a ballot online during the Meeting must appoint themselves as their own proxyholders by following the instructions herein. See "Voting – Logging into the Meeting to Vote – Registered Shareholders and Duly Appointed Proxyholders" and "Voting – Registration of a Proxyholder for Online Meeting Participation".**

Notice and Access

We have elected to use the Notice and Access Provisions under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* for the Meeting in respect of mailings to Beneficial Shareholders but not in respect of mailings to registered Shareholders (i.e., a Shareholder whose name appears on our records as a holder of Common Shares). The Notice and Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

We have also elected to use procedures known as 'stratification' in relation to our use of the Notice and Access Provisions. Stratification occurs when a reporting issuer using the Notice and Access Provisions provides a paper copy of an information circular and, if applicable, a paper copy of financial statements and related management's discussion and analysis, to some shareholders together with a notice of a meeting of its shareholders. In relation to the Meeting, registered Shareholders will receive a paper copy of the Notice of the Meeting, this Information Circular and a form of proxy whereas Beneficial Shareholders will receive a notice containing information prescribed by the Notice and Access Provisions and a voting instruction form. Furthermore, a paper copy of the financial statements and related management's discussion and analysis in respect of our most recently completed financial year was mailed to all registered Shareholders and those beneficial Shareholders who previously requested to receive such information.

Exercise of Discretion by Proxy

The persons named in the enclosed form of proxy will, if the instructions are certain, vote the Common Shares represented thereby, including on any ballot that may be called for at the Meeting, and where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the Common Shares will be voted or withheld from voting in accordance with the specification so made. The Common Shares represented by all proxies received by Freehold will be voted to approve each matter to which no specification has been made.

The enclosed form of proxy confers discretionary authority on the persons appointed with respect to amendments or variations of matters identified in the Notice of Meeting or other matters that may properly come before the Meeting. At the time of printing this Information Circular, management of Freehold is not aware of any such amendments, variations or other matters.

Voting Shares

There are presently 131,435,334 Common Shares issued and outstanding to which are attached voting rights and the registered holders thereof, at the close of business on the Record Date (March 22, 2021), are entitled to attend and vote at the Meeting on the basis of one vote for each Common Share held. Shareholders of Freehold of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he or she owns such Common Shares, demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Principal Shareholders

To the best of the knowledge of management of Freehold, the following are the only persons who beneficially own, or control or direct, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to the issued and outstanding Common Shares of Freehold that may be voted at the Meeting:

Principal Shareholders

Name	Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ¹	Percentage of Issued and Outstanding Common Shares
CN Pension Trust Funds (the pension funds for employees of Canadian National Railway Company)	28,969,931 ²	22.04%

(1) The information as to Common Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of Freehold, has been derived from sources available to Freehold.

(2) Includes 9,082,824 Common Shares held indirectly.

Governance Agreement

Pursuant to a Governance Agreement dated December 31, 2010 between the Manager and Freehold, if the Manager and its affiliates, including the CN Pension Trust Funds, hold 10% or more of the issued and outstanding Common Shares, the Manager will have the right to nominate for election two individuals as directors of Freehold. If the Manager and its affiliates hold less than 10% of the issued and outstanding Common Shares, the Manager will have the right to nominate for election one individual as a director of Freehold. If the individuals nominated by the Manager fail to get elected or if the Manager ceases to hold any Common Shares (in which case the Manager will not have the right to nominate any individuals as directors of Freehold) but continues to act as manager of Freehold pursuant to the Management Agreement, the Governance Agreement will provide the Manager with the right to have an observer present at all meetings of directors of Freehold. The CN Pension Trust Funds holds, directly or indirectly, approximately 22.04% of the outstanding Common Shares and as a result, has the right to nominate two individuals as directors of Freehold.

Quorum for Meeting

At the Meeting, a quorum shall consist of two or more persons present and holding or representing by proxy not less than 25% of the outstanding Common Shares. If a quorum is not present at the opening of the Meeting, the Shareholders present may adjourn the Meeting to a fixed time and place but may not transact any other business.

Business of the Meeting

Recommendation of the Board of Directors

The Board unanimously recommends that Shareholders vote FOR the election of directors, appointment of auditors, Say on Pay Advisory Vote and approval of the By-Law Amendment as set forth in this Information Circular. Unless instructed otherwise, the person named on the proxy will vote FOR each of such matters to be acted upon at the Meeting.

1. Financial Statements

The consolidated financial statements for the year ending December 31, 2020, together with the auditors' report on those statements, have been mailed to the Shareholders who requested such materials together with this Information Circular, in accordance with applicable securities laws. Copies of these financial statements are also available through the internet under Freehold's SEDAR profile at www.sedar.com and on Freehold's website at www.freeholdroyalties.com.

2. Election of Directors

There are presently eight directors of Freehold, each of whom will retire from office at the Meeting. The Board has determined that the number of directors to be elected at the Meeting, to hold office until the next annual meeting of Freehold or until their successors are elected or appointed, subject to the Articles or By-Laws of Freehold, be set at eight.

Pursuant to the Governance Agreement, the Manager is entitled to nominate for election two individuals as directors of Freehold. The Manager has nominated Peter T. Harrison and David M. Spyker for election as directors at the Meeting.

In addition, the following six persons have been proposed for election as directors of Freehold: Gary R. Bugeaud, J. Douglas Kay, Arthur N. Korpach, Susan M. MacKenzie, Marvin F. Romanow, and Aidan M. Walsh.

Directors At A Glance

Director Nominee	Director Since	Independent	Age	Audit Committee	GNC Committee	Reserves Committee	Public Boards ¹
Gary R. Bugeaud	2015	Y	59	•	•		1
Peter T. Harrison ²	1996	N	65				1
J. Douglas Kay	2016	Y	67		•	•	1
Arthur N. Korpach	2012	Y	63	Chair	•		2
Susan M. MacKenzie	2014	Y	60		Chair	•	4
Marvin F. Romanow ³	2015	Y	65				1
David M. Spyker ⁴	2021	N	57				1
Aidan M. Walsh	2013	Y	66	•		Chair	1

(1) Current number of public boards including Freehold.

(2) Mr. Harrison is not considered independent by virtue of his relationship with the Manager and the CN Pension Trust Funds.

(3) Mr. Romanow is the Board Chair.

(4) Mr. Spyker is not considered independent as he is an officer of Freehold and of the Manager.

It is the intention of the persons named in the enclosed form of proxy, if named as proxy, to vote for the election of all of the persons named above (including Peter T. Harrison and David M. Spyker) as directors. Management does not contemplate that any of the proposed nominees will be unable to serve as directors. If any of the proposed nominees do not stand for election or are unable to serve, proxies will not be voted for any other

nominee. Each director elected will hold office until the next annual meeting of Shareholders or until his or her successor is elected or appointed.

See "*Director Nominees*" on page 17 for additional information on the Director Nominees.

Voting for Election of Directors

Majority Voting Policy

The Board has adopted a majority voting policy which allows a Shareholder to vote with respect to each individual director. The individual voting results will be announced by news release and published on www.sedar.com after the Meeting. The individual voting results will be reviewed by our GNC Committee and will be considered as part of the GNC Committee's overall review and assessment of the nominees to be recommended to Shareholders at the next annual meeting of Shareholders.

The majority voting policy also provides that if a nominee for election as a director receives a greater number of votes "withheld" than votes "for" at a meeting of Shareholders, such nominee shall offer his or her resignation as a director to the Board promptly following the meeting of Shareholders at which the director was elected. Upon receiving such offer of resignation, our GNC Committee will consider such offer and make a recommendation to the Board whether to accept it or not. Freehold will announce the decision of the Board promptly after such decision is made in a news release with respect to whether they have decided to accept such director's resignation, which decision will be made within 90 days following the meeting of Shareholders, and the reasons why they have accepted or not accepted such resignation. The Board will accept the resignation absent exceptional circumstances. The director who tendered such resignation will not attend any meeting (or portion of a meeting) of any Board committee (including the GNC Committee if such director is a member of such committee) or the Board where such resignation is being considered.

The majority voting policy only applies in circumstances involving an uncontested election of directors. For the purpose of the policy, an uncontested election of directors means that the number of nominees for election as a director is the same as the number of directors to be elected to the Board and that no proxy material is circulated in support of one or more nominees who are not named as nominees in the applicable management information circular.

A copy of the majority voting policy is available on Freehold's website.

Advance Notice By-Law

Our Board adopted the Advance Notice By-Law on March 7, 2019 and the Advance Notice By-Law was approved by our Shareholders at the annual and special meeting of the Shareholders held on May 7, 2019.

The Advance Notice By-Law provides that advance notice to Freehold must be made in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (a) a "proposal" made in accordance with the ABCA; or (b) a requisition of a meeting made pursuant to the ABCA.

The Advance Notice By-Law fixes a deadline by which Shareholders must submit director nominations to our Corporate Secretary of Freehold prior to any annual or special meeting of Shareholders and outlines the specific information that a nominating Shareholder must include in the written notice to our Corporate Secretary for an effective nomination to occur. No person nominated by a Shareholder will be eligible for election as a director of Freehold unless nominated in accordance with the provisions of the Advance Notice By-Law. In the case of an annual meeting of Shareholders, notice to our Corporate Secretary must be made not less than 30 days prior to

the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to Freehold must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made. To the extent that the applicable annual meeting or special meeting of Shareholders is adjourned or postponed, the time periods for the giving of a notice shall be calculated based on the new adjourned or postponed date of the annual meeting or special meeting of Shareholders and not based on the original date of such meeting. The Board may, in its sole discretion, waive any requirement of the Advance Notice By-Law.

A copy of the Advance Notice By-Law is available on SEDAR at www.sedar.com and on Freehold's website at www.freeholdroyalties.com.

3. Appointment of Auditors

The persons named in the form of proxy solicited by management of Freehold will vote the Common Shares represented by proxy for the appointment of KPMG LLP, Chartered Accountants, as Auditors of Freehold until the next annual meeting of Shareholders at remuneration to be fixed by the directors of Freehold. KPMG LLP were first appointed Auditors of Freehold on September 30, 1996.

The following table sets out the fees for KPMG LLP by Freehold in the two most recently completed financial years.

Audit Fees

	December 31, 2020 (\$)	December 31, 2019 (\$)
Audit fees ¹	207,580	210,332
Audit-related fees ²	-	-
Tax fees ³	51,181	12,500
All other fees ⁴	96,300	-
Total	355,061	222,832

- (1) Freehold's annual financial statements, reviews of interim consolidated financial statements for the first, second, and third quarters of the respective year, or services that are normally provided in connection with statutory and regulatory filings or engagements. Fees do not include administrative or Canadian Public Accountability Board surcharges.
- (2) Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of Freehold's financial statements and are not reported as Audit Fees.
- (3) Tax fees consist of fees for tax compliance, tax preparation and advisory services. During 2020 and 2019, \$12,500 and \$12,500, respectively, of such fees were related to tax compliance and tax preparation and the remainder was for advisory services.
- (4) The services provided in this category includes work performed by Freehold's external auditors in connection with the bought deal financing completed by Freehold in January 2021.

4. Advisory Vote on Executive Compensation

Freehold is managed by the Manager, which is an external company and a wholly-owned subsidiary of Rife (a private Canadian oil and gas company). Rife, which is wholly owned by the CN Pension Trust Funds, provides the Manager on a contract basis, with all necessary personnel, equipment and facilities required to provide management and operational services to Freehold on a cost recovery basis. Freehold's executive officers are employed by and all elements of compensation are ultimately determined by Rife. Freehold is obligated to pay (or, in the case of long-term incentive compensation, grant Restricted Awards or Performance Awards pursuant to the Freehold Award Plan) an agreed portion of the compensation of the executive officers. In addition, Freehold compensates the Manager by issuing Common Shares as payment of the management fee and reimburses Rife for a portion of the other general and administrative costs incurred.

Prior to 2015, the principal determination made by our Board and its committees with respect to compensation for the executive officers was in the context of whether to continue to renew the Management Agreement. However, pursuant to the amendment and restatement of the Management Agreement that occurred in 2015, the Board of Directors of Rife agreed to increase dialogue and collaboration with our GNC Committee in the development of all policies and programs relating to the review and approval of compensation for the employees of Rife that work on the business of Freehold. In addition, Rife agreed to work with the GNC Committee in the development and review of all key human resources matters with respect to executive officers of Freehold. As a result, in the last several years, Rife's Board of Directors has been meeting with our GNC Committee on a regular basis to review and approve all matters relating to compensation for the employees of Rife that work on the business of Freehold, including with respect to Freehold's executive officers.

As a result of this collaborative relationship with Rife on compensation matters and the resulting ability of our GNC Committee to potentially influence compensation decisions of Rife, in 2019 we implemented an annual Say on Pay Advisory vote. The Say on Pay Advisory Vote is a non-binding shareholder advisory vote on executive compensation that gives a formal opportunity for our Shareholders to provide their views on the elements of compensation and the levels of such compensation awarded to the employees of Rife acting as executive officers of Freehold. At last year's annual and special meeting of Shareholders, our Say on Pay Advisory Vote was approved by 96.9% of the votes cast by our Shareholders. Shareholders are encouraged to carefully review the information set forth under the headings "*Letter to Shareholders*" and "*Compensation Discussion and Analysis*" in the Executive Compensation section of this Information Circular before voting on this matter. In addition to providing feedback to our Board on Shareholders' views of executive compensation by voting on the Say on Pay Advisory Vote, we invite you to give direct feedback to our Board by mail at Suite 1000, 517 – 10th Avenue S.W., Calgary, Alberta T2R 0A8, by telephone at 1-888-257-1873, or by email at boardofdirectors@freeholdroyalties.com.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass the following resolution, being the Say on Pay Advisory Vote:

"BE IT RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors of Freehold Royalties Ltd. (the "Company"), that the Shareholders accept the approach to executive compensation as disclosed in the "*Executive Compensation*" section of the Management Information Circular of the Company dated March 22, 2021."

While the advisory vote is non-binding, the Board and the GNC Committee will take the results of the vote into account, as they consider appropriate, in evaluating Rife's compensation approach going forward. In the event there is significant proportion of negative votes cast at the Meeting on the Say on Pay Advisory Vote, the Board will consult with Shareholders (particularly those who are known to have voted against it) to better understand their concerns that may have influenced voting results. Our GNC Committee will discuss any concerns or recommended actions that arise with the Board of Directors of Rife.

Although our Board and the Board of Directors of Rife have a collaborative and productive relationship, there is no certainty that the Rife Board of Directors will agree to any changes to the compensation programs and policies of Rife that our GNC Committee and Board may recommend as a result of the Say on Pay Advisory Vote.

Results from any such Board review will be discussed in our management information circular for the annual meeting of Shareholders to be held in 2022.

5. Approval of By-Law Amendment

The Board believes that it is essential to have the ability to hold shareholder meetings even when an in person meeting may not be possible or would be very difficult (such as during the current COVID-19 pandemic). At the Meeting, Shareholders will be asked to pass an ordinary resolution ratifying and approving the By-Law Amendment which permits shareholder meetings to be held by any electronic means, telephone or other communication facility that allow Shareholders to communicate adequately with each other. The full text of the By-Law Amendment is attached to this Information Circular as Appendix F. As the Board has already approved the By-Law Amendment, it will be effective for the Meeting, however, if Shareholders do not approve the By-Law Amendment at the Meeting, the Company may be prevented from holding virtual shareholder meetings in the future.

In order for the resolution ratifying and approving the By-Law Amendment to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting.

Other Matters

The Manager knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of the Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

Director Nominees

The following tables set out the names and profiles of the proposed nominees, including the nominees of the Manager, for election as directors. The information contained herein as to Common Shares beneficially owned or controlled or directed, directly or indirectly, is based upon information furnished to Freehold by the respective nominees.

The Board has determined that all of the nominees with the exception of Peter T. Harrison and David M. Spyker are independent within the meaning of NI 58-101 of the Canadian Securities Administrators.

DIRECTOR PROFILES



Gary R. Bugeaud
Corporate Director
Age: 59
Calgary, Alberta, Canada
Director Since: 2015
Independent
Public Board Interlocks: None

Gary Bugeaud is a Corporate Director and was the Managing Partner of Burnet, Duckworth & Palmer LLP until his retirement in December 2013. He has over 23 years of legal experience focused on securities, corporate finance, mergers and acquisitions, and corporate governance matters. Mr. Bugeaud has a Bachelor of Commerce (Finance) degree and a Bachelor of Laws degree from the University of Saskatchewan. Mr. Bugeaud holds the ICD.D designation from the Institute of Corporate Directors.

Board and Committees	2020 Meeting Attendance	Voting Results of 2020 Annual Meeting		
Board of Directors	11/11 (100%)	Votes For	65,629,185 (94.18%)	
Audit Committee	4/4 (100%)	Votes Withheld	4,054,397 (5.82%)	
GNC Committee	9/9 (100%)			
Compensation		Director Share Ownership Guidelines		
Total compensation for 2020	\$123,813	Minimum 3 times annual cash retainer		
Total compensation for 2019	\$130,000	Meets Guideline: Yes		
Securities held as of March 22, 2021	Number	Total Value	Market Value	TSX Closing Price
Freehold Common Shares	25,829	\$340,408	\$191,135	\$7.40
Deferred Share Units	58,876	\$561,305	\$435,680	
Total Common Shares and Deferred Share Units	84,705	\$901,712	\$626,814	
Other Public Boards				
None				



Peter T. Harrison
Manager, Oil and Gas Investments,
CN Investment Division
Age: 65
Brossard, Quebec, Canada
Director Since: 1996
Not Independent
Public Board Interlocks: None

Peter Harrison is Manager, Oil and Gas Investments of the CN Investment Division (Montreal), which manages one of the largest corporate pension funds in Canada. Mr. Harrison has spent over 35 years analyzing business models and investing in public companies. Having managed multi-billion-dollar equity portfolios and voted proxies for many years, he brings a deep understanding of investor concerns to the Board. He has been a director of several public and private companies. He has a Bachelor of Commerce (Finance) degree from McGill University, an MBA from the University of Western Ontario, and is a Chartered Financial Analyst.

Board and Committees	2020 Meeting Attendance	Voting Results of 2020 Annual Meeting		
Board of Directors	10/11 (91%)	Votes For	68,913,346 (98.98%)	
		Votes Withheld	770,236 (1.11%)	
Compensation ¹		Director Share Ownership Guidelines		
Total compensation for 2020	\$48,813	Minimum 3 times annual cash retainer		
Total compensation for 2019	\$55,000	Meets Guideline: Yes		
Securities held as of March 22, 2021	Number	Total Value	Market Value	TSX Closing Price
Freehold Common Shares	27,000	\$233,861	\$199,800	\$7.40
Deferred Share Units ²	25,499	\$369,722	\$188,695	
Total Common Shares and Deferred Share Units	52,499	\$603,583	\$388,495	
Other Public Boards				
None				

(1) Mr. Harrison's fees are paid to CN Pension Trust Funds.

(2) Mr. Harrison is entitled to receive Deferred Share Units however since August 2009 he has waived this right due to his affiliation with the Manager and CN Pension Trust Funds.



J. Douglas Kay
Corporate Director
Age: 67
Calgary, Alberta, Canada
Director Since: 2016
Independent
Public Board Interlocks: None

Douglas Kay is a Corporate Director and an experienced oil and gas industry executive with strong land, finance, negotiating and leadership skills. He has over 40 years of diverse responsibilities with Canadian based oil and gas exploration and production companies. Mr. Kay holds a Bachelor of Economics degree from the University of Calgary, is a graduate of the Management Development Program of the University of Western Ontario and holds the designation of P. Land through the Canadian Association of Petroleum Landmen (CAPL). Mr. Kay holds the ICD.D designation from the Institute of Corporate Directors. He is a former director and Chair of the Explorers and Producers Association of Canada (EPAC).

Board and Committees	2020 Meeting Attendance	Voting Results of 2020 Annual Meeting		
Board of Directors	11/11 (100%)	Votes For	65,579,947 (94.11%)	
GNC Committee	9/9 (100%)	Votes Withheld	4,103,635 (5.89%)	
Reserves Committee	2/2 (100%)			
Compensation		Director Share Ownership Guidelines		
Total compensation for 2020	\$123,813	Minimum 3 times annual cash retainer		
Total compensation for 2019	\$130,000	Meets Guidelines: Yes		
Securities held as of March 22, 2021	Number	Total Value	Market Value	TSX Closing Price
Freehold Common Shares	10,000	\$94,750	\$74,000	\$7.40
Deferred Share Units	52,835	\$483,990	\$390,977	
Total Common Shares and Deferred Share Units	62,835	\$578,740	\$464,977	
Other Public Boards				
None				



Arthur N. Korpach
Corporate Director
Age: 63
Calgary, Alberta, Canada
Director Since: 2012
Independent
Public Board Interlocks: None

Arthur Korpach is a Corporate Director. He has four years of public company audit and 27 years of investment banking experience, with a focus on the energy sector. His experience includes providing advice on strategy, business plans, capital structure, credit strategy, financing, and mergers and acquisitions. Mr. Korpach is a Fellow Chartered Accountant and a Chartered Business Valuator. Mr. Korpach is Past Chair of the Accounting Standards Board of the Institute of Chartered Professional Accountants. He has a Bachelor of Commerce degree from the University of Saskatchewan and an MBA from Harvard Business School. Mr. Korpach holds the ICD.D designation from the Institute of Corporate Directors. He is also a past associate in the Creative Destruction Lab mentor program and a Jarislowsky Fellow, both at the Haskayne School of Business at the University of Calgary.

Board and Committees	2020 Meeting Attendance	Voting Results of 2020 Annual Meeting		
Board of Directors	11/11 (100%)	Votes For	65 536 269 (94.05%)	
Audit Committee (Chair)	4/4 (100%)	Votes Withheld	4,147,313 (5.95%)	
GNC Committee	9/9 (100%)			
Compensation	Director Share Ownership Guidelines			
Total compensation for 2020	\$138,813	Minimum 3 times annual cash retainer		
Total compensation for 2019	\$145,000	Meets Guidelines: Yes		
Securities held as of March 22, 2021	Number	Total Value	Market Value	TSX Closing Price
Freehold Common Shares	28,000	\$410,087	\$207,200	\$7.40
Deferred Share Units	71,549	\$787,931	\$529,465	
Total Common Shares and Deferred Share Units	99,549	\$1,198,019	\$736,665	
Other Public Boards				
Inter Pipeline Ltd. (Public – IPL:TSX) Director and Member of Audit, and Human Resources & Governance Committees				



Susan M. MacKenzie
 Corporate Director
 Age: 60
 Calgary, Alberta, Canada
 Director Since: 2014
 Independent
 Public Board Interlocks: None

Susan MacKenzie is a Corporate Director, independent consultant and former oil and gas industry executive with over 25 years of energy sector experience in operations and service support areas. She has a proven track record in the areas of governance, strategy development, organizational alignment, operational execution and project management, and she has demonstrated success in corporation-wide policy development and implementation. Ms. MacKenzie holds a Bachelor of Engineering (Mechanical) degree from McGill University and an MBA from the University of Calgary. She is a Life member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA). Ms. MacKenzie holds the ICD.D designation from the Institute of Corporate Directors.

Board and Committees	2020 Meeting Attendance	Voting Results of 2020 Annual Meeting		
Board of Directors	11/11 (100%)	Votes For	68,108,942 (97.74%)	
GNC Committee (Chair)	9/9 (100%)	Votes Withheld	1,574,640 (2.26%)	
Reserves Committee	2/2 (100%)			
Compensation		Director Share Ownership Guidelines		
Total compensation for 2020	\$133,813	Minimum 3 times annual cash retainer		
Total compensation for 2019	\$140,000	Meets Guidelines: Yes		
Securities held as of March 22, 2021	Number	Total Value	Market Value	TSX Closing Price
Freehold Common Shares	12,500	\$189,725	\$92,500	\$7.40
Deferred Share Units	62,761	\$636,413	\$464,428	
Total Common Shares and Deferred Share Units	75,261	\$826,138	\$556,928	
Other Public Boards				
Enerplus Corporation (Public – ERF:TSX, ERF: NYSE) – Director and Member of Corporate Governance & Nominating Committee (Chair), Compensation & Human Resources Committee (Chair), and Safety & Social Responsibility Committee				
MEG Energy (Public – MEG:TSX) – Director and Member of Compensation Committee and Health, Safety and Environment and Reserves Committee				
Precision Drilling Corporation (Public – PD:TSX, PDS: NYSE) – Director and Member of Corporate Governance, Nominating and Risk Committee (Chair) and the Human Resources and Compensation Committee				



Marvin F. Romanow
 Corporate Director
 Age: 65
 Calgary, Alberta, Canada
 Director Since: 2015
 Independent
 Public Board Interlocks: None

Marvin Romanow is a Corporate Director, Executive in Residence at the University of Saskatchewan, and a retired oil and gas industry executive with over 30 years of experience. Prior to his retirement, he was the President and Chief Executive Officer of Nexen Inc. He has a proven track record in the areas of operating, financial and strategic leadership. His executive roles provided direct engagement with shareholders and directors at two major public corporations over the past 20 years. Mr. Romanow is a graduate of Harvard's Program for Management Development and in October 2007 he completed INSEAD's Advance Management Programme. He has an MBA and a Bachelor of Engineering, with Great Distinction, from the University of Saskatchewan. Mr. Romanow holds the ICD.D designation from the Institute of Corporate Directors. He currently serves on the boards of SaskPower and Arnie Charbonneau Cancer Institute.

Board and Committees	2020 Meeting Attendance	Voting Results of 2020 Annual Meeting		
Board of Directors (Chair)	11/11 (100%)	Votes For	68,663,728 (98.54%)	
		Votes Withheld	1,019,854 (1.46%)	
Compensation		Director Share Ownership Guidelines		
Total compensation for 2020	\$173,813	Minimum 3 times annual cash retainer		
Total compensation for 2019	\$180,000	Meets Guidelines: Yes		
Securities held as of March 22, 2021	Number	Total Value	Market Value	TSX Closing Price
Freehold Common Shares	156,856	\$1,526,774	\$1,160,734	\$7.40
Deferred Share Units	83,867	\$791,236	\$620,617	
Total Common Shares and Deferred Share Units	240,723	\$2,318,010	\$1,781,351	
Other Public Boards				
None				



David M. Spyker
 President and Chief Executive Officer and Director,
 Rife Resources Ltd. and
 Freehold Royalties Ltd.
 Age: 57
 Calgary, Alberta, Canada
 Director Since: 2021
 Not Independent
 Public Board Interlocks: None

David Spyker was appointed President and Chief Executive Officer in January 2021. Mr. Spyker served as Freehold's Interim President and Chief Executive Officer from September 2020 to January 2021. Mr. Spyker joined Rife in November 2016 as Vice President, Production and was appointed Chief Operating Officer in March 2019. Prior thereto, he held various roles at Anderson Exploration Ltd., Anderson Energy Ltd., and Anderson Energy Inc. Mr. Spyker has over 30 years of industry experience. He holds a Bachelor of Science degree in Mechanical Engineering from the University of Alberta and is a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA).

Board and Committees	2020 Meeting Attendance ¹	Voting Results of 2020 Annual Meeting ¹		
Board of Directors	N/A	N/A		
Compensation ²	Director Share Ownership Guidelines ³			
Total compensation for 2020	N/A	N/A		
Total compensation for 2019	N/A			
Securities held as of March 22, 2021	Number	Total Value	Market Value	TSX Closing Price
Freehold Common Shares	61.850	\$484,656	\$457,690	\$7.40
Deferred Share Units ⁴	N/A			
Total Common Shares and Deferred Share Units	61,850	\$484,656	\$457,690	
Other Public Boards				
None				

- (1) Mr. Spyker was appointed to the Board in January 2021 and was not a nominee at the 2020 annual and special meeting of Shareholders.
- (2) Mr. Spyker receives no compensation for his role as a director. All compensation is related to his role as President and CEO.
- (3) As a member of management, Mr. Spyker is not required to meet the share ownership requirements applicable to Non-Management Directors. Mr. Spyker is subject to Executive Share Ownership Guidelines as described on page 49.
- (4) As a member of management, Mr. Spyker is not eligible to receive DSUs.



Aidan M. Walsh
 Corporate Director
 Age: 66
 Calgary, Alberta, Canada
 Director Since: 2013
 Independent
 Public Board Interlocks: None

Aidan Walsh is a Corporate Director. Prior to April 30, 2020 he was Chief Executive Officer of Baccalieu Energy Inc. (Calgary), a private junior oil and gas company that he co-founded in 2008. Mr. Walsh has over 43 years of oil and gas experience in production, marketing, transportation, acquisitions, finance, facility engineering, and construction. He is a proven negotiator and a strategic thinker with strong leadership and analytical skills. He has experience interacting with industry partners as well as regulators and federal and provincial government representatives on issues affecting the Canadian oil and gas industry. Mr. Walsh has a Bachelor of Engineering degree in Mechanical Engineering from Memorial University of Newfoundland and a Masters of Business Administration degree from the University of Calgary. He is a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA). Mr. Walsh holds the ICD.D designation from the Institute of Corporate Directors. He is a former director and Chair of the Explorers and Producers Association of Canada (EPAC).

Board and Committees	2020 Meeting Attendance	Voting Results of 2020 Annual Meeting		
Board of Directors	11/11 (100%)	Votes For	68,913,482 (98.89%)	
Audit Committee	4/4 (100%)	Votes Withheld	770,100 (1.11%)	
Reserves Committee (Chair)	2/2 (100%)			
Compensation		Director Share Ownership Guidelines		
Total compensation for 2020	\$131,313	Minimum 3 times annual cash retainer		
Total compensation for 2019	\$137,500	Meets Guidelines: Yes		
Securities held as of March 22, 2021	Number	Total Value	Market Value	TSX Closing Price
Freehold Common Shares	24,685	\$383,349	\$182,669	\$7.40
Deferred Share Units	66,829	\$709,830	\$494,531	
Total Common Shares and Deferred Share Units	91,514	\$1,093,179	\$677,200	
Other Public Boards				
None				

Corporate Cease Trade Orders or Bankruptcies

Except as described below, during the past ten years, none of the current directors and executive officers of Freehold is or has been a director, chief executive officer or chief financial officer of any company that: (i) was the subject of a cease trade order or similar order or an order that denied that company access to any exemption under securities legislation for a period of more than 30 consecutive days, while that person was acting in the capacity as director, chief executive officer or chief financial officer; and (ii) was the subject of a cease trade order or similar order or an order that denied that company access to any exemption under securities legislation for a period of more than 30 consecutive days, after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. None of the directors or executive officers of Freehold is as at the date of the Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Harrison was a director of Spyglass Resources Corp. ("**Spyglass**") and resigned on November 26, 2015. Spyglass was placed into receivership on November 26, 2015. On May 6, 2016 the Alberta Securities Commission issued a cease trade order in respect of the securities of Spyglass for failing to file annual financial statements. The securities regulatory authorities in certain other provinces in which Spyglass was a reporting issuer also issued cease trade orders in respect of the securities of Spyglass.

Mr. Harrison was a director of Delphi Energy Corp. ("**Delphi**") and resigned on September 23, 2019. On April 14, 2020, Delphi commenced proceedings under the *Companies' Creditors Arrangement Act*.

Personal Bankruptcies

During the past ten years, none of the proposed directors of Freehold has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

No proposed director has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body.

Director Share Ownership Guidelines

In order to align the directors' interests with those of our Shareholders, each Non-Management Director is required to hold equity interests in Freehold (Common Shares and/or DSUs) equal to a minimum of three times their annual cash retainer within five years from the date of adoption of the director share ownership requirements by Freehold (the director share ownership requirements were adopted on November 12, 2015). Any new Non-Management Directors will be expected to achieve this level within five years of their election to our Board. The value of Common Shares is based on the greater of the current market price of the Common Shares and the original purchase price for the Common Shares. The value of DSUs is based on the greater of the current market

price of the underlying Common Shares and the closing price of the underlying Common Shares on the trading day immediately prior to the date of grant.

The following table sets forth the number of Common Shares and DSUs held by each Non-Management Director, as at March 22, 2021.

Director Share Ownership

Name	Common Shares (#)	DSUs ¹ (#)	Total Number of Common Shares and DSUs Owned (#)	Market Value of Common Shares and DSUs Owned ² (\$)	Total Value of Common Shares and DSUs Owned ^{3,4} (\$)	Total Value of Share Ownership Required ⁵ (\$)	Meets Share Ownership Requirements
Gary R. Bugeaud	25,829	58,876	84,705	626,814	901,712	165,000	Yes
Peter T. Harrison	27,000	25,499	52,499	388,495	603,583	165,000	Yes
J. Douglas Kay	10,000	52,835	62,835	464,977	578,740	165,000	Yes
Arthur N. Korpach	28,000	71,549	99,549	736,665	1,198,019	165,000	Yes
Susan M. MacKenzie	12,500	62,761	75,261	556,928	826,138	165,000	Yes
Marvin F. Romanow	156,856	83,867	240,723	1,781,351	2,318,010	210,000	Yes
Aidan M. Walsh	24,685	66,829	91,514	677,200	1,093,179	165,000	Yes

(1) All DSUs vest immediately upon grant but cannot be redeemed until the director ceases to be a director of Freehold.

(2) Market value has been determined by multiplying the number of Common Shares and DSUs by the closing price of the Common Shares on the TSX on March 22, 2021 of \$7.40.

(3) Total value of Common Shares has been determined by multiplying the number of Common Shares by the greater of the current market price of the Common Shares (based on the closing price on the TSX on March 22, 2021 of \$7.40) or the original purchase price for the Common Shares.

(4) Total Value of DSUs has been determined by multiplying the number of Common Shares underlying the DSUs by the greater of the current market price of the Common Shares (based on the closing price TSX on March 22, 2021 of \$7.40) or the original price for the Common Shares at the time the grants were made (values are adjusted for dividends since the date of grant).

(5) Based on annual cash retainer effective January 1, 2021.

Board of Directors' Compensation

Discussion of Director Compensation

The Board has determined that the directors should be compensated in a form and amount that attracts and retains the services of highly qualified individuals, is competitive with comparable peers and appropriate having regard to such matters as time commitment, responsibility and trends in director compensation. The GNC Committee is responsible for periodically reviewing and recommending to the Board for approval the remuneration of the directors (including remuneration for chairing or serving on a committee of the Board); the terms and awards of equity compensation for directors; and any other arrangements pursuant to which monies or other compensation are payable to a director.

In 2020, the compensation for Non-Management Directors consisted of cash retainer, and grants of DSUs under the DSU Plan. Non-Management Directors do not receive any option-based awards. Non-Management Directors are not entitled to receive grants of Performance Awards or Restricted Awards under the Freehold Award Plan. Directors who are employees of the Manager do not receive additional compensation for Board service.

In December 2020, the Board approved certain amendments to the DSU Plan to permit Non-Management Directors to elect to receive all or a portion of their annual cash remuneration in the form of DSUs. Non-Management Directors must make the election to receive DSUs instead of their cash remuneration by no later than December 1 in the preceding year and cannot change the election or opt-out at any time during the year. In

addition, the Board approved an amendment to allow Freehold to make a lump-sum cash payment in lieu of issuing Common Shares on redemption of DSUs at the election of the Board with the lump-sum cash payment equal to the number of DSUs redeemed multiplied by the closing price for a Common Share on the TSX on the trading day immediately prior to the redemption date. For additional information about the DSU Plan, see Appendix B.

Cash Fees and Retainers

The following table sets forth the Board and Committee retainer fee schedule for Non-Management Directors for 2020. With the emergence of COVID-19 and subsequent oil price decline, the director retainer was temporary reduced by 15% effective April 1, 2020. This full director retainer was reinstated January 1, 2021.

Director Retainers

Type of Retainer or Fee ¹	January 1, 2020 \$	April 1, 2020 \$	January 1, 2021 \$
Non-Management Director Retainer	55,000	46,750	55,000
Additional Board or Committee Chair Retainers:			
Board Chair	15,000	15,000	15,000
Audit Committee Chair	15,000	15,000	15,000
GNC Committee Chair	10,000	10,000	10,000
Reserves Committee Chair	7,500	7,500	7,500
Annual DSU Award – Board Chair	110,000	110,000	110,000
Annual DSU Award – Non-Management Director	75,000	75,000	75,000

(1) Directors are also reimbursed for out-of-pocket expenses to attend meetings.

Summary Director Compensation

The following table sets forth the aggregate compensation paid to each Non-Management Director during 2020.

Summary of Director Compensation

Name	Fees Earned (\$)	Share-based awards ¹ (\$)	Option-based awards (\$)	Non-equity incentive compensation plans (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Gary R. Bugeaud	48,813	75,000	-	-	-	-	123,813
Peter T. Harrison ²	48,813	-	-	-	-	-	48,813
J. Douglas Kay	48,813	75,000	-	-	-	-	123,813
Arthur N. Korpach	63,813	75,000	-	-	-	-	138,813
Susan M. MacKenzie	58,813	75,000	-	-	-	-	133,813
Marvin F. Romanow	63,813	110,000	-	-	-	-	173,813
Aidan M. Walsh	56,313	75,000	-	-	-	-	131,313
Total	389,191	485,000					874,191

- (1) This is a grant in dollars that is converted to DSUs based on the closing price per Common Share on the TSX on the trading day immediately prior to the date of the grant. This methodology for calculating the fair value of the DSU awards on the grant date is consistent with the initial fair value determined in accordance with IFRS 2.
- (2) Mr. Harrison's director's fees are paid to the CN Pension Trust Funds. Mr. Harrison is eligible to receive DSUs; however, he has waived this right due to his affiliation with the Manager and the CN Pension Trust Funds.

The following table sets forth the outstanding DSUs held by each Non-Management Director as at December 31, 2020. The directors do not receive or currently hold any option-based awards.

Share Based Awards

Name	Number of shares or units of shares ¹ (#)	Market or payout value of vested share-based awards not paid out or distributed ^{1, 2} (\$)
Gary R. Bugeaud	43,998	229,230
Peter T. Harrison ³	25,270	131,657
J. Douglas Kay	38,011	198,037
Arthur N. Korpach	56,558	294,667
Susan M. MacKenzie	47,848	249,288
Marvin F. Romanow	62,068	323,374
Aidan M. Walsh	51,879	270,290

- (1) All DSUs vest immediately upon grant but cannot be redeemed until the director ceases to be a director of Freehold.
- (2) Calculated using the December 31, 2020 Common Share closing price on the TSX of \$5.21.
- (3) Mr. Harrison's director's fees are paid to CN Pension Trust Funds. Mr. Harrison received the DSUs set forth above prior to August 2009. Following such date, he has waived his right to receive DSUs due to his affiliation with the Manager and the CN Pension Trust Funds.

The following table sets forth the value of DSUs that vested during the year ended December 31, 2020. Non-Management Directors do not receive any option-based awards.

Value Vested or Earned

Name	Share-based awards
	Value vested during the year ^{1, 2} (\$)
Gary R. Bugeaud	88,345
Peter T. Harrison ³	7,973
J. Douglas Kay	86,456
Arthur N. Korpach	92,308
Susan M. MacKenzie	89,560
Marvin F. Romanow	128,796
Aidan M. Walsh	90,832

(1) All DSUs vest immediately upon grant but cannot be redeemed until the director ceases to be director of Freehold.

(2) Calculated based on (i) the number of DSUs granted multiplied by the closing price per Common Share on the TSX on the trading day immediately prior to the date of the grant; plus (ii) the number of additional DSUs credited to a director upon the payment of dividends on the Common Shares for all DSUs held by such directors multiplied by the closing price per Common Share on the TSX on the trading day immediately prior to the date such additional DSUs are credited.

(3) Represents the value of additional DSUs credited to Mr. Harrison upon the payment of dividends for DSUs granted to Mr. Harrison prior to August 2009. Following such date, he has waived his right to receive DSUs due to his affiliation with the Manager and the CN Pension Trust Funds.

Corporate Governance

NI 58-101 sets out requirements for corporate governance disclosure in management information circulars. The following information outlines Freehold's corporate governance practices within the context of NI 58-101.

Board of Directors

It is a term of the Governance Agreement that the Manager presently has the right to nominate for election two individuals as directors of Freehold. See "*Governance Agreement*" on page 11.

The majority of proposed directors (75%) is independent. The Board has determined that six of the eight proposed directors are independent within the meaning of NI 58-101 as they are not officers or employees of Freehold, Rife or the Manager and they do not have any other direct or indirect material relationship with Freehold which could be reasonably expected to interfere with such directors' exercise of independent judgment. The six proposed independent directors are: Gary R. Bugeaud, J. Douglas Kay, Arthur N. Korpach, Susan M. MacKenzie, Marvin F. Romanow, and Aidan M. Walsh.

David M. Spyker is not considered independent because he is an officer of Freehold and of the Manager. Peter T. Harrison is not considered independent because of his relationship with the Manager and the CN Pension Trust Funds.

For more information about each of the proposed directors, see the nominee profiles beginning on page 18.

Public Company Board Interlocks

A board "interlock" occurs when two or more of our directors are on the board of another public company. The Board's mandate does not specifically prohibit interlocking board positions. The Board prefers to examine each situation on its own merits with a view to examine material relationships which may affect independence. There were no interlocking public company board memberships among our directors as at March 22, 2021.

Board Directorship Guidelines

To ensure that all directors have sufficient time to commit to the Board, Freehold has adopted guidelines such that should a director wish to serve on the board of directors of another entity, that director must obtain prior approval before committing to do so. The Chair of the Board and the Chair of the GNC Committee, or as appropriate the GNC Committee as a whole, review any requests of Board members who wish to serve on other boards. At the present time, Freehold believes all of the nominees for election to the Board have demonstrated and continue to demonstrate that they have sufficient time to commit to their duties as Freehold directors.

Mandates and Board Committees

The Board carries out its mandate directly and through three standing committees of the Board (Audit Committee, GNC Committee and Reserves Committee), and such other committees as it appoints from time to time. Each committee functions according to a written mandate approved by the Board. The Board Mandate is attached to this Information Circular as Appendix A, and reports summarizing the mandates and activities of the Committees begin on page 38. In addition, the Board Mandate and the mandates of each of the Audit Committee, GNC Committee and Reserves Committee are available on Freehold's website.

Chair of the Board

The Chair reports to the Board and to the Shareholders and provides leadership to the Board in matters relating to the effective execution of all Board responsibilities. The Chair is required to be an independent director. The current Chair of the Board, Marvin F. Romanow, has been determined by the Board to be independent.

In-Camera Sessions

The independent directors meet without non-independent directors and members of management present at each regularly scheduled Board and committee meeting.

Committee Composition

There are three committees of the Board, all of which are comprised entirely of independent directors. The following table outlines the composition of the Board committees as at March 22, 2021.

Committee Members

Director	Year Appointed	Independent	Audit Committee	GNC Committee	Reserves Committee
Gary R. Bugeaud	2015	Yes	•	•	
Peter T. Harrison ¹	1996	No			
J. Douglas Kay	2016	Yes		•	•
Arthur N. Korpach	2012	Yes	Chair	•	
Susan M. MacKenzie	2014	Yes		Chair	•
Marvin F. Romanow ²	2015	Yes			
David M. Spyker ³	2021	No			
Aidan M. Walsh	2013	Yes	•		Chair

(1) Mr. Harrison is not considered independent by virtue of his relationship with the Manager and the CN Pension Trust Funds.

(2) Mr. Romanow is the Board Chair.

(3) Mr. Spyker is not considered independent as he is an officer of Freehold and of the Manager.

Board Meeting Attendance

The following table summarizes the meetings of the Board and its standing committees held during the year ended December 31, 2020, and the attendance of individual directors at such meetings.

Board Attendance

Director	Board of Directors	Audit Committee	GNC Committee ¹	Reserves Committee	Total
Gary R. Bugeaud	11 of 11	4 of 4	9 of 9	-	24 of 24 (100%)
Peter T. Harrison	10 of 11	-	-	-	10 of 11 (91%)
J. Douglas Kay	11 of 11	-	9 of 9	2 of 2	22 of 22 (100%)
Arthur N. Korpach	11 of 11	4 of 4	9 of 9	-	24 of 24 (100%)
Susan M. MacKenzie	11 of 11	-	9 of 9	2 of 2	22 of 22 (100%)
Thomas J. Mullane ²	7 of 7	-	-	-	7 of 7 (100%)
Marvin F. Romanow	11 of 11	-	-	-	11 of 11 (100%)
Aidan M. Walsh	11 of 11	4 of 4	-	2 of 2	17 of 17 (100%)

(1) The GNC Committee held five joint meetings with the Rife Compensation Committee in 2020.

(2) Mr. Mullane resigned as a director effective September 8, 2020.

Position Descriptions

The Board has approved position descriptions for the Chair of the Board and the Chair of each Board Committee, as well as for the CEO. These position descriptions are provided on Freehold's website.

Orientation and Continuing Education

The Board is committed to ensuring that directors have the requisite skills, knowledge, and understanding to fulfill their duties as directors. The directors' resource center contains Board and committee mandates, position descriptions, policies, and other information and is provided to new directors, who are expected to review and become familiar with its contents. In addition, management conducts orientation sessions with new directors to review Freehold's business, current issues and opportunities.

Management provides directors with regular opportunities to increase their knowledge and understanding of Freehold's business. Pre-reading materials are provided in quarterly Board packages sent to directors in advance of regularly scheduled Board meetings. Briefings on strategic issues are conducted at an annual strategy session and at regularly scheduled quarterly Board meetings, and typically include reviews of the competitive environment and Freehold's performance relative to its peers. From time to time, management brings in industry experts to brief directors on activity and trends in the oil and gas sector including mergers and acquisitions, financings, and market activity. Information on any other developments that could materially affect Freehold's business is provided as developments occur. In addition, the Board is briefed regularly on governance developments and emerging best practices in governance.

All of our directors regularly engage in a variety of continuing education activities, including industry conferences and seminars. All members of the Freehold Board are members of the Institute of Corporate Directors (ICD). Six directors, namely Mr. Bugeaud, Mr. Kay, Mr. Korpach, Ms. MacKenzie, Mr. Romanow, and Mr. Walsh have completed the ICD Directors Education Program and each holds the ICD.D designation. The Chair of the Board works with the Board and senior management to raise continuing education topics for discussion. In 2020, directors received several presentations and updates on a broad range of topics. In addition to education opportunities undertaken by Freehold's directors individually, the following table lists education topics provided by Freehold to its directors in 2020.

Director Education Provided in 2020

Date	Topic	Presented by	Attended by
March 2020	Regulatory/Compliance Update	Burnet, Duckworth & Palmer LLP	GNC Committee
March 2020	North Dakota Bakken	Management	All Directors
March 2020	Commodity Price Update	RBC Capital Markets	All Directors
May 2020	Regulatory/Compliance Update	Burnet, Duckworth & Palmer LLP	All Directors
August 2020	Commodity Price Update	RBC Capital Markets	All Directors
August 2020	Regulatory/Compliance Update and D&O Liabilities	Burnet, Duckworth & Palmer LLP	GNC Committee
November 2020	Regulatory/Compliance Update	Burnet, Duckworth & Palmer LLP	GNC Committee
November 2020	COVID-19 Update	Dr. Lynora Saxinger, University of Alberta	All Directors

Board, Committee and Member Performance Assessment

The GNC Committee is responsible for ensuring the effectiveness of the Board, the committees of the Board and individual Board members through a yearly self-assessment and inquiry process. A key component of the process is a five part questionnaire that each member of the Board completes. The first four sections ask the directors to evaluate the Board and where appropriate the committees and committee Chairs, with regards to Board responsibility, operations and effectiveness. The questionnaire provides qualitative rankings for key questions as well as seeking subjective content and suggestions for improvements in all areas. In the final section, the directors

perform a self-assessment of their work on the Board and its committees. The data are compiled, reviewed by the Chair of GNC Committee, and presented in summary form to the GNC Committee for discussion and follow-up with the full Board.

Following this review, the Chair of the Board meets with all directors to engage in a full and candid two-way discussion on any issues that either wants to raise. Also during this meeting, the director provides a peer review on each of the other directors. In these discussions, an emphasis is placed on maximizing the contribution of each director to the Board and continually improving the effectiveness of the Board as a whole.

Further to the Board and individual assessment process is the review of the "Skills Matrix" (see "*Board Skills and Competencies*" on page 32) outlining the experience and background of the member of the Board in a variety of key subject areas.

Ethical Business Conduct

The Board has adopted a written Code of Business Conduct and Conflict of Interest Policy and a Whistleblower Policy. A copy of the Code has been filed on SEDAR and copies of both policies are available on Freehold's website.

The Board and management monitor compliance with the Code. The Board must approve any waivers and ensure disclosure of any waivers, if required. All directors and officers, as well as the employees of the Manager in their capacity as the management of Freehold are required to annually confirm compliance with the Code and are encouraged to report violations of the Code in accordance with Freehold's Whistleblower Policy. Reports made to Freehold are dealt with expeditiously, thoroughly investigated and remedied as appropriate.

In accordance with the ABCA, directors who are a party to, or are a director or an officer of a person which is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party.

The Board has also implemented a related party transaction policy that sets out a specific process for consideration and Board approval of potential acquisitions, dispositions, joint ventures, farm-in arrangements and transactions of a similar nature that are outside the ordinary course of business and involve Freehold and Rife and/or Canpar. The policy provides for negotiation of the terms of any Related Party Transaction by representatives of Freehold who do not have a material interest in such transaction. In addition, the policy requires that any such Related Party Transaction must be approved by members of the Board who do not have a material interest in such transaction.

Freehold also has a Disclosure Policy and an Insider Trading Policy that are in place to ensure that:

- Freehold has consistent standards and procedures for communication of both material and non-material information.
- Communication of material information to the investing public (whether positive or negative) is timely, factual and accurate, and is broadly disseminated in a non-selective manner in accordance with applicable legal and regulatory guidelines.
- The directors and officers, and the employees of Freehold and the Manager have guidelines regarding trading in securities of Freehold.
- Mandatory blackout periods are put in place when personnel of Freehold or the Manager may be in possession of potentially undisclosed material information relating to Freehold.

The Insider Trading Policy also prohibits executive officers or directors of Freehold from buying or selling financial instruments that are designed to hedge or offset a decrease in market value of the Common Shares or other securities of Freehold held, directly or indirectly, by such executive officers or directors.

Nomination of Directors

Subject to the Governance Agreement, the GNC Committee (composed entirely of independent directors) is responsible for proposing nominees, other than nominees of the Manager, for election to the Board as well as reviewing the effectiveness of the Board, its committees and its individual members. Other than the nominees of the Manager, the individuals to be nominated annually are selected by the directors of Freehold based on the recommendation of the GNC Committee (see "*Director Term Limits and other Mechanisms for Board Renewal*" on page 31). A majority of the directors are to be independent, within the meaning of NI 58-101.

Director and Executive Compensation

The GNC Committee is responsible for periodically reviewing and recommending to the Board for approval the compensation of the Non-Management Directors (including compensation for chairing or serving on a committee of the Board) the terms and awards of equity compensation for directors, and any other arrangements for which monies are payable to a director or a party related to a director.

The GNC Committee is responsible for periodically reviewing and recommending to the Board for approval Freehold's annual commitment and funding contribution to Rife's incentive compensation programs for employees of Rife as well as recommendations on the granting of long-term incentive awards under the Freehold Award Plan. The GNC Committee reviews Rife's stated compensation philosophy periodically to ensure that management is rewarded appropriately and that Rife's executive compensation program is related to Freehold's corporate performance and returns, as well as the performance of the individual executives.

In addition, pursuant to the terms of the Management Agreement, the GNC Committee collaborates with Rife in the development of all policies and programs relating to the review and approval of compensation for the employees of the Manager and Rife that work on the business of Freehold, including Freehold's executives.

Director Term Limits and other Mechanisms for Board Renewal

The Board has adopted a Diversity and Renewal Policy, which includes mechanisms for insuring Board renewal. As part of the Board's renewal process under the Diversity and Renewal Policy and according to the mandate of the GNC Committee, the GNC Committee annually reviews the skills and experience of the current directors of Freehold to assess whether the Board's skills and experience support achievement of Freehold's business objectives. The GNC Committee evaluates both the skills and experience of the individual Board members and the Board as a whole. The GNC Committee has determined that the Board, as a whole, possesses appropriate skills and experience in all key areas.

The director skills matrix below provides a listing of skills and competencies that the Board has determined are important to Freehold's continuing success and which of those skills and competencies each Board nominee possesses.

Board Skills and Competencies

Competencies	Directors							
	Bugeaud	Harrison	Kay	Korpach	MacKenzie	Romanow	Spyker	Walsh
Corporate Governance Deep understanding of good corporate governance through experience as senior officer or board member of a public company	•	•	•	•	•	•	•	•
Environment, Social & Governance (ESG) Experience or oversight related to workplace health, safety and environmental regulations, stakeholder relations, social responsibility, corporate culture and governance	•	•	•	•	•	•	•	•
Executive Leadership Experience as an executive officer of a business organization	•	•	•	•	•	•	•	•
Financial Acumen Experience in corporate financial matters, financial accounting and reporting, and internal financial controls	•	•	•	•	•	•	•	•
Human Capital Management A thorough understanding of succession planning, talent development and retention, and compensation programs, including executive compensation	•	•	•	•	•	•	•	•
Legal and Regulatory Experience or background in legal or regulatory matters relating to public companies	•		•		•	•	•	•
Managing/Leading Growth Experience in planning and executing on value creation opportunities, and demonstrated knowledge in developing long-term corporate business strategies	•	•	•	•	•	•	•	•
M&A/Capital Markets Experience in capital markets transactions, financing, mergers & acquisitions, and securities regulations	•	•	•	•	•	•	•	•
Oil and Gas Operations Management or executive experience in planning and managing oil and gas projects, with a professional designation in engineering, land, geology or geophysics			•		•	•	•	•
Risk Management Executive oversight of, or experience in, evaluating and managing the variety of risks faced by a public company	•		•	•	•	•	•	•
Strategy Development Experience in driving strategic insight and direction, encouraging innovation and conceptualizing key trends to challenge the organization	•	•	•	•	•	•	•	•
US Business Experience or background in US business; understanding different political, cultural or regulatory environments			•	•	•	•	•	•

The GNC reviews the matrix annually to ensure there is an appropriate mix of skills on the current Board and utilizes it as a guide for future Board member appointments.

In addition to considering the skills and experience of the Board, the GNC Committee also assesses the knowledge and character of all nominees to the Board and other factors such as independence of the directors to ensure that the Board is operating effectively and independently of management. The GNC Committee is also required to conduct an annual review to ensure that there are no conflicts of interest or performance concerns with respect to nominees who serve on multiple boards.

The Board has not set a limit on the number of annual terms that its directors may stand for re-election. While term limits ensure fresh viewpoints on the Board, they may cause a company to lose the valuable contributions of those directors who best understand the business of the company and the challenges it faces. The Board has established retirement guidelines for directors whereby, upon reaching the age 72, directors shall submit their resignation to the Board. On a case by case basis, the Board may determine that a director may serve beyond age 72. In addition, pursuant to the Diversity and Renewal Policy, the GNC Committee considers both the term of service, the average term of the Board as a whole and turnover of directors over the prior years when proposing nominees for election of the directors of Freehold.

The Board's commitment to renewal has been demonstrated in the past several years. Since 2012, seven directors have retired from the Board and six independent directors have been added such that average tenure of the independent directors of the Board is currently just under seven years. This process has been proactively managed by the GNC Committee to ensure that the new directors have skills and competencies that complement those of the existing Board members and enable achievement of Freehold's strategic initiatives.

Representation of Women on the Board

The Board recognizes the benefits of diversity within the Board and the Board encourages the consideration of women who have the necessary skills, knowledge, experience and character when considering new potential candidates for the Board. The main principle of the Diversity and Renewal Policy as adopted by the Board is that Board nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board and management at the time. Freehold believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide leadership needed to achieve our business objectives, without reference to their gender, race, ethnicity or religion, is in the best interests of Freehold and all of its stakeholders. The Board has not imposed any quotas or targets regarding the representation of women on the Board.

The Board recognizes the benefits of diversity within the Board and encourages the consideration of women who have the necessary skills, knowledge, experience and character for nomination to the Board. The GNC Committee is authorized under its charter to retain experts to assist in "board searches" for qualified candidates. To the extent that the GNC Committee retains experts to assist in "board searches" for qualified candidates in the future it will provide direction to such experts to endeavor to bring forward women candidates for consideration as nominees to the Board.

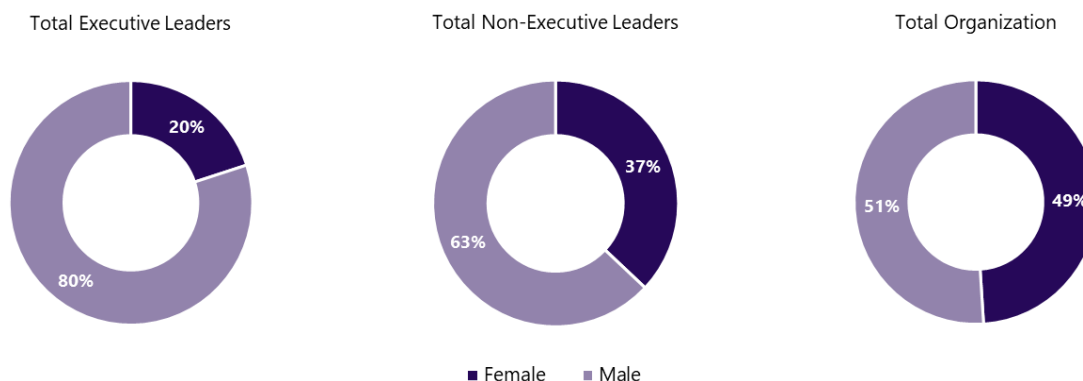
To ensure the effectiveness of the Diversity and Renewal Policy, the GNC Committee reviews the number of women considered or brought forward as potential nominees for Board positions when the Board is looking to add additional members or replace existing members. It considers the skills, knowledge, experience and character of any such women candidates relative to other candidates to ensure that women candidates are being fairly considered relative to other candidates. The GNC Committee also reviews the number of women actually appointed and serving on our Board to evaluate whether it is desirable to adopt additional requirements or policies

with respect to the diversity of the Board. In 2016, when the Board last conducted a search for qualified candidates for nomination to the Board, the GNC Committee expressly and successfully sourced and identified qualified women for consideration as candidates.

There is presently one woman serving on the Board which represents approximately 12.5% of directors on the Board and 16.7% of the independent directors on the Board.

Representation of Women in Executive Officer Positions

The GNC Committee, as part of its collaborative efforts with Rife, reviews and discusses the representation of women within Rife's employee group annually at the joint meeting of the GNC Committee and the Rife Compensation Committee. As Freehold is managed by the Manager pursuant to the terms of the Management Agreement, all executive officers of Freehold are employees of Rife and therefore Freehold has not implemented any policies with respect to the consideration of representation of women in executive officer appointments. For the same reason, no quotas or targets have been imposed with respect to women representation in executive officer positions. The chart below shows Rife's gender diversity as at March 1, 2021.



Talent Management and Succession Planning

Succession and development of talent are important initiatives at Rife and Freehold. Formal succession planning includes:

- **Identifying Key Roles and Timelines:** Identify key roles that are critical to the current and/or future success of Rife and Freehold as well as identifying potential succession timelines and emergency short term coverage planning.
- **Talent Assessment and Identification:** For all key roles, identify those in the organization who are potential succession candidates through an internal talent assessment. Included in the process is a competency assessment, a review of expected timeline of readiness and internal diversity demographics.
- **Developing Succession Candidates:** Actively develop and execute development plans for potential succession candidates.

This process and its progress are reviewed bi-annually at the joint meetings of the GNC Committee and the Rife Compensation Committee.

Strategic Planning Oversight

The Board oversees the development and execution of a longer-range strategic plan and a shorter range business plan for Freehold's business which are designed to achieve Freehold's principal objectives and identify the principal strategic and operational opportunities and risks of Freehold's business. To assist the Board in meeting this responsibility, the agenda for every regularly scheduled Board meeting includes a discussion of the progress of the strategy and business plan and quarterly results where management provides a review of business development, exploration, financial forecasts, human resources and emerging trends and opportunities. In addition, the Board holds a Strategic Planning Session annually where Board members and management discuss and approve the strategic objectives of the organization in detail.

Risk Management Oversight

The Board is responsible for overseeing the management of principal risks of the business and to ensure that all reasonable steps are taken to ensure the implementation of appropriate systems and procedures to identify, assess and manage such risks. The business risks are reviewed at least annually with the Board at the Strategic Planning Session. In addition, each of the Audit, GNC, and Reserves Committees are tasked with regularly reviewing areas of risk with respect to their specific mandates and as appropriate, Freehold as a whole.

Evaluation of the Manager

The GNC Committee is responsible for assessing the performance of the Manager through a yearly assessment process. A key component of the process is a questionnaire that is completed by our independent directors. The data are compiled, reviewed by the Chair of the GNC Committee, and presented in summary form to the GNC Committee for discussion and follow-up with the full Board and the Manager as required.

Environmental, Social and Governance Matters

Our Approach to Environmental, Social and Governance Matters

Environmental, social and governance (ESG) matters are important to Freehold. We incorporate ESG best practices in how we engage with our stakeholders.

In 2019, we published our first ESG report, highlighting our approach and commitment to ESG matters including the nine risks outlined in the table below that were identified as most relevant to us and our stakeholders at the time. We are proud of the work that we have done incorporating ESG into our business and sharing our results and vision with our Shareholders and stakeholders. The work we have done to date has been well received, scoring top decile results for our industry sector. We will continue to advance our work and share an updated ESG Report in 2021.

Environment	Social	Governance
• Relationships with royalty payors • Hydraulic well fracturing • Greenhouse gas emissions/climate change • End-of-asset-life issues	• Employee and contractor safety • Diverse and engaged workforce	• Ethics • Relationship with Rife • Financial stability of royalty payors

The GNC Committee is responsible for overseeing our ESG matters and ESG performance is incorporated into our STIP scorecard. Freehold's 2019 ESG report can be found on Freehold's website at www.freeholdroyalties.com but is not to be considered part of this Information Circular.

In addition to our ESG report, this Information Circular outlines our governance practices and the section below describes the other key elements of our ESG initiatives.

Shareholder Engagement

Freehold carries out its Shareholder engagement activities through a variety of methods. In addition to its annual Shareholder meeting, Freehold participates in numerous investor conferences and one-on-one meetings. Freehold communicates its quarterly results via interactive dial-in conference calls.

In 2020, Freehold successfully adopted a virtual format for the annual Shareholder meeting, and participated virtually in investor conferences, investor meetings, and stakeholder meetings. This evolution was very effective and enabled continued active Shareholder dialogue, despite the COVID-19 pandemic related constraints that limited traditional in-person Shareholder engagement.

Freehold also holds a bi-annual Investor Day, which allows management to highlight the value associated with Freehold's assets to our Shareholders. Due to COVID-19 the 2020 investor day was cancelled. Shareholders are encouraged to contact Freehold's Investor Relations department to share their views and comments. Freehold believes that increased stakeholder and Shareholder engagement provides the Company with valuable insight into what stakeholders and Shareholders are thinking and what is important to them. As part of its long-established objective of open communication, the Board invites stakeholders and Shareholders alike to engage with representatives of the Company by mail, Suite 1000, 517 – 10th Avenue S.W., Calgary, Alberta T2R 0A8, by telephone at 1-888-257-1873, or by email investorrelations@freeholdroyalties.com.

During 2020, Freehold representatives communicated with more than 100 current and prospective Shareholders, representing approximately 70% of Freehold's issued and outstanding Common Shares.

Environmental Commitment

In 2020, we reduced our environmental footprint via the disposition of a significant portion of our working interest assets. For 2021 we intend to continue to proactively reduce our end-of-asset-life obligations, focusing on lease reclamation activities with the goal of returning lands that were disturbed during oil and gas operations, replicating pre-disturbed state.

A key element of our environmental commitment will be to strive to quantify, and report greenhouse gas emissions not only related to the direct emissions from our remaining minor working interest assets, but also for the indirect emissions from our predominantly royalty focused portfolio. The royalty focused nature of our portfolio results in indirect greenhouse emissions, but no associated end-of asset-life environmental liability. It is our goal to publish this information in our 2021 ESG Report.

Workplace Safety

Our commitment to the safety and well-being of our workforce extends beyond the traditional elements of field safety in oil and gas operations. As predominantly a royalty owner, the royalty payors are responsible for the safety, well-being, and fair treatment of their employees. For our minor working interest properties, Rife provides contract operating services and they have developed core competencies and programs that meet our expectations for providing capable and responsible operating services.

Freehold, in conjunction with our Manager, is committed to providing a healthy working environment that promotes safety in sharing diversity of ideas and thought, providing a safe and effective work environment to continuously build and optimize our business while working within the highest standards of safety protocols, and recognizing the importance of both physical and mental health, supporting our workforce as they adapt to the changes that the pandemic has brought both inside and outside the workplace.

High Performance Culture

Freehold promotes and embraces a high-performance culture in which a diverse, engaged, and idea rich workforce collaboratively contributes to the development and execution of our business strategies. We will continue to advance our employee engagement and diversity initiatives. In March 2020, the appointment of Lisa Farstad to Vice President, Corporate Services strengthened the leadership and diversity within the Executive team.

Community Engagement

In 2020 we donated \$100,000 to support organizations that address the needs of families in the communities in which we do business. Our efforts were focused on helping those struggling through the rapid disruptions to lives and livelihoods brought about by the COVID-19 pandemic.

Our long-standing partnerships with philanthropic organizations and support for local programs are an essential component of engaging and giving back to our local communities.

Board Committees

Audit Committee

Members: Arthur N. Korpach (Chair), Gary R. Bugeaud, Aidan M. Walsh – 100% independent. All members have been determined to be financially literate by the Board.

Mandate: Assists the Board with the oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements, and recommends for Board approval the audited annual financial statements, interim financial statements and other mandatory disclosure containing financial information. The full mandate of the Audit Committee is available on Freehold's website.

Key Activities for 2020:

- Met separately with management and the external auditor to review the quarterly and the annual consolidated financial statements and associated management's discussion and analysis and made recommendations to the Board;
- Reviewed independence, qualifications and performance of the external auditor;
- Recommended the appointment of the external auditor;
- Reviewed significant accounting principles and disclosure in accordance with International Financial Reporting Standards;
- Reviewed internal controls over financial reporting, disclosure controls and procedures, and the CEO/CFO certification process for interim and annual financial statements;
- Reviewed financial risk management policies, strategies and practices including Cyber security and disaster recovery;
- Reviewed and approved the annual external auditor's plan and reviewed quarterly and annual reports;
- Approved or pre-approved all audit and non-audit services provided by the external auditor;
- Reviewed compliance and internal audit programs and received updates;
- Considered matters relating to the credit facility renewal;
- Reviewed and recommended to the Board Freehold's directors' and officers' liability insurance coverage;
- Reviewed Freehold's business and cyber insurance; and
- Reviewed and reported to the Board on procedures in place for reporting and certification under the *Extractive Sector Transparency Measures Act* (ESTMA).

Reserves Committee

Members: Aidan M. Walsh (Chair), J. Douglas Kay, Susan M. MacKenzie – 100% independent.

Mandate: Assists the Board in discharging its responsibilities with respect to reporting on oil and natural gas activities, including ensuring compliance with NI 51-101. The full mandate of the Reserves Committee is available on Freehold's website.

Key Activities for 2020:

- Reviewed qualifications and performance of the independent reserves evaluators;
- Recommended to the Board the appointment of the independent reserves evaluators and approval of related costs;
- Reviewed management's assessment of the work of the independent reserves evaluators;
- Reviewed the disclosure of reserves and resources information;
- Met separately with management and the independent reserves evaluators; and
- Made recommendations to the Board regarding approval of year-end reserves evaluations.

Governance, Nominating and Compensation Committee

Members: Susan M. MacKenzie (Chair), Gary R. Bugeaud, J. Douglas Kay, Arthur N. Korpach – 100% independent. See director nominee profiles starting on page 18 for details of the relevant education and experience that qualify each member of the GNC Committee to make decisions on the suitability of Freehold's compensation policies and practices.

Mandate: Assists the Board in the development and monitoring of Freehold's approach to corporate governance; the nomination of directors for appointment to the Board; recommends compensation paid to directors; reviews compensation of the Manager; reviews compensation paid to the CEO, executive officers and employees and makes recommendations on executive officer compensation to the Manager; reviews short-term incentive awards; and reviews and recommends to the Board grants of long-term incentive awards under the Freehold Award Plan. The full mandate of the GNC Committee is available on Freehold's website.

Key Activities for 2020 – Governance and Nominating:

- Reviewed and discussed Freehold's governance practices and disclosure;
- Evaluated the Manager, director and Board performance;
- Assessed and made recommendations on Board and committee size, composition and expertise;
- Recommended nominees for re-election to the Board;
- Reviewed emergent and best practices in corporate governance; and
- Reviewed and assessed progress on Freehold's ESG approach, plans and disclosure.

Key Activities for 2020 – Compensation:

- Met jointly with Rife on five occasions in 2020 to discuss compensation philosophy for Freehold's executive officers, confirm short-term and long-term incentive programs for employees of Rife who work on the business of Freehold, and review talent management and succession planning for executive positions;
- Certain members of the GNC committee met jointly with Rife as part of a CEO Search Committee;
- Held four GNC Committee meetings to oversee advancement of 2020 specific GNC Committee matters;
- Reviewed Freehold employee and director long-term incentive construct;
- Reviewed and recommended amendments to Directors' compensation;
- Assessed, reviewed and recommended certain amendments to the DSU Plan for Non-Management Directors;
- Reviewed and recommended Board approval of the 2020 CEO/Corporate objectives;
- Assessed and recommended 2020 CEO performance for Board approval;
- Reported to the Board on base salary, annual bonus and long-term incentive recommendations for the CEO and other executive officers;
- Reviewed the Manager's overall compensation programs to ensure achievement of compensation objectives including competitiveness, reasonableness, affordability and employee retention;
- Reviewed and recommended to the Board a Freehold specific corporate scorecard for the Rife STIP;
- Increased focus on the Manager's talent management processes and succession plans for executive positions; and
- Reviewed opportunities for corporate efficiencies and organizational structure effectiveness.

Executive Compensation

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Non-GAAP Financial Measures

Within this Information Circular there are references made to cash costs, which is a non-GAAP financial measure. Cash costs does not have a standardize meaning prescribed by Canadian generally accepted accounting principles (GAAP) and therefore may not be comparable with the calculations of similar measures for other entities. Cash costs is a total of all recurring costs in the statement of income deducted in determining funds from operations, including royalty expense, operating expense, general and administrative expense, interest expense and share based compensation payments. It is key to funds from operations, representing the ability to sustain dividends, repay debt and fund capital expenditures. For additional information see our management's discussion and analysis for the year ended December 31, 2020 which is available on SEDAR at www.sedar.com.

Letter to Shareholders

March 22, 2021

Fellow Shareholders,

Our Board believes in providing clear and transparent disclosure to help our Shareholders understand the compensation paid to the Manager and to Rife's executives. The purpose of this letter is to outline our performance in 2020 and how this performance informed and guided the pay decisions that were made during the year. A more detailed description of the compensation paid to the Manager and Rife's compensation programs and decisions can be found in the Compensation Discussion and Analysis in this Information Circular.

2020 Business Overview

2020 was a challenging year for the industry with the emergence of COVID-19 and the subsequent rapid oil price decline and ensuing volatility. In 2020, we undertook several measures to strengthen our business not only for the current year, but for the future as well. Those key business initiatives are as follows:

- Prioritized the health and safety of our workforce by directing all employees to work remotely from home while our Company remained fully operational;
- Announced a transformational acquisition of a high quality, diversified royalty package in the U.S. This suite of assets is expected to add 1,250 boe/d of royalty production in 2021. This transaction has positioned Freehold as the only publicly traded North American focused oil and gas royalty company and has significantly expanded the opportunity set for future potential portfolio enhancing transactions;
- Concurrent with the US acquisition, Freehold successfully issued over 12 million subscription receipts through an oversubscribed public offering pursuant to Freehold's short form prospectus and a concurrent private placement;
- Through focusing the Company in areas that attract capital, we were rewarded with a significant increase in drilling activity on our lands, building momentum in late Q3 and continuing through to year end;
- Prudently managed our balance sheet with net debt to trailing 12 months funds flow from operations ratio of 0.9 times at year end;
- Restructured compensation early in 2020 to reduce cash costs through director fee reductions, employee salary reductions and temporary suspension of pension plan contributions to manage the challenging business environment during the COVID-19 pandemic as described in the 2020 Executive Compensation Decisions that follows;
- Disposed of the majority of our remaining working interest properties to allow continued elevated business focus on our royalty portfolio, to reduce our cash costs, and to reduce decommissioning liabilities; and

- Curtailed dividend payments effective April 2020 in response to the rapid deterioration in oil prices and associated reduction in funds from operations. As the business outlook improved late in the year, provided measured increases to the dividend effective January and April 2021.

We have positioned the Company for continued success. We look forward to 2021 and the optimism it brings.

2020 Executive Compensation Decisions

Despite strong operational performance and efforts of Management, the continued challenging macro-environment with low commodity prices and emergence of the COVID-19 pandemic, impacted the Company's overall performance and results, which influenced compensation decisions made in 2020. Freehold's allocation of Rife's compensation programs remained at 48% in 2020, consistent with 2019.

- ***Base Salary and Pension Plan:*** In direct response to the challenging macro environment, effective April 1, 2020, graduated salary reductions as well a temporary suspension of contributions to Rife's pension plan were introduced across the organization contributing to an annual G&A Costs savings of 9%. The average combined reduction of salary and pension of our then existing NEOs was 13% with a CEO reduction of 15%. Annual cash retainers for members of the Board were also reduced by 15%.
- ***Short Term Incentive Plan (STIP):*** For 2020 the Rife STIP included a Freehold-specific scorecard reflecting Freehold's 2020 corporate performance against defined metrics. Based on 2020 results the Board approved a Freehold STIP score of 0.81. Despite strong operational performance in a challenging year with events outside Management's control, the STIP scorecard was not adjusted nor revised.
- ***Long Term Incentive Plan (LTIP):*** In 2020, grants under the Freehold Award Plan and Rife Award Plan were deferred by approximately one month in order to allow additional time to assess the impacts of volatility in the Freehold share price experienced at the usual time of grant. In April, the Board approved target level 2020 grants to NEOs under the Freehold Award Plan with a payout cap of three times the original grant value to mitigate windfall risk for grants made in an unusually low share price environment.

2020 CEO Transition and Compensation

On September 8, 2020, Mr. Mullane resigned as President and CEO and Mr. Spyker was promoted from Chief Operating Officer to Interim President and CEO. At that time, Mr. Spyker received a 10% increase in salary to acknowledge his additional duties and responsibilities. After conducting a formal CEO search with an external recruitment firm, the Board was pleased to appoint Mr. Spyker as the President and CEO in January 2021. The appointment of Mr. Spyker to the role is viewed as a testament to the success of Freehold's ongoing succession planning efforts. Freehold pays its proportionate share of Mr. Spyker's compensation, as described in the CD&A that follows.

2021 Compensation Decisions

- **Base Salary and Pension Treatment:** As a result of improving market conditions, contributions to Rife's pension plan and full salaries were reinstated effective January 1, 2021.
- **Short Term Incentive Plan:** The 2021 Freehold STIP scorecard was approved by the Board and is designed to reward specific achievements in delivery, enhancement and creation of value, including focus on Freehold's ESG strategy.
- **Long Term Incentive Plan:** 2021 long-term incentive plan grants for NEOs have been approved and will be made at target.
- **Director Pay:** Effective January 1, 2021 the full cash retainers for Non-Management Directors were reinstated, realigning director pay to 2018 and 2019 compensation levels.

Advisory Vote on Executive Compensation

The purpose of this vote is to provide a formal opportunity for our Shareholders to provide their views on the elements of compensation and the levels of such compensation awarded to the employees of Rife acting as executive officers of Freehold. At last year's annual and special meeting of Shareholders, our Say on Pay Advisory Vote was approved by 96.9% of the votes cast by our Shareholders. We look forward to your continued support of our compensation decisions this year.

For further information on this year's Say on Pay Advisory Vote, see the heading "Advisory Vote on Executive Compensation" in the Business of the Meeting section of this Information Circular.

Shareholder Engagement on Executive Compensation

We are committed to open and transparent communication with our Shareholders. We welcome your input regarding our executive compensation philosophy and how to strengthen the linkage to corporate performance. We encourage you to engage with us on our approach to compensation and with any related questions you may have. We invite you to give direct feedback by contacting the GNC Committee or Board by mail at Suite 1000, 517 – 10th Avenue S.W., Calgary, Alberta T2R 0A8, telephone at 1-888-257-1873, or email at boardofdirectors@freeholdroyalties.com.

Sincerely,

(signed) "Marvin F. Romanow"
Chair of the Board

(signed) "Susan M. MacKenzie"
Chair of the GNC Committee

Compensation Discussion and Analysis

Compensation Governance

The GNC Committee, which is made up exclusively of independent directors, collaborates with the Rife Compensation Committee in the development of all policies and programs relating to the review and approval of compensation for the employees of the Manager and Rife who work on the business of Freehold, including Freehold's executives. For specific details on the GNC Committee's members, mandate, and activities during 2020, see page 40 in the Corporate Governance section of this Information Circular.

Compensation Advisor

In 2020, the GNC Committee engaged Hugessen Consulting to assist with changes to the performance peer group utilized for determining relative total shareholder return for determining the PSU payouts. Hugessen was initially engaged in 2016 to review Rife's incentive plans and pay philosophy and continues to be engaged as an independent advisor to the GNC Committee. Fees billed by Hugessen Consulting (no other compensation consultants or advisors were retained) to Rife and/or Freehold in 2019 and 2020, are detailed below.

Compensation Consultant Fees

	December 31, 2020 (\$)	December 31, 2019 (\$)
Executive and Director Compensation Related Fees	-	-
All Other Fees ¹	24,380	4,863
Total	24,380	4,863

(1) Other fees related to the performance peer group review.

Named Executive Officers

Our current named executive officers are:



David M. Spyker | President and Chief Executive Officer

Mr. Spyker was appointed President and Chief Executive Officer in January 2021. Mr. Spyker served as Freehold's Interim President and Chief Executive Officer from September 2020 to January 2021. Mr. Spyker joined Rife in November 2016 as Vice President, Production and was appointed Chief Operating Officer in March 2019. Prior thereto, he held various roles at Anderson Exploration Ltd., Anderson Energy Ltd., and Anderson Energy Inc. Mr. Spyker has over 30 years of industry experience. He holds a Bachelor of Science degree in Mechanical Engineering from the University of Alberta and is a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA).



David W. Hendry | Vice President, Finance and Chief Financial Officer

Mr. Hendry is Vice President, Finance and Chief Financial Officer. He joined Rife in December 2019. Mr. Hendry is a Chartered Professional Accountant with over 30 years of finance experience. Prior to joining Rife, Mr. Hendry served as the Chief Financial Officer of Obsidian Energy Ltd. Prior to joining Obsidian Energy Ltd. in 2015, Mr. Hendry served as a Vice President, Finance at Talisman Energy Inc. At Talisman, he also worked overseas in the Norway and U.K. North Sea offices. Mr. Hendry started his career working nine years in public accounting, largely at PricewaterhouseCoopers. Mr. Hendry has a Bachelor of Commerce degree from the University of Calgary.



Lisa N. Farstad | Vice President, Corporate Services

Ms. Farstad was appointed Vice President, Corporate Services in March 2020. She joined Rife in September of 2015 as Manager, Human Resources and Information Services. Prior to joining Rife, Ms. Farstad spent 14 years with Bonavista Energy Corporation in various human resources roles including Manager, Human Resources. Ms. Farstad has a Bachelor of Arts degree from the University of Alberta and a HR Management Certificate from the University of Calgary.



Robert A. King | Vice President, Business Development

Mr. King is Vice President, Business Development. He joined Rife in January 2020, and was, prior thereto, Managing Director at RBC Capital Markets. Mr. King has over 20 years' experience in investment banking where he has spent the entirety of his career progressing through roles of increasing accountability and responsibility. He possesses significant merger, acquisition and divestiture and capital markets experience with a focus on upstream oil and gas. Mr. King has a Bachelor of Commerce degree from the University of Calgary.



Robert E. Lamond | Vice President, Asset Development

Mr. Lamond is Vice President, Asset Development. He served as Vice President, Exploration from the time he joined Rife in September 2017 to March 18, 2019 when he became Vice President, Asset Development. He previously held various geoscience and managerial roles at Murphy Oil Corporation, Shell Canada Ltd., and Imperial Oil Ltd. Most recently he held the role of General Manager, Geoscience at Murphy Oil Corporation. Mr. Lamond holds a Bachelor of Science (Geology) degree from Queen's University and is a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA).

The NEOs who are the focus of the Compensation Discussion and Analysis and who appear in the compensation tables are:

- David M. Spyker, President and CEO
- David W. Hendry, Vice President, Finance and CFO
- Lisa N. Farstad, Vice President, Corporate Services
- Robert A. King, Vice President, Business Development
- Robert E. Lamond, Vice President, Asset Development
- Thomas J. Mullane, Former President and CEO

Mr. Mullane has been included as a NEO as he served as President and CEO from January 1, 2020 to September 8, 2020.

Aligning Executive Compensation and Shareholder Interests

Compensation Philosophy and Program

All elements of compensation are determined and agreed to jointly by the Board and Rife's Board of Directors including, but not limited to, target pay levels, incentive plan design, performance criteria and payouts for the Named Executive Officers.

Rife and Freehold's approach to compensation for the executives is driven by a commitment to deliver sustainable and solid returns to Shareholders. The compensation philosophy is to align pay with performance in an affordable and sustainable manner, and to align with the market to continue to attract, motivate and retain executives in order to achieve the business objectives of Rife, Freehold and other entities managed by Rife. The current compensation philosophy is to target median of the market on total direct compensation with an emphasis on variable and at-risk pay. Additionally, performance based long-term incentive plans have been implemented that track and reward performance at both Rife and Freehold through metrics that align the executive payouts with the shareholder experience.

In determining compensation levels for the Named Executive Officers, including assessing the competitiveness of Rife's executive compensation practices, Rife and Freehold use compensation survey information provided by Mercer, an independent human resource consulting firm. Information provided by Mercer is based on its annual survey of compensation practices within the Canadian oil and gas industry, which reflects the prior fiscal year's compensation determinations. In setting its executive compensation targets, Rife and Freehold have historically compared the compensation of the Named Executive Officers to the compensation data for the group of oil and gas exploration and production companies with average daily production in the range of 10,000 barrels of oil equivalent per day to 50,000 barrels of oil equivalent per day as reported in the Mercer survey.

Compensation Risk Mitigation

The GNC Committee has considered the implications of the risks associated with Freehold's and Rife's compensation policies and practices, including the Management Agreement. Freehold has the option of paying the management fee payable to the Manager in cash or Common Shares. The fact that the Manager has historically received Common Shares as the main element of its compensation, and the fact that CN Pension Trust Funds, the owner of both Rife and the Manager, owns 22.04% of the outstanding Common Shares and is a long-term Shareholder, help to mitigate the risk that the Manager will implement compensation practices and policies that put Freehold's long-term success at risk. Freehold has further alleviated the risks of Rife adopting compensation practices that are not in the best interests of Freehold over the long term by adding terms to the Management Agreement that require Rife to cooperate with the GNC Committee in the development of all policies and programs relating to the review and approval of compensation for the employees of the Manager and Rife that work on the business of Freehold, including the Named Executive Officers. Additionally, the Management Agreement may be terminated by Freehold in certain circumstances.

The compensation policies and practices that have been adopted by Rife and supported by Freehold encourage behaviors which align and support the long-term interests of Rife, Freehold and Freehold's Shareholders. They include a number of mitigating strategies to limit compensation-related risks described in more detail below.

Anti-hedging Requirement

The Insider Trading Policy of Freehold has an anti-hedging requirement which prohibits executive officers or directors of Freehold from buying or selling of any financial instruments that are designed to hedge or offset a decrease in market value of the Common Shares or other securities of Freehold held, directly or indirectly, by such executive officers or directors.

Executive Share Ownership Guidelines

To further align executive and Shareholder interests, effective March 2, 2017, Freehold introduced minimum share ownership guidelines for executives. The guidelines require executives to accumulate a defined multiple of their proportionate base salary in Common Shares and unvested Restricted Awards. Executives have five years from the later of the date of the implementation of the guidelines, or the date of their appointment as an officer of Freehold to acquire the value required. The value of Common Shares is calculated based on the greater of the current market price of the Common Shares on the TSX or the original purchase price for the Common Shares. The value of Restricted Awards is based on the greater of the current market price of the underlying Common Shares on the TSX and the closing price on the underlying Common Shares on the trading day immediately prior to the date of grant.

The table below illustrates the NEO's ownership holdings at March 22, 2021.

Executive Share Ownership¹

Name ²	Share Ownership Guideline (multiple of base salary) ³	Common Shares Owned (#)	Restricted Awards Held (#)	Total Number of Common Shares and Restricted Awards Owned (#)	Total Value of Common Shares and Restricted Awards Owned ^{4,5} (\$)	Total Value of Share Ownership Required ³ (\$)	Meets Share Ownership Requirements
David M. Spyker	3x	61,850	15,588	77,438	603,869	583,200	Yes
David W. Hendry	1x	15,000	14,635	29,635	219,299	156,600	Yes
Lisa N. Farstad	1x	12,990	8,414	21,404	161,522	110,970	Yes
Robert A. King	1x	20,000	9,253	29,253	219,332	135,000	Yes
Robert E. Lamond	1x	14,966	11,017	25,983	242,207	131,760	Yes

(1) Executive Share Ownership Guidelines implemented March 2, 2017.

(2) Mr. Mullane has not been included in the above table as he ceased to be an executive officer of Freehold on September 8, 2020.

(3) Based on Freehold's 2021 proportionate share (54%) of base salaries.

(4) Value has been determined by multiplying the number of Common Shares by the greater of the current market price of the Common Shares (based on the closing price of the Common Shares on the TSX on March 22, 2021 of \$7.40) or the original purchase price for the Common Shares.

(5) Value has been determined by multiplying the number of Common Shares underlying the Restricted Awards by the greater of the current market price of Common Shares (based on the closing price of the Common Shares on the TSX on March 22, 2021 of \$7.40) or the original price for the Common Shares at the time the grants were made (values are adjusted for dividends since the date of grant).

Clawback Policy (Recompment of Incentive Compensation)

Clawback policies were adopted by Freehold and Rife in 2017. Under Freehold's clawback policy, the Board may, in its sole discretion, to the full extent permitted by applicable laws and to the extent it determines that it is in the best interests of Freehold, require reimbursement of all or a portion of any incentive compensation (including equity compensation) awarded to an executive officer after November 9, 2017 or effect the cancellation of unvested incentive compensation awards granted to the executive officer after November 9, 2017 if:

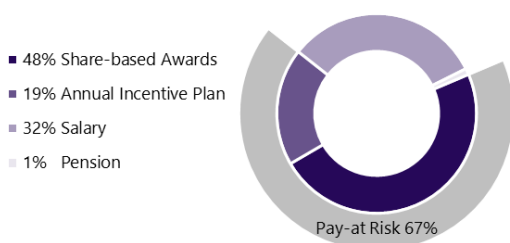
- the amount of the incentive compensation was calculated based upon, or contingent on, the achievement of certain financial results or other performance goals that were subsequently the subject of or affected by a restatement of all or a portion of the financial statements of Freehold,
- the executive officer engaged in negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement, and
- the amount of the incentive compensation that would have been awarded to the executive officer had the financial results been properly reported would have been lower than the amount actually awarded or received.

In addition, regardless of whether or not a restatement of the financial statements of Freehold has occurred or is required, in the event that any executive officer is found to have engaged in negligence, intentional misconduct, fraud, theft or embezzlement, the Board may in its discretion, to the full extent permitted by applicable laws and to the extent it determines that it is in best interests of Freehold to do so, require the reimbursement of some or all of the after-tax amount of any incentive compensation (including equity compensation) already paid or awarded in the previous 24 months or forfeit any vested or unvested incentive compensation awards.

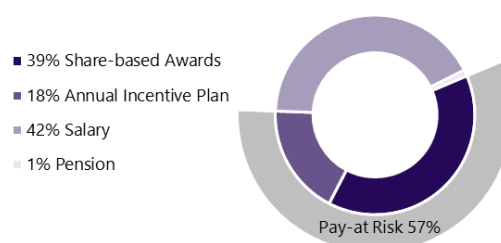
Pay at Risk

Freehold's compensation program is designed to align compensation with corporate performance and therefore more than half of executive compensation is performance based and "at risk". The two graphs below demonstrate the "at risk" pay for the CEO as well as the average "at risk" pay for all other NEOs. Approximately 67% of the CEO's compensation and on average 57% of other NEO's compensation is "at risk" (bonus or long-term incentives).

CEO Compensation at Target



Other NEO Compensation at Target



Compensation Elements

Summary of Compensation Elements

Element	Risk	Objective	Time Frame	Description
Base salary	Fixed (not at risk)	Intended to provide market competitive level of fixed compensation	Set Annually	- Only fixed component of total direct compensation - Typically set in reference to pay comparator group - Individual NEO salary reflects level of responsibility, skills and experience
Short term incentive compensation	Variable (at risk)	Rewards based on annual corporate and individual performance	One year	- Cash-based performance incentive under Rife STIP - Payout based on corporate performance measures as approved by the Board and Rife's Board of Directors as well as individual performance
Long term incentive compensation	Variable (at risk)	Rewards based on long-term corporate performance	Three years	Performance Awards - Annual grants under the Freehold Award Plan and the Rife Award Plan 3 year cliff vesting - Grants under the Freehold Award Plan, subject to corporate performance multiplier (from 0 to 2): 50% Relative Total Shareholder Return 50% Absolute Rate of Return Restricted Awards - Annual grants under the Freehold Award Plan and the Rife Award Plan 1/3 per year vesting - Vesting value for grants under the Freehold Award Plan based on Common Share price at time of vest

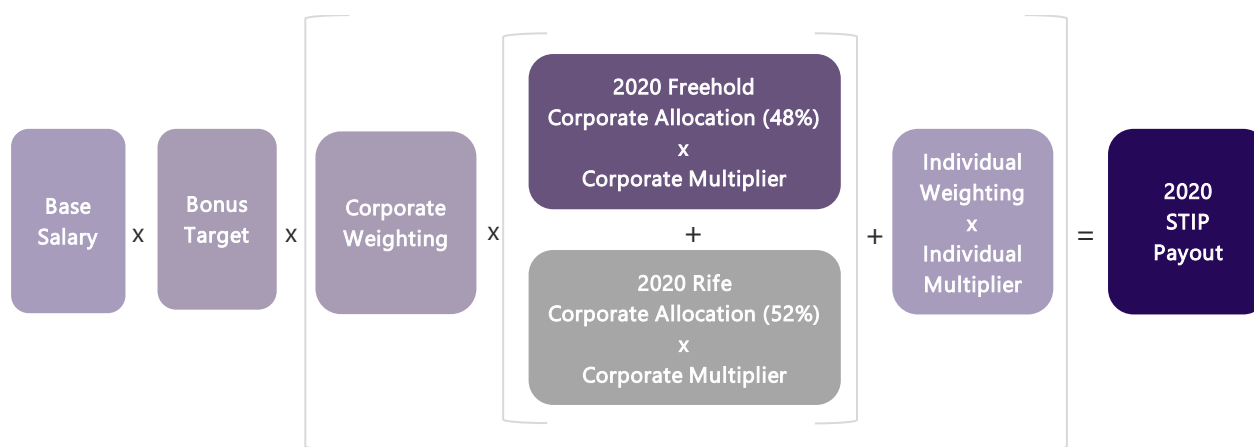
In addition to the above compensation elements, executives participate in the pension and benefits plans on the same basis as all employees. Perquisites are limited in nature and value. Neither Freehold nor Rife have a savings or option plan.

Base Salary

Base salaries for Named Executive Officers are reviewed annually against the median of salaries as reported by Mercer, an independent human resource consulting firm, for 10,000 – 50,000 barrels of oil equivalent per day peer companies and provide a fixed level of pay.

Short-Term Incentive Plan

NEOs are eligible to participate in the Rife STIP which provides a cash-based bonus opportunity on the basis of both overall corporate and individual performance scores. The Rife and Freehold corporate weightings used in calculating awards are determined annually and reflect respective time allocations to each company.



Each NEO has a target award, expressed as a percentage of salary, which is weighted to corporate and individual performance as shown in the table below. Overall corporate performance scores can result in a range from 0X at threshold to 1.5X at maximum (being applied to the corporate component). Individual performance scores can also range from 0X to 1.5X target on the basis of an NEO's assessed annual performance, with payout approved by the Board.

2020 STIP Targets and Performance Weighting

Position	Target	Corporate Weighting	Individual Weighting
CEO	60%	80%	20%
CFO	50%	60%	40%
VP, Asset Development	40%	60%	40%
VP, Business Development	40%	60%	40%
VP, Corporate Services	35%	60%	40%

Long-Term Incentive Plan

Both the Freehold Award Plan and Rife Award Plan provide for the granting of Restricted Awards and Performance Awards. Once the annual grants have been approved by the Board and Rife's Board of Directors, Freehold and Rife grant their proportional share based on the current allocation between Freehold and Rife in accordance with the Management Agreement. The weighting of Restricted Awards and Performance Awards awarded to employees is directly linked to their position and influence on Freehold's total shareholder return. Executives receive both Performance Awards and Restricted Awards with a heavier weighting towards Performance Awards. The awarding of Performance Awards to executives who have more influence over Freehold's results aligns with the pay for performance philosophy approved by the Board. Long term incentive awards are typically granted annually in March.

Restricted Awards and Performance Awards accumulate the full value of Freehold's monthly dividend and upon vesting, the payout amount is adjusted to reflect these dividends.

2020 LTIP Targets and Weighting

Position	LTIP Target as a percentage of base salary	Restricted Award Weighting	Performance Award Weighting
CEO	150%	25%	75%
CFO	110%	25%	75%
VP, Asset Development	90%	25%	75%
VP, Business development	90%	25%	75%
VP, Corporate Services	75%	25%	75%

Vesting

Restricted Awards vest one-third annually over three years. On the vesting date the number of Restricted Awards (adjusted to include accumulated dividends) is multiplied by the previous five-day volume weighted average price of Freehold's Common Shares to determine the cash payment amount.

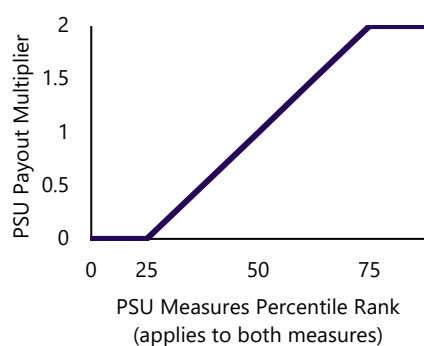
Performance Awards cliff vest (all at once) after three years with the performance period being January 1 of the year of grant to December 31 of the third year following grant. On the vesting date the number of Performance Awards (adjusted to include accumulated dividends) is multiplied first by a performance multiplier (described more fully below) that can range from zero to two and then multiplied by the previous five-day volume weighted average of Common Shares to determine the cash payment amount.

Performance Multiplier

The performance multiplier ranges on a sliding scale from zero to two based on the two measures described below. The two measures were chosen in order to provide a balance between the desire to create an attractive return for our Shareholders and a comparison to our peers who are operating in the same industry and environment as ours:

- 50% Relative Total Shareholder Return – based on the percentile rank of Freehold's total shareholder return relative to Freehold's performance peer group (zero multiplier for bottom quartile performance, and up to two times multiplier for top quartile performance)
- 50% Absolute Rate of Return – with performance hurdles for 2020 of 2% minimum, 7% target, 12% maximum. These hurdles are based on values estimated for risk free rates of return and risk premiums. The hurdles are approved annually by the Board.

The following graph shows the Performance Awards associated with various percentile rankings for the two combined measures.



Freehold's performance peer group is reviewed annually and used to determine the Relative Total Shareholder Return portion of the performance multiplier for Performance Awards. The following table shows the companies selected as peers for each of the 2018, 2019, and 2020 PSU awards. The performance peer groups consist of comparable oil and gas organizations based on total enterprise value, market capitalization, total assets and revenue:

Performance Award Peer Group

Comparators	Performance Peer Group		
	2018	2019	2020
Advantage Oil & Gas Ltd.	•		
ARC Resources Ltd.	•	•	•
Baytex Energy Corp.	•	•	•
Birchcliff Energy Ltd.	•	•	•
Crescent Point Energy Corp.	•	•	•
Crew Energy Inc.	•		
Enerplus Corporation	•	•	•
Kelt Exploration Ltd.	•	•	•
NuVista Energy Ltd.	•	•	•
Ovintiv Inc. ¹	•	•	•
Paramount Resources Ltd.	•		
Peyto Exploration & Development Corp.	•	•	•
PrairieSky Royalty Ltd.	•	•	•
Raging River Exploration Inc.	•		
Seven Generations Energy Ltd.	•	•	•
Spartan Energy Corp.	•		
TORC Oil & Gas Ltd.	•	•	•
Tourmaline Oil Corp.	•	•	•
Vermilion Energy Inc.	•	•	•
Whitecap Resources Inc.	•	•	•

(1) Formerly Encana Corporation

2020 NEO Compensation Treatment

2020 Base Salary

In 2020 Freehold's total base salary budget decreased by 19%. In April, as a result of various macro challenges including the COVID-19 pandemic, the Company implemented a salary rollback which resulted in base salary savings of 8% for NEOs. The number of permanent employee positions was also reduced by 15% as part of an organizational restructuring effort initiated in late 2019 and unrelated to 2020's macro challenges.

In September 2020, Mr. Spyker was promoted from Chief Operating Officer to Interim President and CEO and as a result received a 10% increase in salary to acknowledge his additional duties and responsibilities.

2020 Short Term Incentive Plan

The following table details the Freehold portion of the 2020 corporate scorecard which consisted of seven factors within two primary objectives as well as the assessment of 2020 performance relative to each. Threshold, target and maximum performance achievement levels were defined for each of the quantitative factors. If the maximum performance was achieved on all of the objectives, the bonus multiplier would have been 1.5 times the target bonus amount with respect to Freehold's corporate weighting. If overall performance was at target, the multiplier would have been 1.0; and below threshold performance overall would have resulted in a score of zero. The majority of the factors were evaluated quantitatively while certain factors are evaluated qualitatively.

Performance Objectives and 2020 Performance

CREATE AND ENHANCE VALUE	Weighting	Multiplier
Royalty Production Additions – This measure relates to the organic growth of royalty production through increased leasing and drilling activity as well as through audit and compliance initiatives on our royalty lands. Production additions from drilling associated with offset notices and new lease drilling were at Target levels. Audit and compliance initiatives were at Maximum levels. On a combined basis these initiatives contributed a total of 666 boe/d of annualized production in 2020. Lease bonus payments associated with new lease issuance were below historic levels, reflecting the cautious business approach in the oil and gas sector in 2020.	25%	1.2
Royalty Additions – Acquisitions – For 2020, we were successful in entering into agreements for CAD \$77 million in acquisitions with the main transaction being the CAD \$74 million US acquisition that added 400,000 gross drilling unit acres of mineral title and overriding royalty interests across 12 basins and 8 states, projected to contribute 1,250 boe/d of royalty production in 2021. This resulted in meeting Threshold scoring.	35%	0.6
Royalty Creation – Non Oil and Gas Royalty Revenue – In-house resources remained focused on enhancing the resiliency of the existing oil and gas royalty portfolio during a challenging year through strategic acquisitions and harvesting our existing asset base. This resulted in a below threshold score.	5%	0.0
DELIVER VALUE		
Stakeholder Relations – In 2020, we successfully completed a \$47.3 million equity issue, and \$13.4 million private placement, in support of our US acquisition. We effectively communicated to our shareholders our vision of being a North American focused oil and gas royalty company. Based on a qualitative assessment, the Board considered that Freehold's performance was above target.	5%	1.25
High Performance Culture and Analytics & Innovation – The organization was able to quickly and successfully implement policies and practices to safeguard our employees, fortify our business, and reprioritize workflow into initiatives that advanced our business through the COVID-19 pandemic while working from home for the majority of the year. Excellent progress was also made in grassroots innovation and analytics initiatives transforming the way we look at our business. Based on a qualitative assessment, the Board considered that Freehold's performance was at maximum on this factor.	5%	1.5
Cash Costs – Cash costs of \$4.63/boe in 2020 were lower than the \$5.10/boe maximum and as such this objective was exceeded. This was primarily related to achieving \$3.70/boe cash costs in Q3-2020, the lowest in Freehold's history, disposition of a significant portion of working interest assets in Q2, G&A reductions made as well as reduced finance expense with prime interest rate declining.	10%	1.5
Funds From Operations – As a result of the weak oil pricing environment in 2020, and associated short term production shut-ins and reduced drilling activity in Q2 & Q3-2020, funds from operations were below Threshold. WTI oil pricing in 2020 was 31% lower than 2019 (\$39.40 USD/Bbl in 2020 vs \$57.02 USD/Bbl in 2019) and this was the primary driver for the Funds from Operations being below threshold. The Freehold asset base was very resilient in 2020 with drilling activity returning sharply to the lands in Q4-2020, exceeding drilling activity levels from Q4-2019.	15%	0.0
Total Multiplier		0.81

On the basis of performance reflected in the scorecard, the GNC Committee recommended and the Board approved a Freehold corporate score multiplier of 0.81 for 2020. This score was applied to 48% of the NEO's total corporate weighting for 2020. Freehold's 48% share of the total STIP to NEO's is shown below.

2020 STIP Payouts

Position	Name	Freehold Proportionate share (48%) (\$)	Total STIP Payout ¹ (\$)	Total STIP as % of Total Salary
CEO	David M. Spyker	64,320	134,000	48%
CFO	David W. Hendry	48,960	102,000	38%
VP, Corporate Services	Lisa N. Farstad	23,520	49,000	26%
VP, Business Development	Robert A. King	33,600	70,000	30%
VP, Asset Development	Robert E. Lamond	33,120	69,000	30%

(1) Includes Rife's proportionate share.

Long Term Incentive Plan Grants

In 2020, the NEO's received the following long term incentive grants under the Freehold Award Plan:

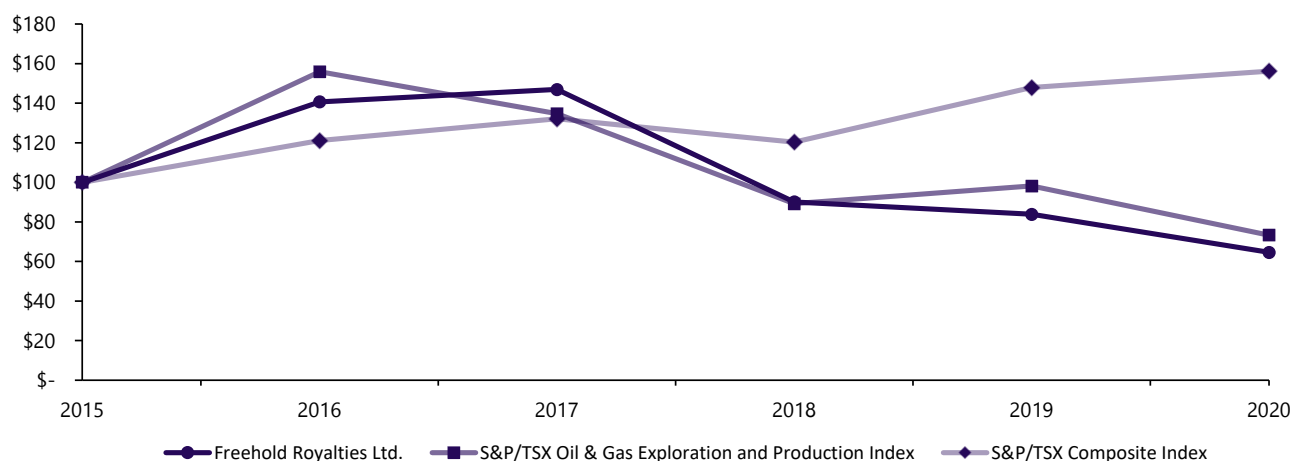
2020 Value of Freehold Long Term Incentive Awards Granted

Position	Name	Freehold Performance Awards ⁽¹⁾ (\$)	Freehold Restricted Awards ⁽¹⁾ (\$)
CEO	David M. Spyker	114,840	38,280
CFO	David W. Hendry	114,840	38,280
VP, Corporate Services	Lisa N. Farstad	55,800	18,600
VP, Business Development	Robert A. King	79,920	26,640
VP, Asset Development	Robert E. Lamond	79,920	26,640

(1) Valued at grant price.

Performance Chart

The following graph and table illustrate changes during the last five years in the value of \$100 invested on December 31, 2015, in the Common Shares and in the S&P/TSX Composite Index and the S&P/TSX Oil & Gas Exploration and Production Index, assuming reinvestment of all dividends.



	2015	2016	2017	2018	2019	2020
Freehold Royalties Ltd.	\$100.00	\$140.69	\$146.90	\$90.10	\$83.83	\$64.60
S&P/TSX Oil & Gas Exploration & Production Index	\$100.00	\$155.93	\$134.73	\$89.22	\$98.11	\$73.60
S&P/TSX Composite Index	\$100.00	\$121.08	\$132.09	\$120.36	\$147.89	\$156.17

Over the period from 2016 to 2020, the total return performance assuming reinvestment of dividends of Freehold decreased approximately 35%, while the total compensation levels of Named Executive Officers paid by Freehold during the same period increased by approximately 88% (after excluding extraordinary items such as keep whole payments and payments payable on termination of employment). Contributing factors to this compensation increase were primarily due to Named Executive Officer vacancies in 2016 that have since been filled, as well as Freehold's compensation allocation increasing from 42% in 2016 to 48% in 2020.

The total return performance of Freehold over the last five years is indicative of depressed and volatile oil and natural gas prices over the last five years as well as the uncertainty associated with the Canadian oil and gas industry. As indicated in the above performance chart, Freehold's total return has closely followed the performance of the S&P/TSX Oil & Gas Exploration and Production Index, with Freehold underperforming the broader index. In addition, despite the decrease in total return, management of Freehold has operationally performed well.

For these reasons, the trend of compensation levels for the Named Executive Officers applicable to Freehold over the period from 2016 to 2020 has little correlation to the trend of total return on investment for Freehold charted in the performance chart.

Executive Compensation Summary

The following table provides a summary of compensation to the Named Executive Officers relating to services rendered to Freehold for the periods indicated, allocated based on the ratio of hours expended by staff of Rife on Freehold versus Rife and Canpar as described under "Compensation and Reimbursement of the Manager" on page 61. The Named Executive Officers also perform executive functions for Rife and Canpar. In Appendix E we have also included a table showing a summary of the total compensation paid to the Named Executive Officers by Rife relating to services rendered to all the entities managed by Rife including Freehold, Rife and Canpar.

Summary Compensation Table

Name and Principal Position	Year	Salary ¹ (\$)	Option-based awards (\$)	Share-based awards ^{1,2} (\$)	Non-equity incentive plan compensation ¹		Pension value ¹ (\$)	All other Compensation (\$)	Total Compensation ¹ (\$)
					Annual incentive plans ^{1,3} (\$)	Long-term incentive plans (\$)			
David M. Spyker ⁴ President and CEO	2020	135,370	-	153,120	64,320	-	2,004	-	354,814
	2019	126,180	-	139,920	74,880	-	6,309	-	347,289
	2018	117,504	-	92,640	57,120	-	5,875	-	273,139
David W. Hendry ⁵ Vice President Finance and CFO	2020	129,996	-	153,120	48,960	-	2,004	42,000 ⁶	376,080
	2019	11,600	-	77,664	5,520	-	580	42,000 ⁶	137,364
	2018	-	-	-	-	-	-	-	-
Lisa N. Farstad ⁷ Vice President, Corporate Services	2020	92,000	-	74,400	23,520	-	1,326	-	191,246
	2019	88,730	-	53,280	28,800	-	4,437	-	175,247
	2018	79,552	-	29,760	28,000	-	3,978	-	142,090
Robert A. King ⁸ Vice President, Business Development	2020	111,649	-	106,560	33,600	-	1,665	-	253,474
	2019	-	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-	-
Robert E. Lamond ⁹ Vice President, Asset Development	2020	110,400	-	106,560	33,120	-	1,689	-	251,769
	2019	117,120	-	105,120	45,840	-	5,856	24,000 ¹⁰	297,936
	2018	115,200	-	92,640	47,040	-	5,760	28,800 ¹⁰	289,440
Thomas J. Mullane Former President and CEO	2020	105,766	-	241,200	-	-	2,313	456,000 ¹¹	805,279
	2019	160,800	-	241,200	83,616	-	6,535	-	492,151
	2018	156,240	-	195,360	100,800	-	6,360	-	458,760

- (1) Freehold pays its proportionate share of general and administrative costs based on an allocation of time spent and direct costs incurred by Rife in fulfilling obligations under the Management Agreement. Freehold's proportionate share of compensation was approximately 48% in 2020, 48% in 2019 and 48% in 2018. The amounts in the above table reflect only the proportionate amounts paid or awarded to the Named Executive Officers relating to services rendered to Freehold for the periods indicated.
- (2) Based on the total value of awards under the Freehold Award Plan on the grant date. Freehold's accounting treatment is based on the fair value of the awards at each period end and dependent on the Common Share price plus certain adjustments made for dividends since the date of the grant and performance factors. The liability and compensation expense associated with awards under the Freehold Award Plan is recognized as services are rendered over the vesting period. The actual value realized upon the vesting and payment of these awards may be greater or less than the value indicated. (For further information, see the notes to Freehold's consolidated financial statements for the year ended December 31, 2020, which are available on SEDAR at www.sedar.com).
- (3) Bonuses awarded under the Rife STIP in the period earned, paid the following year.
- (4) Mr. Spyker was promoted to the position of Interim President and CEO on September 8, 2020, and on January 18, 2021 he was appointed President and CEO.
- (5) Mr. Hendry was appointed Vice President, Finance and CFO on December 1, 2019. Upon his appointment as Vice President, Finance and CFO, he was granted awards under the Freehold Award Plan and Rife Award Plan, in part to compensate him for long-term incentives forfeited when leaving his previous employment. The awards under the Freehold Award Plan granted upon joining Freehold/Rife were prorated based on historical annual allocations of time between Freehold and Rife. Vesting of the initial awards has been timed to coincide with the vesting schedules of the other NEOs' historical awards.
- (6) The amount shown for Mr. Hendry is a cash make whole payment paid in connection to his appointment as Vice President of Finance and CFO on December 1, 2019.
- (7) Ms. Farstad was promoted to the position of Vice-President, Corporate Services on March 16, 2020.
- (8) Mr. King was appointed Vice President, Business Development on January 6, 2020.

- (9) Mr. Lamond was appointed Vice President, Exploration on September 5, 2017 and on March 18, 2019 he became Vice President Asset Development. Upon his appointment as Vice President, Exploration, he was granted awards under the Freehold Award Plan and Rife Award Plan and the Rife STIP in part to compensate him for long-term and short-term incentives forfeited when leaving his previous employment. As a result, Mr. Lamond's grants of long-term incentive awards upon joining Freehold/Rife were higher than annual long-term incentive grants awarded in the ordinary course of business.
- (10) The amount shown for Mr. Lamond is a cash make whole payment paid in connection to his appointment as Vice President of Exploration on September 5, 2017.
- (11) Mr. Mullane resigned as President and CEO September 8, 2020. The amount shown in other compensation for Mr. Mullane is an amount paid in connection with his departure.

Incentive Plan Awards

The following table sets out the total number of outstanding awards granted under the Freehold Award Plan held by NEOs as at December 31, 2020. The Named Executive Officers do not receive any option-based awards. Description of the Freehold Award Plan is contained in Appendix C.

Outstanding Share Based Awards

Name ¹	Number of share or unit of shares not vested		Market or payout value of share-based awards that have not vested ^{2,3}	
	Performance Award	Restricted Award	Performance Award	Restricted Award
	(#)	(#)	(\$)	(\$)
David M. Spyker	57,461	16,183	296,500	83,505
David W. Hendry	46,619	14,505	240,554	74,846
Lisa N. Farstad	22,982	8,809	118,587	45,455
Robert A. King	28,286	9,171	145,956	47,323
Robert E. Lamond	42,742	11,652	220,549	60,125

- (1) Mr. Mullane did not hold any share-based awards at December 31, 2020.
- (2) Estimated based on the five-day volume weighted average price of the Common Shares on the TSX at December 31, 2020, which was \$5.16, plus certain adjustments made for dividends since the date of grant. For purposes of the Performance Awards a performance multiplier of 1.0 has been assumed.
- (3) No NEO held any vested share-based awards as at December 31, 2020 that had not been paid out or distributed.

The following table sets forth (i) the total value of awards granted under the Freehold Award Plan held by the Named Executive Officers that vested and (ii) Freehold's proportionate share of bonuses earned pursuant to the Rife STIP. The Named Executive Officers do not receive any option-based awards.

Value Vested or Earned

Name	Share-based awards Value vested during 2020 ¹ (\$)	Non-equity incentive plan compensation – value earned during 2020 ² (\$)
David M. Spyker	29,895	64,320
David W. Hendry	2,875	48,960
Lisa N. Farstad	11,298	23,520
Robert A. King	718	33,600
Robert E. Lamond	27,088	33,120
Thomas J. Mullane ³	53,378	-

- (1) The value of vested Restricted Awards under the Freehold Award Plan is calculated based on the weighted average trading price of the Common Shares for the five trading days prior to vesting.
- (2) Freehold's proportionate share of bonuses earned in 2020 (paid in 2021) under the Rife STIP.
- (3) Mr. Mullane resigned as President and CEO September 8, 2020.

Pension Plan Benefits

The following table sets forth information with respect to Freehold's proportionate share of contributions to Rife's defined contribution pension plan.

Defined Contribution Plan¹

Name	Accumulated value at start of year (\$)	Compensatory change (\$)	Accumulated value at year end (\$)
David M. Spyker	41,002	2,004	48,306
David W. Hendry	1,147	2,004	6,089
Lisa N. Farstad	39,888	1,326	48,465
Robert A. King	-	1,665	3,936
Robert E. Lamond	29,899	1,689	36,194
Thomas J. Mullane	131,030	2,313	-

- (1) Calculated based on Freehold's proportionate share of 48% for 2020.

Termination and Change of Control Benefits

Termination and Change of Control Benefits for Executive Officers

None of the Named Executive Officers have entered into employment agreements with Freehold, Rife or the Manager that provide for any payment to such Named Executive Officers at, following or in connection with any termination, resignation, retirement, change of control or change in responsibilities.

However, both the Freehold Award Plan and the Rife Award Plan contain provisions relating to the acceleration of vesting of Performance Awards and Restricted Awards in certain circumstances if there is a change of control of Freehold and/or Rife. For clarity any accelerated vesting would be double-triggered, in that it requires a change of control event and the individual ceasing to provide services to Freehold or Rife. For a description of these provisions see Appendix C.

The following table shows the number of Performance Awards and Restricted Awards granted under the Freehold Award Plan held by our Named Executive Officers and the value of such Performance Awards and Restricted Awards as at December 31, 2020, demonstrating the value of the accelerated unvested Performance Awards and Restricted Awards held by the Named Executive Officers if a change of control had occurred on December 31, 2020 and if each Named Executive Officer was terminated on such date in connection with such change of control.

Name	Number of share or unit of shares not vested		Market or payout value of share-based awards that have not vested ¹	
	Performance Award	Restricted Award	Performance Award	Restricted Award
	(#)	(#)	(\$)	(\$)
David M. Spyker	57,461	16,183	296,500	83,505
David W. Hendry	46,619	14,505	240,554	74,846
Lisa N. Farstad	22,982	8,809	118,587	45,455
Robert A. King	28,286	9,171	145,956	47,323
Robert E. Lamond	42,742	11,652	220,549	60,125

(1) For Restricted Awards, calculated based on the number of notional Common Shares underlying such Restricted Awards held at December 31, 2020 multiplied by the five-day volume weighted average price of the Common Shares on the TSX at December 31, 2020 which was \$5.16. For Performance Awards, calculated based on the five-day volume weighted average price per Common Share on the TSX at December 31, 2020, which was \$5.16 multiplied by the number of notional Common Shares underlying such Performance Awards assuming a performance multiplier of 1.0.

Termination of Management Agreement

Under the Management Agreement, Freehold may terminate the Management Agreement after a "Change of Control" (as defined in the Management Agreement) by providing a notice of termination within 90 days of the Change of Control and concurrently paying \$2,000,000. In addition, if Freehold terminates the Management Agreement for any reason as permitted under the Management Agreement, including after a Change of Control, Freehold will be liable for actual termination costs of employees terminated by the Manager whom Freehold does not elect to employ.

Compensation and Reimbursement of the Manager

The Manager provides comprehensive oil and gas company management and operational services to Freehold pursuant to the terms of the Management Agreement. The Manager is a wholly-owned subsidiary of Rife. Pursuant to an agreement between Rife and the Manager dated November 25, 1996, Rife provides the Manager, on a contract basis, with all necessary personnel, equipment and facilities required to provide management and operational services to Freehold on a cost recovery basis.

The officers of Freehold, including the CEO, are employees of Rife and receive their remuneration from Rife. These officers do not receive any compensation directly from Freehold for their services other than grants of Performance Awards and Restricted Awards under the Freehold Award Plan. The Manager, through Rife, provides management services to Freehold and its controlled entities. Rife, a private oil and gas company also manages its own business and affairs, and the business and affairs of Canpar, another private oil and gas company. Both Rife and Canpar are wholly-owned by CN Pension Trust Funds. The Manager is compensated and reimbursed as described below for providing services to Freehold and certain subsidiaries and partnerships of Freehold. No amendment, alteration or variation of the Management Agreement or any of its terms or provision shall be binding upon the parties thereto unless made in writing and signed by the duly authorized representatives of each of the parties and (other than such amendments not, in the opinion of counsel for Freehold, prejudicial to the interests of Shareholders) approved by an ordinary resolution of the Shareholders.

A full description of the Management Agreement is contained in Freehold's annual information form for the year ended December 31, 2020 which is available through the internet under Freehold's SEDAR profile at www.sedar.com and on Freehold's website at www.freeholdroyalties.com. The full text of the Management Agreement has been also filed on SEDAR at www.sedar.com and on Freehold's website at www.freeholdroyalties.com.

Management Fee

Under the terms of the Management Agreement, the Manager is issued Common Shares quarterly as a management fee. In 2018, 2019 and 2020 an aggregate of 220,000, 220,000 and 165,000 Common Shares, respectively, were issued to the Manager as payment of the management fee. As at December 31, 2020, the quarterly management fee was 41,250 Common Shares.

Under the terms of the Management Agreement as amended and restated in November 2015, the Common Shares issuable as payment of the management fee will be gradually reduced over a period of several years, as follows:

- in 2021 the Common Shares issuable on payment of the management fee will be capped at 27,500 Common Shares paid quarterly;
- in 2022 the Common Shares issuable on payment of the management fee will be capped at 13,750 Common Shares paid quarterly; and
- in 2023 and beyond the Common Shares issuable on payment of the management fee will be capped at 5,500 Common Shares paid quarterly.

In addition, the Management Agreement provides a mechanism for reducing the number of Common Shares issuable as payment of the management fee if the market price of the Common Shares at such time exceeds \$19.00 per Common Share. Pursuant to the Management Agreement, the management fee, at the option of Freehold, may be paid by (i) the issuance of Common Shares, or (ii) cash equal to the value of such Common Shares as determined by the market price of such Common Shares at such time.

General and Administrative Costs

The Manager is reimbursed for G&A Costs incurred by Rife on behalf of Freehold. G&A Costs are generally charged to Freehold based on time spent and direct costs incurred by Rife in fulfilling the obligations of the Manager to Freehold pursuant to the Management Agreement. Rife maintains a time sheet entry system pursuant to which each employee of Rife records the amount of time devoted to each entity managed by Rife. The portion of G&A Costs allocated to Freehold is based on a ratio of the total time expended by Rife's staff on Freehold's business divided by the total time allocated to all of the businesses managed by Rife and direct costs, which averaged 54% in 2020. In 2020, G&A Costs of \$11.0 million were charged by the Manager for time and direct costs incurred by Rife on behalf of Freehold.

Share Based Compensation

Since 2017, Freehold's proportionate share of long-term incentive compensation consisted of grants of Performance Awards and Restricted Awards under the Freehold Award Plan. In 2020, a total of 308,167 (2019 – 102,616) Restricted Awards and 363,480 (2019 – 109,919) Performance Awards were granted to employees of Rife under the Freehold Award Plan reflecting Freehold's 48% (2019 – 48%) of long-term incentive compensation granted to Rife employees in 2020. Restricted Awards and Performance Awards accumulate the full value of Freehold's monthly dividend and upon vesting, the payout amount is adjusted to reflect these dividends and, in the case of the Performance Awards, a performance multiplier based on certain applicable Freehold performance factors.

Manager's Annual Bonus Plan

Freehold pays its proportionate share (2020 – 48%) of annual cash bonuses paid under the Rife STIP for employees of the Manager.

Pension Plan

The Manager has a defined contribution pension plan, of which Freehold pays its proportionate share (2020 – 48%). See "Pension Plan Benefits" on page 60.

Other Information

Securities Authorized for Issuance under Equity Compensation Plans

The following sets forth information in respect of Common Shares authorized for issuance under Freehold's equity compensation plans as at December 31, 2020.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	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			
DSU Plan	325,633	N/A	141,711
Management Agreement ⁽¹⁾	N/A	N/A	203,467
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
Total	325,633	N/A	345,178

(1) Pursuant to the Management Agreement, the Manager receives a management fee, paid in Common Shares, as described under "Compensation and Reimbursement of the Manager" on page 61.

Annual Burn Rate under Equity Compensation Plans

The following sets forth information in respect of the number of Common Shares issued under the Management Agreement and the number of DSUs granted under the DSU Plan in the applicable year relative to the weighted average number of Common Shares outstanding in such year.

Plan Category	Year	Number of Common Shares or DSUs granted or issued during applicable year (a) ¹	Weighted average number of Common Shares outstanding for the applicable fiscal year (b)	Burn Rate ((a)/(b)) (c)
DSU Plan	2020	89,322	118,685,218	0.075%
	2019	76,119	118,486,297	0.064%
	2018	42,763	118,266,297	0.036%
Management Agreement	2020	165,000	118,685,218	0.139%
	2019	220,000	118,486,297	0.186%
	2018	220,000	118,266,297	0.186%

(1) The number of DSUs granted includes notional DSUs granted resulting from dividends paid on the Common Shares.

Indebtedness of Directors and Executive Officers

None of the directors, executive officers, employees or any former directors, executive officers or employees of Freehold or its subsidiaries or any associates of any such directors or officers, is, or has been at any time since the beginning of the most recently completed financial year of Freehold, indebted to Freehold in respect of any indebtedness that is still outstanding, nor is, or at any time since the beginning of the most recently completed financial year has any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Freehold.

Interest of Informed Persons in Material Transactions

Other than as disclosed below or herein, there were no material interests, direct or indirect, of any directors or executive officers of the Manager, directors or executive officers of Freehold, any Shareholder who beneficially owns more than 10% of the Common Shares or any known associate or affiliate of such persons in any transaction completed in the most recently completed financial year or during the current financial year or in any proposed transaction that has materially affected or will materially affect Freehold.

On December 9, 2020, Freehold closed a bought deal offering of 9,856,000 subscription receipts ("**Subscription Receipts**") of the Company at a price of \$4.80 per Subscription Receipt for gross proceeds of approximately \$47 million (the "**Offering**"). Concurrent with the closing of the Offering, CN Pension Trust Funds, through Rife, purchased 2,791,667 Subscription Receipts at a price of \$4.80 per Subscription Receipt for gross proceeds of approximately \$13.4 million on a non-brokered private placement basis.

The Manager and Rife are wholly-owned subsidiaries of the CN Pension Trust Funds, which held 28,969,931 Common Shares as at March 22, 2021, representing approximately 22.04% of the outstanding Common Shares. The Manager receives certain compensation for providing management services to Freehold and its controlled entities as described under "*Compensation and Reimbursement of the Manager*" on page 61. All transactions during 2020 were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by Freehold and the Manager.

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

No director, proposed nominee for election as a director or executive officer of Freehold or anyone who has held office as such since the beginning of our last financial year or of any associate or affiliate of any of the foregoing in has any material interest, direct or indirect, in any matter to be acted on at the Meeting other than for the election of directors.

Additional Information

Additional information relating to Freehold is available on SEDAR at www.sedar.com. Financial information in respect of Freehold and its affairs is provided in Freehold's annual audited consolidated financial statements for the year ended December 31, 2020 and the related management's discussion and analysis. Copies of these documents are available upon request from Freehold by contacting the Corporate Secretary, Freehold Royalties Ltd., Suite 1000, 517 – 10th Avenue S.W., Calgary, Alberta, T2R 0A8, Telephone 403-221-0802, or such materials may be accessed via Freehold's website at www.freeholdroyalties.com.

Appendices

Appendix A - Board Mandate

INTRODUCTION

The board of directors (the "**Board**") of Freehold Royalties Ltd. ("**Freehold**"), is committed to maintaining a high standard of corporate governance. The Board has responsibility for the overall stewardship of Freehold and its controlled entities and discharges its responsibility by reviewing, discussing, and approving Freehold's strategic planning and organizational structure and supervising management, including retention of the Manager, with a view to preserving and enhancing the underlying value of Freehold. Management of the business within this process and structure is the responsibility of the Chief Executive Officer ("**CEO**") and Rife Resources Management Ltd. (the "**Manager**").

Mandate of the Manager

The Manager is responsible for the day-to-day management of the business of Freehold subject to a supervisory role of the Board. In exercising its powers and discharging its duties under the amended and restated management agreement dated November 9, 2015 (the "**Management Agreement**") between the Manager and Freehold, the Manager must exercise the degree of care, diligence and skill that a reasonably prudent advisor and manager in respect of petroleum and natural gas properties in western Canada would exercise in comparable circumstances.

Pursuant to the provisions of the Management Agreement, the Manager provides certain administrative and support services to Freehold, including those necessary to:

1. ensure compliance by Freehold with continuous disclosure obligations under applicable securities legislation;
2. provide investor relations services;
3. provide or cause to be provided to shareholders all information to which shareholders are entitled under applicable securities laws;
4. call, hold and distribute materials including notices of meetings and information circulars in respect of all necessary meetings of shareholders;
5. determine the amounts available for payment from time to time to shareholders and to arrange for dividend payments to shareholders;
6. determine the timing and terms of future offerings of securities, if any;
7. determine the terms and conditions upon which Freehold may acquire additional royalties; and
8. determine the terms and conditions upon which Freehold may from time to time borrow money.

The Manager recovers its general and administrative costs and a portion of its long term incentive plan costs and retirement benefit costs and receives a quarterly management fee paid in Common Shares.

COMPOSITION OF THE BOARD

The governance agreement dated December 31, 2010 (the "**Governance Agreement**") provides that if the Manager and its affiliates, including the CN Pension Trust Funds, hold 10% or more of the issued and outstanding Common Shares, the Manager has the right to nominate for election two individuals as directors of Freehold. If the Manager and its affiliates hold less than 10% of the issued and outstanding Common Shares the Manager has the right to nominate for election one individual as a director of Freehold. If the individuals nominated by the Manager fail to get elected or if the Manager ceases to hold any Common Shares (in which case the Manager will not have the right to nominate any individuals as directors of Freehold) but continues to act as Manager of Freehold pursuant to the Management Agreement, the Governance Agreement provides the Manager with the right to have an observer present at all meetings of directors of Freehold.

The Board consists of eight members, two of whom were nominated by the Manager and six of whom were nominated by the Board based on the recommendation of the Governance, Nominating and Compensation Committee (the "**GNC Committee**"). A majority of the directors will be independent. All members of the Board shall have the skills and abilities required to carry out their duties and responsibilities in the most effective manner. The Board shall endeavor to always have the right mix of experience and competencies to discharge its responsibilities.

Director Independence

The Board has determined that an independent director is a director who is not a member of management and who does not have a relationship with Freehold or with management that may affect the director's ability to act with a view to the best interests of Freehold, or be perceived to do so. The Board may adopt other categorical standards for determining whether a director is independent and will review the independence of each of the non-management directors annually.

For Audit Committee purposes only, a director is not independent if he or she does not satisfy the Audit Committee independence requirements contained in any applicable securities legislation, or rules of any stock exchange on which Freehold's securities are listed for trading.

Independent directors and their firms will not be retained for consulting without prior approval of the Board.

Selection of Chair

The Chair will be appointed by the Board from among the independent directors. The Chair reports to the Board and to the shareholders. The Board has approved, and will periodically review, a position description for the Chair.

Director Compensation

The Board has determined that the directors should be compensated in a form and amount that is appropriate and which is customary for comparable entities, having regard to such matters as time commitment, responsibility and trends in director compensation. The Board, based upon recommendations of the GNC Committee, will periodically review the adequacy and form of directors' compensation, including compensation of the Chair and Committee Chairs, to ensure that it is competitive and realistically reflects the responsibilities and risks involved in being a director.

Directors who are employees of the Manager will not receive additional compensation for Board service.

Term Limits for Directors

The Board has determined that fixed-term limits for directors should not be established. The Board is of the view that such a policy would have the effect of forcing directors off the Board who have developed, over a period of service, increased insight into Freehold and who, therefore, can be expected to provide an increasing contribution to the Board. At the same time, the Board recognizes the value of some turnover in Board membership to provide ongoing input of fresh ideas and views and annually considers changes to the composition of the Board.

Selection of New Director Candidates

Subject to the Articles or By-Laws of Freehold and the Governance Agreement, the selection of directors and procedures to identify possible nominees will be determined after giving consideration to:

1. the competencies and skills which the Board considers necessary for the Board as a whole to possess;
2. the competencies and skills possessed by each current director;
3. the competencies and skills each new nominee will bring to the Board; and
4. the appropriate size of the Board, with a view to facilitating effective decision-making.

Director Qualification Standards

In nominating an individual to become a director, the Board will consider education, business, governmental and civic experience, communication and interpersonal skills, the diversity of the existing Board, and the background of the potential candidate, as well as any other matters which are relevant to the Board's objectives.

This review will take into account the desirability of maintaining a reasonable diversity of personal characteristics such as age, gender, and geographic residence. However, all directors should possess high personal and professional ethics, integrity, and values and be committed to representing the long-term interests of the shareholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment, outstanding ability in their individual fields of expertise, and a willingness to devote necessary time to Board matters.

Director Orientation and Education

The Board is committed to ensuring that directors have the requisite skills, knowledge, and understanding to fulfill their duties as directors. The director's resource center contains Board and committee mandates, position descriptions, policies, and other information and is provided to new directors who are expected to review and become familiar with its contents. In addition, management conducts orientation sessions with new directors to review Freehold's business, current issues, and opportunities.

Management provides directors with opportunities to increase their knowledge and understanding of Freehold's business. Pre-reading materials are provided in quarterly Board packages sent to directors in advance of regularly scheduled Board meetings. Briefings on strategic issues are conducted annually and typically include reviews of the competitive environment, Freehold's performance relative to its peers, and any other developments that could materially affect Freehold's business. In addition, the Board is briefed on a regular basis on corporate governance developments and emerging best practices.

MATTERS REQUIRING BOARD APPROVAL

Pursuant to the Management Agreement, the Manager has responsibility for the day-to-day operations of Freehold, subject to the Board's general supervision and direction. Any amendment to the Management Agreement requires the approval of the Board.

Certain responsibilities of the Board are sufficiently important to warrant the attention of the full Board and, accordingly, are not delegated or are only delegated in a qualified or partial manner, including:

1. submitting to shareholders any matter requiring their approval;
2. filling vacancies among the directors or appointing additional directors, other than nominees of the Manager;
3. approving capital structure plans and strategies;
4. approving borrowing and hedging;
5. approving issuance of debt or equity securities, declaring dividends or repurchasing shares, and approving related prospectuses or information circulars;
6. approving capital expenditures outside approved budgets;
7. approving the acquisition and disposition of significant properties of Freehold;
8. approving policies relating to material expenditures or assumptions of liability outside of the ordinary course of business, including expenditures for acquisitions, joint ventures, divestitures, leasing transactions, third party loans and other similar transactions;
9. approving management proxy circulars;
10. approving annual financial statements and interim financial reports and related management's discussion and analysis;
11. approving the annual statement of reserves data and other oil and gas information and reports thereon;
12. approving changes in the By-laws and Articles of Incorporation; and
13. approving Freehold's legal structure, name, logo, vision and mission statement.

Appointment, Supervision, and Compensation of the Manager, and Review of Compensation of the Officers

The Board has the responsibility to:

1. plan for succession, including appointing the officers, monitoring the Manager, and determining if the Manager's engagement should be extended;
2. review and assess, in conjunction with the Board of Directors of Rife Resources Ltd., the performance and effectiveness of the CEO;
3. review the Manager's compensation strategy and approve Freehold's annual commitment and funding contribution to the Manager's incentive compensation programs;
4. review and approve the granting of long-term incentive awards to executive officers and new employees of the Manager under Freehold's Share Unit Award Plan; and
5. satisfy itself as to the business and professional integrity of the CEO and other officers, as well as the CEO's leadership in the creation of a culture of integrity throughout the organization.

Strategic Planning and Risk Oversight

The Board has the responsibility to:

1. approve Freehold's goals and objectives;
2. review, adopt and monitor the strategic planning process;
3. review Freehold's long-term strategy annually;
4. review and approve the operating budget;
5. consider principal business risks and review and approve risk management strategies, including a quarterly review of risk management and an annual review of insurance coverage;
6. confirm that management processes are in place to address and comply with applicable regulatory, corporate, securities, health, safety and environment, and other compliance matters;
7. approve policies and other protocols and controls and confirm that processes are in place to comply with Freehold's By-laws, codes of conduct, health, safety and environment, and all other significant policies and procedures; and
8. review on an annual basis, management's strategy to estimate and manage the liability of Freehold as it relates to wellbore abandonments, facility decommissioning, and lease reclamation and remediation obligations.

Financial Reporting and Management

The Board has the responsibility to:

1. monitor operating and financial performance and review results relative to established strategy, budgets and objectives;
2. approve financial statements and review and oversee compliance with applicable audit, accounting and financial reporting requirements;
3. approve annual operating and capital budgets;
4. approve any single capital commitment exceeding \$10 million or any capital commitment that results in expenditures in excess of the approved annual capital expenditure budget;
5. approve cash management plans and strategies and all activities relating to cash accounts and cash investments portfolio, including the establishment and maintenance of bank, investment and brokerage accounts;
6. satisfy itself that management has an appropriate system in place to ensure the integrity of internal control and management information systems, and review the effectiveness of internal control procedures annually;
7. ensure that a system is in place for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and
8. approve significant changes in accounting practices or policies.

Shareholder Communication

The Board has the responsibility to:

1. adopt a disclosure policy relating to, among other matters, the confidentiality of business information and the timely reporting of developments that have a significant and material impact on the value of Freehold;
2. confirm that management has established a system for effective communications including disclosure controls and processes for consistent, transparent, regular and timely public disclosure;
3. report annually to shareholders on the Board's stewardship for the previous year; and
4. ensure that a system is in place to receive feedback from shareholders, including a process to permit stakeholders to communicate with the Board. Any person who has a concern about Freehold's corporate governance, business conduct or financial practices may communicate that concern to the Board. Concerns may be submitted in writing, addressed to the Chair, Freehold Royalties Ltd., c/o Burnet, Duckworth & Palmer LLP, Attention: Grant A. Zawalsky, Suite 2400, 525 – 8th Avenue SW, Calgary, Alberta T2P 1G1.

Corporate Governance

The Board, based on the recommendations of the GNC Committee, has the responsibility to:

1. approve appropriate corporate governance principles and guidelines, including practices to permit the Board to function independently of management;
2. establish committees and approve their respective mandates and the limits of authority delegated to each committee;
3. establish a written position description for directors, which describes and communicates performance expectations of directors and provides a benchmark for developing an approach to individual director assessment and evaluation;
4. discuss the GNC Committee's evaluation of the effectiveness of individual directors, each committee, and the Board as a whole;
5. ensure that adequate orientation programs are in place for new directors and that all directors have access to education programs to maintain and enhance their skills and abilities as directors;
6. determine director qualification standards and approve the nomination of directors;
7. arrange for independent directors to hold regular in-camera sessions, at which non-independent directors and members of management are not in attendance; and
8. establish procedures for monitoring compliance with written standards of business conduct and ethics, and approve any waivers.

Board Compensation

The Board, based on the recommendations of the GNC Committee, is responsible for approving directors' compensation, including compensation to the Chair and Committee Chairs.

POLICIES RELATING TO DISCLOSURE, INSIDER TRADING AND BUSINESS CONDUCT

The Board will confirm that policies and procedures are in place to:

1. ensure that Freehold has consistent standards and procedures for communication of both material and non-material information;
2. ensure that communication of material information to the investing public (whether positive or negative) is timely, factual and accurate, and is broadly disseminated in a non-selective manner in accordance with applicable legal and regulatory guidelines;
3. ensure that the directors and officers, and the employees of the Manager, comply with Freehold's written standards of business conduct and ethics. The Board must approve any waivers and ensure disclosure of any waivers, if required; and
4. ensure that the directors and officers, and the employees of the Manager, have been given guidelines regarding trading in securities of Freehold, including mandatory blackout periods.

BOARD OPERATIONS

Number of Board Meetings

The Board will meet quarterly, or more frequently as needed for the directors to diligently discharge their responsibilities.

Committees of the Board

The Board has established three standing committees of its members: the Audit Committee, the GNC Committee, and the Reserves Committee, to assist it in discharging its responsibilities, and may constitute other committees from time to time. Each committee has a mandate approved by the Board and reviewed annually.

All members of the Audit Committee and the majority of the members of other committees must be independent directors.

Any committee of the Board may retain persons having special expertise or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of Freehold without any further approval of the Board.

Notwithstanding the delegation of responsibilities to a committee, the Board as a whole is ultimately responsible for matters assigned to the committees for determination. Except as may be explicitly provided in the mandate of the committee or a resolution of the Board, the role of the committee is to review and make recommendations to the Board with respect to the approval of matters considered by the committee.

Conduct of Meetings

Board and committee meetings will be conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues.

Agenda for Board and Committee Meetings

The Chair and the CEO will propose an agenda for each Board meeting. Each director is free to suggest the inclusion of items on the agenda. The Chair of each committee of the Board, in consultation with appropriate members of management, will develop agendas for committee meetings.

Materials Distributed in Advance of Meetings

Meeting materials will be distributed to directors before each Board meeting, in sufficient time to ensure adequate opportunity for review. Under some circumstances, due to the confidential nature of matters to be discussed at the meeting, it may not be prudent or appropriate to distribute materials in advance.

Non-Directors at Board Meetings

The Board believes there is value in having certain members of management attend each Board meeting to provide information and opinions to assist the directors in their deliberations. Attendance by management will be determined by the CEO with the concurrence of the Chair. Management attendees will be excused for any agenda items that are reserved for discussion among directors only.

In-Camera Sessions

The independent directors will meet without non-independent directors and members of management at each regularly scheduled meeting.

Adopted January 1, 2011; amended August 1, 2019

Appendix B – Description of DSU Plan

Director Incentive Plan Awards

All Non-Management Directors are eligible to participate in the DSU Plan. Freehold believes that the DSU Plan provides a form of directors' compensation that aligns the interests of the Non-Management Directors and Shareholders of Freehold and allows Freehold to continue to attract qualified directors.

Under the DSU Plan, dividends to Shareholders declared by Freehold prior to redemption are assumed to be reinvested on behalf of the directors in notional DSUs on the date of the dividend. The issued and outstanding DSUs (including additional notional DSUs resulting from dividends) are redeemable for an equal number of Common Shares (less applicable withholding tax if necessary) after the director's retirement until December 15 of the year following the director's retirement.

Unless otherwise provided at the time of grant, each DSU will be fully vested immediately upon grant and a director's entitlement to receive the Common Shares underlying such DSUs at his or her termination date shall not thereafter be subject to satisfaction of any requirements as to any minimum period of membership on the Board or other conditions. The assignment or transfer of DSUs, or any other benefits under the DSU Plan, shall not be permitted other than by operation of law.

The maximum value of DSUs that may be granted to any one Non-Management Director in any calendar year may not exceed \$150,000.

In December 2020, the Board approved certain amendments to the DSU Plan to permit Non-Management Directors to elect to receive all or a portion of their annual cash remuneration in the form of DSUs. Non-Management Directors must make the election to receive DSUs instead of their cash remuneration by no later than December 1 in the preceding year and cannot change the election or opt-out at any time during the year. In addition, the Board approved an amendment to allow Freehold to make a lump-sum cash payment in lieu of issuing Common Shares on redemption of DSUs at the election of the Board with the lump-sum cash payment equal to the number of DSUs redeemed multiplied by the closing price for a Common Share on the TSX on the trading day immediately prior to the redemption date. Pursuant to the amendment provisions of the DSU Plan, the amendments to the DSU Plan did not require Shareholder approval.

An aggregate of 600,000 Common Shares (representing approximately 0.5% of the current issued and outstanding Common Shares) have been reserved for issuance pursuant to the DSU Plan. As at the date hereof, there are 422,215 Common Shares (representing approximately 0.32% of the current issued and outstanding Common Shares) reserved for issuance pursuant to currently outstanding DSUs under the DSU Plan (including notional DSUs resulting from dividends paid on the Common Shares). In addition, since the DSU Plan was originally approved, a total of 132,656 Common Shares (representing approximately 0.1% of the current issued and outstanding Common Shares) have been issued on the redemption of DSUs issued pursuant to the DSU Plan. As a result, as at the date hereof, there remains 45,129 Common Shares (representing approximately 0.03% of the current issued and outstanding Common Shares) available for issuance pursuant to DSUs (including notional DSUs resulting from dividends paid on the Common Shares) to be granted pursuant to the DSU Plan.

The annual burn rate of the DSU Plan, as calculated by the number of DSUs granted in the year (including additional notional DSUs resulting from dividends) divided by the weighted average number of Common Shares outstanding for such year, for each of 2018, 2019 and 2020 was 0.036%, 0.064% and 0.075%, respectively.

The DSU Plan and any DSUs granted pursuant to the DSU Plan may be amended, modified or terminated by the Board without approval of the Shareholders of Freehold (subject to any required approval of the TSX); provided that the DSU Plan may not be amended without the approval of the Shareholders to:

- (a) make any amendment to the DSU Plan to increase the number of Common Shares issuable pursuant to the DSU Plan;
- (b) make any amendment to the DSU Plan to increase the limit on the value of DSUs that may be granted to any one Non-Management Director in a calendar year;
- (c) extend the expiry date of any outstanding DSUs;
- (d) make any amendment to the DSU Plan that would permit a holder to transfer or assign DSUs to a new beneficial holder other than in the case of death of the holder; or
- (e) make any amendment to the amending provisions of the DSU Plan.

In addition, no amendment to the DSU Plan or DSUs granted pursuant to the DSU Plan may be made without the consent of any director holding outstanding DSUs, if such amendment adversely alters or impairs the rights of any such director in respect of any DSUs previously granted to such director under the DSU Plan.

Appendix C – Descriptions of Freehold Award Plan and Rife Award Plan

Underlying each Performance Award and Restricted Award under the Freehold Award Plan (the "**Freehold Award Plan**") is one notional Common Share. Underlying each Performance Award and Restricted Award under the Rife Award Plan (the "**Rife Award Plan**") is one "phantom" share of Rife and Canpar. Each phantom share is based on a notional combined share capital of Rife and Canpar that is adjusted whenever a capital contribution is made to Rife or Canpar. The underlying Common Shares in respect of the Freehold Award Plan and the phantom shares in respect of the Rife Award Plan are adjusted whenever a dividend is paid by Freehold or Rife/Canpar, as applicable.

Subject to the terms and conditions of the Freehold Award Plan (including such additional or different conditions to the determination of vesting and payment as may be prescribed at the time of grant), on the vesting of Restricted Awards granted under the Freehold Award Plan the holder is entitled to an amount (the "**Payout Amount**") equal in value of the Common Shares (as adjusted for dividends paid) underlying such Performance Award. The value of the underlying Common Shares is based on the volume weighted average trading price of the Common Shares on the TSX for the five-trading days prior to the settlement date of such Restricted Awards. Generally, one-third of the granted Restricted Awards will vest on each of the first, second and third anniversaries of the date of grant.

For Performance Awards, the Payout Amount is also adjusted based on a performance multiplier. Although the metrics used for determining the performance multiplier are at the discretion of the Board at the time of grant, it is expected that the performance multiplier will be determined based 50% on absolute total shareholder return and 50% on the relative total shareholder return over an annual performance period. The performance multiplier can range from 0 to 2 times depending on relative and absolute performance outcome. Generally, all of the granted Performance Awards will vest on the third anniversary of the date of grant. The Rife Award Plan is similar to the Freehold Award Plan other than certain differences resulting from Rife and Canpar being private companies.

The aggregate Restricted Awards and Performance Awards to be granted to each employee of Rife will be determined by the Rife Board of Directors and the proportion of a grant of such awards under the Freehold Award Plan and the Rife Award Plan will be equivalent to the ratio of time expended by Rife's staff on Freehold versus Rife and Canpar. Named Executive Officers and other more senior employees of Rife will receive a greater percentage of Performance Awards relative to Restricted Awards and more junior employees of Rife will received a greater percentage of Restricted Awards relative to Performance Awards.

The Payout Amount in respect of both the Freehold Award Plan and the Rife Award Plan will be paid out in cash. The Freehold Award Plan provides that if Freehold is to obtain the necessary TSX and Shareholder approvals Freehold will have the option of paying out the Payout Amount with Common Shares issued from treasury; however, Freehold has no present intention to seek such approvals or to issue any Common Shares as payment of the Payout Amount.

Unless otherwise determined by the Board or the Rife Board of Directors, as applicable, or unless otherwise provided in any written employment or consulting agreement or in any retirement policy of Freehold or Rife applicable to a person receiving a grant of awards (a "**Grantee**") under the Freehold Award Plan or the Rife Award Plan, the following provisions shall apply in the event that the Grantee ceases to provide services to Freehold or Rife, as applicable: (i) if a Grantee is terminated for any reason other than death or termination not for cause, all Performance Awards and Restricted Awards held by the Grantee will terminate and the Grantee shall not be entitled to receive the Payout Amount; (ii) if a Grantee is terminated not for cause all Performance Awards and Restricted Awards held by the Grantee that have a vesting date within 90 days of the termination of such Grantee will vest and be paid out and all other Performance Awards and Restricted Awards will terminate; or (iii) upon the death of a Grantee, all Performance Awards and Restricted Awards held by the Grantee will vest and be paid out.

Both the Freehold Award Plan and Rife Award Plan contain provisions relating to the treatment of Performance Awards and Restricted Awards in the event of a "Change of Control" (as such term is defined in each of such plans) that provide that if there is a "Change of Control" and a participant ceases to provide services to Freehold or Rife, as applicable, or is constructively dismissed from Freehold or Rife, as applicable, within six (6) months of such event all awards granted under the Freehold Award Plan and/or the Rife Award Plan, as applicable, will vest and be paid out (in respect of Performance Awards, the Board or the Rife Board of Directors, as applicable, will need to make a determination of the performance multiplier applicable).

Both the Freehold Award Plan and Rife Award Plan contain provisions relating to the treatment of Performance Awards and Restricted Awards in the event of the termination of the Management Agreement that provide all Performance Awards and Restricted Awards, whether granted under the Freehold Award Plan or the Rife Award Plan, would survive a termination of the Management Agreement and be paid out in accordance with their terms provided that the holder of such awards continues to provide services to either Rife or Freehold. Alternatively, the Board or the Rife Board of Directors can offer employees the opportunity to convert or exchange their Performance Awards and Restricted Awards of the entity that they are not staying with following the termination of the Management Agreement for Performance Awards and Restricted Awards of the entity that they are staying with following the termination of the Management Agreement.

Where an award granted under the Freehold Award Plan is to be settled when a Grantee is subject to a black-out period or within six (6) trading days of the expiry of such black-out period, the settlement of such awards shall be extended to a date which is six (6) business days following the end of such black-out period, unless such extension would cause the awards to be settled past December 31 in the third year (the "**Expiry Date**") following the grant date of such awards, in which case the awards shall be settled on the Expiry Date and the five day volume weighted average trading price utilized in determining the Payout Amount of such award shall be based on the lesser of: (i) the volume weighted average trading price for the five trading days immediately prior to the commencement of such black-out period; and (ii) the volume weighted average trading price for the five trading days immediately prior to the Expiry Date.

Freehold or Rife may amend or discontinue the Freehold Award Plan or Rife Award Plan, respectively, or awards granted thereunder at any time provided that, in the case of Freehold, any amendment to the Freehold Award Plan that requires approval of any stock exchange on which the Common Shares are listed for trading may not be made without approval of such stock exchange. In addition, no amendment to the Freehold Award Plan or Rife Award Plan, as applicable, or awards granted thereunder may be made without the consent of the Grantee, if it adversely alters or impairs any awards previously granted to such Grantee under such plan; provided that any amendments to the Freehold Award Plan to allow for the Payout Amount of any awards to be settled by the issuance of Common Shares or to comply with the requirements of the TSX shall not be considered to adversely alter or impair any awards previously granted under the Freehold Award Plan and all Grantees are deemed to have consented to such amendments.

Appendix D – Glossary of Terms

ABCA	• <i>Business Corporations Act</i> (Alberta)
Advance Notice By-Law	• The Advance Notice By-Law of Freehold regarding advance notice of nomination of directors of Freehold
Beneficial Shareholder	• Shareholders who do not hold Common Shares in their own name
Board	• Board of Directors of Freehold
Broadridge	• Broadridge Investor Communications
By-Law Amendment	• The amendment to the Company's By-Laws to allow for Shareholder meetings to be held by electronic means to be considered by Shareholders at the Meeting
Canpar	• Canpar Holdings Ltd., a private royalty company that is a wholly-owned subsidiary of the CN Pension Trust Funds
CEO	• Chief Executive Officer
CFO	• Chief Financial Officer
CN Pension Trust Funds	• The pension funds for employees of Canadian National Railway Company
Code	• Code of Business Conduct and Conflict of Interest Policy
Common Share	• A common share in the capital of Freehold
COO	• Chief Operating Officer
Diversity and Renewal Policy	• Board Diversity and Renewal Policy adopted March 10, 2015; amended March 2, 2017
DSU Plan	• The Directors' Deferred Share Unit Plan adopted January 1, 2011; amended March 2, 2017, amended and restated December 21, 2020
DSUs or Deferred Share Units	• Deferred share units granted under the DSU Plan
ESG	• Environmental, Social and Governance
Freehold or the Company	• Freehold Royalties Ltd.
Freehold Award Plan	• The Share Unit Award Plan of Freehold adopted in 2017
G&A Costs	• General and administrative costs
GNC Committee	• Governance, Nominating and Compensation Committee
Governance Agreement	• Governance Agreement between Freehold Royalties Ltd. and Rife Resources Management Ltd. dated December 31, 2010 which provides, among other things, rights to the Manager to nominate directors to the Board and rights to the Manager to have a Board observer present at meetings of the Board or its committees
Hugessen Consulting	• Hugessen Consulting Inc., compensation consultant to the Board and GNC Committee
Information Circular	• This Management Information Circular dated March 22, 2021
KPMG	• KPMG LLP, Chartered Accountants, Freehold's external auditor
Management Agreement	• Fourth Amended and Restated Management Agreement dated November 9, 2015 between Rife Resources Management Ltd., Rife Resources Ltd., Freehold Royalties Ltd., 1872348 Alberta Ltd. (as trustee of Freehold Holdings Trust) and Freehold Royalties Partnership, which sets out the management structure between Freehold, Rife and the Manager
Manager	• Rife Resources Management Ltd., a wholly-owned subsidiary of Rife Resources Ltd.
Meeting	• The Annual and Special Meeting of the Shareholders of Freehold to be held on May 11, 2021
Mercer	• Mercer Human Resource Consulting Ltd., Rife's compensation survey supplier
Named Executive Officers or NEOs	• Our named executive officers, including individuals who were the CEO or CFO during 2019
NI 51-101	• National Instrument 51-101 <i>Standards of Disclosure for Oil and Gas Activities</i>
NI 58-101	• National Instrument 58-101 <i>Disclosure of Corporate Governance Practices</i>
Non-Management Director	• Each director of Freehold who is not an employee of Freehold or Rife
Notice and Access Provisions	• As provided under National Instrument 54-101 <i>Communications with Beneficial Owners of Securities of a Reporting Issuer</i>
Performance Award	• An award designated as a performance award under the Freehold Award Plan or Rife Award Plan
Record Date	• Close of business on March 22, 2021
Related Party Transaction	• Any transaction between Freehold Royalties Ltd. and Rife Resources Ltd. and/or Canpar Holdings Ltd. that may include items such as potential acquisitions, dispositions, joint ventures, farm-in arrangements and transactions of a similar nature that are outside the ordinary course of business
Restricted Award	• An award designated as a restricted award under the Freehold Award Plan or Rife Award Plan

Rife	• Rife Resources Ltd., a private oil and gas company that is a wholly-owned subsidiary of the CN Pension Trust Funds
Rife Award Plan	• The Share Unit Award Plan of Rife adopted in 2017, amended in 2018
Rife STIP	• The short-term incentive award plan of Rife
Say on Pay Advisory Vote	• A non-binding Shareholder advisor vote on executive compensation to be considered by Shareholders
SEDAR	• The System for Electronic Document Analysis and Retrieval
Shareholder	• A holder of Common Shares
Tax Act	• <i>Income Tax Act</i> (Canada)
TSX	• Toronto Stock Exchange

Appendix E – Summary Total Executive Compensation

The following table provides a summary of the total compensation paid by Rife to the NEOs. The NEOs also perform functions for Rife and Canpar. See "Compensation and Reimbursement of the Manager" on page 61 for more details.

Summary Compensation Table

Name and Principal Position	Year	Salary ¹ (\$)	Option-based awards ² (\$)	Share-based awards ² (\$)	Non-equity incentive plan compensation		Pension value (\$)	All other Compensation (\$)	Total Compensation ¹ (\$)	Freehold's Share of Total Compensation ⁴ (%)	Freehold's Share of Total Compensation (\$)
					Annual incentive plans ³ (\$)	Long-term incentive plans (\$)					
David M. Spyker ⁵ President & CEO	2020	282,020	-	319,000	134,000	-	4,176	-	737,196	48%	354,814
	2019	262,875	-	291,500	156,000	-	13,144	-	723,519	48%	347,289
	2018	244,800	-	193,000	119,000	-	12,240	-	569,040	48%	273,139
David W. Hendry ⁽⁶⁾ Vice President Finance & CFO	2020	270,826	-	319,000	102,000	-	4,176	87,500 ⁽⁷⁾	783,502	48%	376,080
	2019	24,167	-	161,800	11,500	-	1,208	87,500 ⁽⁷⁾	286,175	48%	137,364
	2018	-	-	-	-	-	-	-	-	-	-
Lisa N. Farstad ⁽⁸⁾ Vice President, Corporate Services	2020	191,666	-	155,000	49,000	-	2,762	-	398,428	48%	191,246
	2019	184,854	-	111,000	60,000	-	9,243	-	365,097	48%	175,247
	2018	165,733	-	62,000	60,000	-	8,287	-	296,020	48%	142,090
Robert A. King ⁽⁹⁾ Vice President, Business Development	2020	232,602	-	222,000	70,000	-	3,469	-	524,520	48%	253,474
	2019	-	-	-	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-	-	-	-
Robert E. Lamond ⁽¹⁰⁾ Vice President, Asset Development	2020	230,001	-	222,000	69,000	-	3,519	-	524,520	48%	251,769
	2019	244,000	-	219,000	95,500	-	12,200	50,000 ⁽¹¹⁾	620,700	48%	297,936
	2018	240,000	-	193,000	98,000	-	12,000	60,000 ⁽¹¹⁾	603,000	48%	289,440
Thomas J. Mullane Former President & CEO	2020	220,346	-	502,500	-	-	4,818	950,000 ⁽¹²⁾	1,677,664	48%	805,279
	2019	335,000	-	502,500	174,200	-	13,615	-	1,025,315	48%	492,151
	2018	325,500	-	407,000	210,000	-	13,250	-	955,750	48%	458,760

(1) The total compensation was paid to NEOs by Rife on behalf of Rife, Canpar and Freehold.

(2) Calculated as the total value of awards under the Rife Award Plan and Freehold Award Plan on the grant date. Freehold's accounting treatment is based on the fair value of the awards at each period end and dependent on the Common Share price plus certain adjustments made for dividends since the date of the grant and performance factors. The liability and compensation expense associated with awards under the Rife Award Plan and Freehold Award Plan is recognized as services are rendered over the vesting period. The actual value realized upon the vesting and payment of these awards may be greater or less than the value indicated. (For further information, see the notes to Freehold's consolidated financial statements for the year ended December 31, 2020, which are available on SEDAR at www.sedar.com).

(3) Bonuses awarded under the Rife STIP in the period earned, paid the following year.

(4) Freehold pays its proportionate share of G&A Costs based on an allocation of time spent and direct costs incurred by Rife in fulfilling obligations under the Management Agreement. Freehold's proportionate share of compensation was approximately 48% in 2020, 48% in 2019 and 48% in 2018.

(5) Mr. Spyker was promoted to the position of Interim President and CEO on September 8, 2020, and on January 18, 2021 he was appointed President and CEO. Previously, Mr. Spyker was promoted to the position of COO on March 18, 2019. From November 28, 2016 to March 18, 2019 he served as Vice President, Production.

(6) Mr. Hendry was appointed Vice President, Finance and CFO on December 1, 2019. Upon his appointment as Vice President, Finance and CFO, he was granted awards under the Freehold Award Plan and Rife Award Plan, in part to compensate him for long-term incentives forfeited when leaving his previous employment. The awards under the Freehold Award Plan and Rife Award Plan granted upon joining Freehold/Rife were prorated based on historical annual allocations of time between Freehold and Rife. Vesting of the initial awards has been timed to coincide with the vesting schedules of the other NEOs' historical awards.

(7) The amount shown for Mr. Hendry is a cash make whole payment paid in connection to his appointment as Vice President of Finance and CFO on December 1, 2019.

(8) Ms. Farstad was promoted to the position of Vice-President, Corporate Services on March 16, 2020.

(9) Mr. King was appointed as Vice-President, Business Development on January 6, 2020.

(10) Mr. Lamond was appointed Vice President, Exploration on September 5, 2017 and on March 18, 2019 he became Vice President Asset Development. Upon his appointment as Vice President, Exploration, he was granted awards under the Freehold Award Plan and Rife Award Plan and the Rife STIP in part to compensate him for long-term and short-term incentives forfeited when leaving his previous employment. As a result, Mr. Lamond's grants of long-term incentive awards upon joining Freehold/Rife were higher than annual long-term incentive grants awarded in the ordinary course of business.

(11) The amount shown for Mr. Lamond is a cash keep whole payment in connection to his appointment as Vice President of Exploration on September 5, 2017.

(12) The amount shown for Mr. Mullane is an amount paid in connection to his departure as President and CEO on September 8, 2020.

Appendix F – Bylaw Amendment

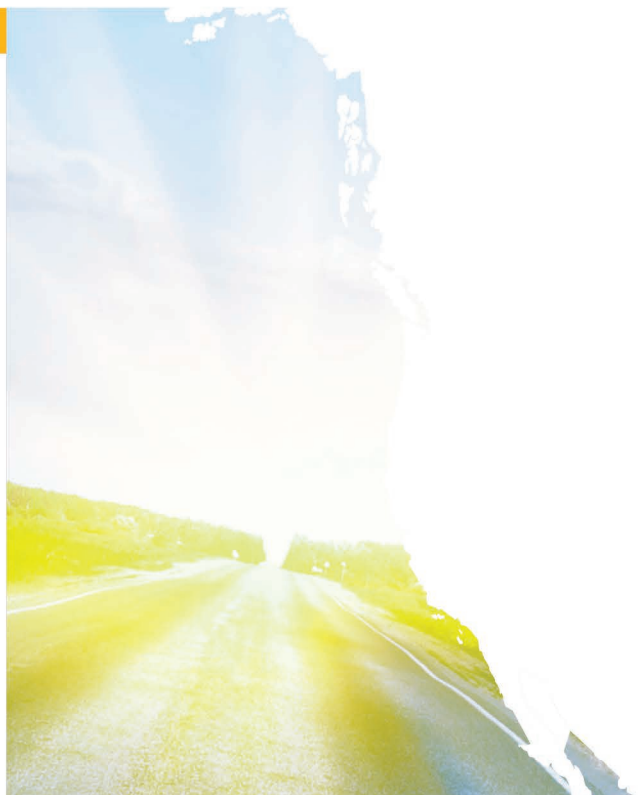
The By-Laws of Freehold Royalties Ltd. are hereby amended by replacing Section 8.8 thereof with the following Sections 8.8 and 8.9:

"8.8 Meeting by Electronic Means

If the directors or the shareholders of the Corporation call a meeting of shareholders pursuant to the Act, the directors or shareholders, as the case may be, may determine that the meeting shall be held, in accordance with the Act, entirely by electronic means, telephone, or other communication facility that permits all participants to communicate adequately with each other during the meeting.

8.9 Participation in Meeting by Electronic Means

Any person entitled to attend a meeting of shareholders may participate in the meeting, in accordance with the Act, by electronic means, telephone, or other communication facility that permits all participants to hear or otherwise communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting."



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