

SIR ROYALTY INCOME FUND

MAJORITY VOTING POLICY

The board of trustees (the “**Board**”) of SIR Royalty Income Fund (the “**Fund**”) believes that each of its members should carry the confidence and support of the Fund’s unitholders. To this end, the Board has unanimously adopted this statement of policy (the “**Policy**”). All proposed nominees or appointees as trustees must agree to the terms of this Policy in order to be nominated or appointed, and, if a trustee fails to offer to resign where required hereunder, such trustee will not be nominated by the Fund for election the following year. This Policy applies to all current and future trustees of the Fund.

In an uncontested election of trustees of the Fund to which this policy applies, each trustee should be elected by the vote of a majority of the votes cast in respect of units represented in person or by proxy at the unitholders meeting convened for such election of trustees. Accordingly, if any nominee for trustee receives a greater number of votes “withheld” from his or her election than votes “for” such election, that trustee shall immediately offer his or her resignation to the chair of the Board following the meeting.

The Corporate Governance Committee (the “**Committee**”) shall consider any such offer of resignation and recommend to the Board whether or not to accept it. Any trustee who has tendered his or her resignation shall not participate in the deliberations or attend the applicable meetings of either the Committee or the Board (except that he or she may attend a meeting solely where necessary to attend for quorum purposes, but in such case must not speak or participate in any part of the meeting where his or her resignation is discussed or a related resolution is voted on). In its deliberations, the Committee may consider any stated reasons as to why unitholders “withheld” votes from the election of the relevant trustee, the effect such resignation may have on the Fund’s ability to comply with any applicable laws, regulations or commercial agreements, the trustee’s role (if any) as a key member of an established and active special committee with a defined term or mandate if accepting the resignation would jeopardize achieving that mandate, whether the majority voting requirement was used for a purpose inconsistent with the TSX’s majority voting requirement, and any other exceptional circumstances that the members of the Committee consider relevant.

The Board shall act on the Committee’s recommendation within 90 days following the applicable unitholders meeting and announce its decision through a press release, a copy of which shall be concurrently delivered to the TSX, after considering the factors identified by the Committee and any other factors that the members of the Board consider relevant. The Board must accept the resignation except in situations where exceptional circumstances would warrant the trustee continuing to serve on the Board. However, if the Board declines to accept the resignation, it should fully state the reasons for its decision in the press release. The resignation of a trustee will be effective when accepted by the Board.

An exceptional circumstance is not expected to be a recurring event, and if an exceptional circumstance exists, the Fund is expected to take active steps to seek to resolve it for the following year.

Forms of proxy provided for use at any unitholders meeting where trustees are to be elected should enable the unitholders to vote in favour of, or to withhold from voting in respect of, each nominee separately. The results of the vote should be filed on SEDAR.

At the meeting, the chair of the meeting (the “**Chair**”) will call for a vote by ballot and the scrutineers will record with respect to each nominee the number of units cast in his or her favour and the number of units withheld from voting. Prior to receiving the scrutineers’ report on the ballot, the Chair may announce the vote result based on the proxies received by the Fund.

Subject to any applicable corporate law restrictions or requirements, and the declaration of trust of the Fund, as amended, if a resignation is accepted, the Board may leave the resulting vacancy unfilled until the next annual general meeting. Alternatively, it may fill the vacancy through the appointment of a new trustee whom the Board considers to merit the confidence of the unitholders, or it may call a special meeting of unitholders at which there will be presented a management nominee or nominees to fill the vacant position or positions.

In this policy, an “uncontested election” means an election of trustees of the Fund where the number of nominees for election as a trustee equals the number of trustees to be elected. It shall not apply where an election involves a proxy battle i.e., where proxy materials are circulated, a solicitation of proxies is carried out and/or other public communications are disseminated in support of one or more nominees who are not part of the trustee nominees supported by the Board or public communications are disseminated against one or more nominees who are supported by the Board.

This is a policy, and is subject to change from time to time by the Board. In addition, the Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively. No provision contained herein is intended to give rise to civil liability to unitholders of the Fund or other liability whatsoever.

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Amended and approved by the Corporate Governance Committee and Board (February 7, 2020)