

**SIR GP INC.**  
**CORPORATE GOVERNANCE COMMITTEE**  
**CHARTER**

**Section 1      PURPOSE**

The Corporate Governance Committee (the “**Committee**”) is a committee of the Board of Directors of SIR GP Inc. (“**SIR GP**”), which is a subsidiary of the SIR Royalty Income Fund (the “**Fund**”). Its primary function is to assist the Board of Directors (the “**Board of Directors**”) of SIR GP, as well as the trustees of the Fund (the “**Trustees**”), in fulfilling their roles by:

- (1) advising as to the oversight of the operations of the SIR Royalty Limited Partnership (the “**Partnership**”), including payments to be made by SIR Corp. (“**SIR**”) to the Partnership under the License and Royalty Agreement;
- (2) considering, and providing a recommendation on, any material conflict of interest involving SIR and SIR GP or the Partnership before such material conflict of interest is approved by the Board of Directors;
- (3) annually reviewing:
  - (a) the operations of SIR, including its business plans, corporate strategies and prospects for the ensuing year;
  - (b) the performance of the management of SIR, and any adjustments to be made pursuant to the License and Royalty Agreement; and
  - (c) adjustments to be made pursuant to the License and Royalty Agreement;
- (4) developing SIR GP’s and the Fund’s approach to corporate governance issues and compliance with applicable laws, regulations, rules, policies, orders and undertakings with respect to such issues (including National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”));
- (5) advising the Board of Directors in filling vacancies on the Board of Directors and advising the Fund’s Trustees in filling vacancies among the Fund’s Trustees, and on any processes therefor;
- (6) considering and approving proposals by the Board of Directors and the Fund’s Trustees to engage outside advisors on behalf of the Board and/or the Trustees as a whole or on behalf of the independent directors of the Board or the Trustees of the Fund;
- (7) proposing new nominees for appointment to the Board where applicable;

- (8) recommending to the Board the resignation or removal of directors where their current or past conduct is or has been improper or liable to adversely affect the Company or its reputation;
- (9) periodically reviewing and assessing the composition and effectiveness of the Board of Directors and the Fund's Trustees as a whole, as well as the structure, composition, mandate and effectiveness of the Audit Committee and the Committee, and the contribution of individual directors and Trustees;
- (10) periodically consider the appropriateness of adopting a retirement age and/or term limits, and/or limits on the number of other boards on which the individual may sit, and/or limits on cross-directorships or "interlocking" directors, for the Fund's Trustees and SIR GP's Directors;
- (11) periodically consider the appropriateness of adopting a written policy on diversity, or specific diversity targets, including gender diversity and other forms of diversity;
- (12) adopting measures for receiving feedback from stakeholders;
- (13) periodically review issues related to cybersecurity and privacy risks;
- (14) periodically review issues related to sexual harassment and other harassment related risks;
- (15) periodically review issues related to climate change and other environmental risks;
- (16) empowering the SIR GP Board of Directors and the Fund's Trustees as a whole to create a culture of integrity at both SIR GP and the Fund;
- (17) periodically reviewing the qualifications of SIR Corp's executives for suitability in respect of their roles in the governance and management of the Fund; and
- (18) supervising the Fund's written disclosure policy.

## **Section 2      COMPOSITION AND MEETINGS**

- (1) The Committee should be comprised of not less than three directors as determined by the Board of Directors, each of whom should be independent (as defined by National Instrument 52-110 – *Audit Committees*) SIR Corp., and free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee, and each of whom should be (or should become within a reasonable period of time after appointment) familiar with corporate governance practices.
- (2) The members of the Committee and its Chair shall be elected by the Board of Directors on an annual basis, or until their successors are duly appointed or such members earlier resignation or removal. The Board may add or remove a member

at any time and may fill any vacancy occurring on the Committee. A member may resign at any time and will automatically cease to be a member upon ceasing to be a director. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by majority vote of the full Committee membership. All Committee members should have a working familiarity with corporate governance practices.

- (3) The Committee should meet (whether in person or by telephone) at least twice per annum or more frequently as circumstances require. The Committee may ask members of management of SIR or others to attend meetings or to provide information as necessary. The Committee shall have full access to all information it deems appropriate for the purpose of fulfilling its role. In addition, the Committee may retain the services of outside specialists or other experts to the extent required.
- (4) The Committee may delegate any or all of its functions to any members or any sub-set thereof, or other persons, from time to time as it sees fit.
- (5) The Committee may, if considered appropriate, conduct or authorize investigations into any matters within the Committee's scope of activities. The Committee is empowered to retain independent counsel, accountants, outside compensation specialists or other experts and other professionals to assist it in the conduct of any such investigation or otherwise as it determines necessary to carry out its duties. The Committee may set and pay (at the expense of the Fund and/or its associated entities) the compensation for any such advisors.
- (6) The Committee may meet in camera without members of management in attendance for a portion of each meeting of the Committee.
- (7) A quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine. Each member will have one vote and decisions of the Committee are made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all members.
- (8) Meetings of the Committee shall be held from time to time as any member of the Committee shall determine upon 48 hours notice to each of the members orally, by telephone, by facsimile or email. The notice period may be waived by all members of the Committee. Each of the Chair of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer or the Secretary shall be entitled to request that any member of the Committee call a meeting.
- (9) The Chair, if present, will act as the chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee, the members in attendance may select one of their number to act as chair of the meeting.

- (10) This Charter is subject in all respects to the Governance Agreement.

### **Section 3      ROLE**

In addition to the activities described in Section 1, the Committee should:

- (1) Determine any desired agenda items and, to the extent possible and desirable, in advance of every regular meeting of the Committee, the Chair with the assistance of the secretary of SIR GP should prepare and distribute to the members and others deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with the appropriate briefing materials.
- (2) Review this Charter and recommend to the Board of Directors changes to this Charter, as considered appropriate from time to time.
- (3) Summarize in the Fund's annual report the Committee's composition and activities, as required.
- (4) Take minutes of its meetings and submit the minutes of all meetings of the Committee to the Board of Directors and Fund Trustees on a timely basis.
- (5) The Committee should, when practicable, maintain an "evergreen" list of prospective directors and/or Trustees, and review the director and trustee recruitment, nomination and assessment process on a regular basis to ensure compliance with governance best practices.
- (6) The Committee should provide orientation or information as requested to new members of the Board of Directors and Fund Trustees, to, among other things, fully understand the role of the Board and its committees, the contribution individual directors and trustees are expected to make, and the nature and operation of SIR GP.
- (7) The Committee should assess, annually, the effectiveness of the Chair of the Board, the Board as a whole, all committees of the Board and the contribution, competency, skill and qualification and, if applicable, position distributions, of individual directors, including making recommendations where appropriate that a sitting director be removed or not re-appointed and should also provide or coordinate the provision of continuing education for the directors and trustees so as to assist the directors and trustees in maintaining the skill and knowledge necessary to meet their obligations as directors and trustees.
- (8) The Committee should analyze the needs of the Board of Directors and Fund Trustees when vacancies arise on the Board of Directors and among the Fund Trustees and identify and recommend nominees who meet such needs.
- (9) The Committee should develop a process to address any conflicts of interest and to periodically review such process.

- (10) The Committee should conduct a biennial review of SIR GP and the Fund's, as applicable, principal policies, committee charters and other governance instruments, as applicable, and, in the Committee's discretion, recommend any changes to the Board for consideration.

### **Nominating Role**

- (11) The Committee should, as necessary or appropriate, establish qualifications for directors and trustees and procedures for identifying possible nominees who meet these criteria. In so doing, it should consider desired competencies and skills and the appropriate size of the Board.
- (12) The Committee should analyze the current skills and competencies of the Board and the needs of the Board when vacancies arise and identify and recommend nominees who meet such needs.

### **Securityholder Communications and Disclosure**

- (13) The Committee should ensure that appropriate processes are established by the Board to fulfil its role of oversight of investor relations and public relations activities.
- (14) The Committee should review proposed disclosure and advise the Board and management on public disclosure regarding the Corporation's governance practices.
- (15) The Committee should review securityholder proposals to be presented at applicable securityholder meetings and make recommendations to the board or Trustees in their regard.
- (16) The Committee should as appropriate, communicate with investors on governance related issues, if any.

### **Risk Review**

- (17) The Committee should ensure that a system is developed and maintained for identifying, assessing and managing risks related to governance and nominating issues.
- (18) The Committee should communicate with the Audit Committee regarding risk as it relates to governance and nominating issues. This may include, among other things, securityholder rights, ethics, systemic risk management, bribery and corruption.
- (19) The Committee should periodically review and make recommendations on governance and nominating related risks to the Corporation and the Fund.

### **Diversity, Cybersecurity, Privacy, Social Issues, Sexual Harassment and Climate Change**

- (20) The Committee should review SIR GP's and the Fund's approaches to board and executive diversity, and the disclosure thereof.
- (21) The Committee should periodically consider their potential impact on the performance of the following risks: SIR GP's and the Fund's approaches to, cybersecurity, social issues, privacy, sexual harassment, other forms of harassment and climate change and other environmental risks. Environmental matters to be considered may include, among other things, energy intensity, emissions, water use, waste, climate impacts, resource depletion and pollution. Social issues to be considered may include matters related to employment relations, local communities, indigenous communities, supplier relations, human rights, health and safety and working conditions.

### **Reporting**

- (22) The Committee's role is to review, and submit to the Board as a whole, recommendations concerning corporate governance. Such reports may be oral or in writing. Unless such matters are delegated specifically to the Committee, the Committee shall only make recommendations to the Board for their consideration and approval, if appropriate. The Board will then have the authority to implement the Board's directives.
- (23) The Committee should also review the Fund's Management Information Circular, Annual Information Form and other relevant documents with the Board of Trustees and suggest changes as determined appropriate, to seek to ensure the Fund's compliance with the disclosure requirements under NI 58-101.
- (24) The Committee should review with the Board the Committee's judgment as to the quality of SIR GP's and the Fund's governance and suggest changes to SIR GP's and/or the Fund's governance as determined appropriate.

### **General**

- (1) The Committee may address such other matters as may be assigned to it by the Board from time to time.
- (2) Notwithstanding the foregoing and subject to applicable law, nothing contained in this Charter is intended to require the Committee to ensure SIR GP's, SIR's or the Fund's compliance with applicable laws or regulations.
- (3) In contributing to the Committee's discharge of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject.
- (4) The Committee is a committee of the Board of Directors and is not and shall not be deemed to be an agent of SIR, SIR GP or their shareholders or the Partnership

or the Fund's unitholders for any purpose whatsoever. The Board of Directors may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to securityholders of SIR, SIR GP, the Partnership or the Fund or other liability whatsoever.

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