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Management Information Circular

Annual and Special Meeting May 5, 2020

Quality Assets. Sustainable Dividends.

TSX **FRU**

Freehold
ROYALTIES LTD.

THE ROYALTY ADVANTAGE

Freehold Royalties Ltd. is one of the largest owners of privately held mineral rights in Canada. A majority of our free cash flow is distributed to Shareholders in the form of dividends.

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.

TABLE OF CONTENTS

Letter to Shareholders	3
Notice of Annual and Special Meeting	5
About the Shareholder Meeting	7
Business of the Meeting	13
Director Nominees	19
Board of Directors' Compensation	26
Corporate Governance	29
Executive Compensation	42
Other Information	64
Appendices	66
Appendix A - Board Mandate	66
Appendix B – Description of DSU Plan	72
Appendix C – Descriptions of Freehold Award Plan and Rife Award Plan	74
Appendix D – Glossary of Terms	76
Appendix E – Summary Total Executive Compensation	78

PROXY SUMMARY

The following summary highlights some of the important information you will find in this Management Information Circular. We recommend you read the entire Management 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	13
Appointment of KPMG LLP as Auditors	FOR	15
Say on Pay Advisory Vote	FOR	16
Reduction of Stated Capital Resolution	FOR	17

Capitalized terms used in the Letter to Shareholders and the accompanying Management Information Circular and not otherwise defined have the meaning ascribed to such terms in Appendix D – Glossary of Terms of the Management Information Circular.

LETTER TO SHAREHOLDERS

March 16, 2020

Fellow Shareholders,

On behalf of the Board and management of Freehold, I am pleased to present our Management Information Circular for the annual and special meeting of Freehold Shareholders to be held on May 5, 2020. In 2020, we have eight candidates nominated for election to the Board, including myself. Each of our directors brings significant oil and gas, financial, and business expertise to Freehold. I would like to thank them for the significant time they dedicate to Freehold. I also would like to acknowledge Rife and the dedication and hard work of all its employees, who do an outstanding job of managing our assets and identifying new opportunities.

We are pleased to have a strong board and staff to help weather the current market conditions. It is difficult to ascertain the full effects of the COVID-19 pandemic on global oil demand and market balance, especially when it is combined with the supply increase from OPEC and Russia, although it is expected that these events will continue to affect the market at least until the end of 2020. Freehold has responded to external conditions and closed its office in Calgary and has its staff working remotely during this pandemic. We are still accepting mail delivery and staff has access to our building, if necessary, at this time. Phones are forwarded and emails are being responded to as we try to work as efficiently and safely as possible under these conditions.

Given the long duration nature of Freehold's royalty assets, it remains core to our strategy to position the company's dividend as sustainable through all cycles of the commodity. In 2019, our dividend payout was 63%, enabling Freehold the flexibility to pursue value enhancing acquisitions with our free cash flow. We exited the year with net debt to funds from operations of 0.8 times and remain committed to maintaining total leverage below 1.5 times net debt to funds from operations. Our 2019 operating netback totalled approximately \$35.00 per boe while cash costs were approximately \$5.00 per boe, reinforcing the high margin nature of our assets resulting in an attractive dividend relative to the low oil price environment.

2019 was also noteworthy in that it marked Freehold's entrance into the U.S., completing its first U.S. royalty transaction. The U.S. represents a new area of focus for us, and we see the expansion of Freehold's U.S. footprint as a key driver behind unlocking further value for our Shareholders. We will continue to remain opportunistic on the acquisition front remaining focused on value enhancing acquisition opportunities both in Canada and the U.S, always with a clear focus on returns.

Since 1996, Freehold has served as a consistent income generator for investors seeking yield, paying out greater than \$1.7 billion or \$32.46 per Common Share in dividends while generating an average annual return of greater than 6%, outpacing both the TSX Energy Index and TSX Composite Index. Freehold has thrived for over 20 years and we will continue to improve on this success for the next 20 years.

To acknowledge Shareholder interest in determining compensation, in 2019 we implemented an annual Say on Pay Advisory Vote, which is a non-binding shareholder advisory vote on executive compensation. This provides Shareholders with a formal opportunity to provide their views on the Board's approach to determining elements of compensation, and the levels of compensation awarded to employees of Rife acting as executive officers of Freehold. At last year's annual and special meeting of Shareholders, our inaugural Say on Pay Advisory Vote was approved by over 98% of the votes cast by our Shareholders. As a Shareholder, we value your opinion on how we steward Freehold and the decisions we make. We trust we have made appropriate decisions to secure another favourable vote this year.

Freehold remains focused on creating, enhancing and delivering value to our Shareholders. One way we seek to protect value is by better understanding, disclosing and managing our environmental and social impacts. In 2019, we published our first environmental, social and governance (ESG) report, which is available on our website at www.freeholdroyalties.com.

The Freehold Board is committed to open and transparent communication with our Shareholders. 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 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 limiting attendance at the Meeting this year to essential personnel and registered Shareholders and proxyholders. We also strongly discourage Shareholders from attending the meeting in person. While open engagement with our Shareholders is of key importance to our Board and management, this year the health and safety of our Shareholders, employees and society must take precedence. We are exploring options for our Shareholders and other interested parties to listen to the Meeting and be given an opportunity to ask questions of our management and our Board. However, we anticipate Shareholders who are not in attendance will not have the ability to vote by electronic means during the Meeting. **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 Management 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 AND 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 in the McMurray Room, Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta on Tuesday, May 5, 2020 at the hour of 3:30 p.m. (Calgary time) for the following purposes, namely:

1. to receive and consider the consolidated financial statements for the fiscal year ended December 31, 2019, 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. to consider and, if thought advisable, to pass, with or without variation, a special resolution approving a reduction in the stated capital of Freehold, as more particularly described in the Information Circular; 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 16, 2020.

The record date for the Meeting has been fixed at the close of business on March 16, 2020 (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.

Freehold intends to hold the Meeting in person. However, in view of the current and rapidly evolving COVID-19 outbreak, Freehold asks that, in considering whether to attend the Meeting in person, Shareholders follow the instructions of the Public Health Agency of Canada (PHAC) (www.canada.ca/en/public-health.html) and Alberta Health Services (www.albertahealthservices.ca). Access to the Meeting will, subject to Freehold's by-laws, be limited to essential personnel and registered Shareholders and proxyholders entitled to attend and vote at the Meeting. Freehold encourages Shareholders not to attend the Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. 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 16, 2020.

Freehold may take additional precautionary measures in relation to the Meeting in response to further developments with the COVID-19 outbreak. In the event it is not possible or advisable to hold the Meeting in person, Freehold will announce alternative arrangements for the Meeting as promptly as practicable, which may include holding the Meeting entirely by electronic means, telephone or other communication facilities. Please monitor our website at www.freeholdroyalties.com for updated information. If you are planning to attend the Meeting, please check the website one week prior to the Meeting date.

DATED at Calgary, Alberta this 16th day of March 2020.

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

(signed) "Karen C. Taylor"
Corporate Secretary

Management Information Circular dated March 16, 2020 for the Annual and Special Meeting of Shareholders of Freehold Royalties Ltd. to be held on May 5, 2020.

ABOUT THE SHAREHOLDER MEETING

Voting

How to vote

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

<p>Registered Shareholders</p> <p>Your Common Shares are registered in your name.</p> <p>Voting by proxy is the easiest way to vote. 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 attend the Meeting and vote on your behalf.</p> <p>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.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • FOR each of the nominated directors • FOR the appointment of KPMG LLP as our auditors • FOR the Say on Pay Advisory Vote • FOR the Reduction of Stated Capital Resolution <p>Vote by proxy</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">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> <p>Vote in person</p> <p>If you are a registered Shareholder and would like to attend the Meeting and vote your Common Shares in person, check in with a Computershare Trust Company of Canada representative when you arrive at the Meeting. Do not fill out the proxy form because you will be casting your vote at the Meeting.</p>	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	<p>Non-registered Shareholders (or Beneficial Shareholders)</p> <p>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.</p> <p>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.</p> <p>Submit your voting instructions</p> <p>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.</p> <p>Vote by proxy</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">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> <p>Vote in person</p> <p>If you are a Beneficial Shareholder and would like to attend the Meeting and vote your Common Shares in person, you should enter your own name in the blank space on the voting instruction form provided to you and return the same by mail following the instructions on the form well in advance of the Meeting. Check in with a Computershare Trust Company of Canada representative when you arrive at the Meeting.</p>	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. 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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 16, 2020, the Record Date. Shareholders will vote on four items of business and any other matters that may properly come before the Meeting (see page 13).

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 Trust Company of Canada at 1-800-564-6253.

As of the Record Date, we had 118,622,667 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 3:30 p.m. (Mountain Daylight time) on May 1, 2020 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 Trust Company of Canada.

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 3:30 p.m. (Mountain Daylight time) on May 1, 2020
- 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 3:30 p.m. (Mountain Daylight time) on May 1, 2020
- 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 4:30 p.m. (Mountain Daylight time) on May 4, 2020
- Present a written notice from you or your authorized attorney revoking your previously provided proxy with the Chair of the Meeting

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

In-Person Attendance at Meeting Discouraged in light of COVID-19 Pandemic

Freehold intends to hold the Meeting in person. However, in view of the current and rapidly evolving COVID-19 outbreak, Freehold asks that, in considering whether to attend the Meeting in person, Shareholders follow the instructions of the Public Health Agency of Canada (PHAC) (www.canada.ca/en/public-health.html) and Alberta Health Services (www.albertahealthservices.ca). Access to the Meeting will, subject to Freehold's by-laws, be limited to essential personnel and registered Shareholders and proxyholders entitled to attend and vote at the Meeting. Freehold encourages Shareholders not to attend the Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. 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".

Freehold may take additional precautionary measures in relation to the Meeting in response to further developments with the COVID-19 outbreak. In the event it is not possible or advisable to hold the Meeting in person, Freehold will announce alternative arrangements for the Meeting as promptly as practicable, which may include holding the Meeting entirely by electronic means, telephone or other communication facilities. Please monitor our website at www.freeholdroyalties.com for updated information. If you are planning to attend the Meeting, please check the website one week prior to the Meeting date.

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 to be held in the McMurray Room, Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta, on May 5, 2020, commencing at 3:30 p.m. (Calgary 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.

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.

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 7.** 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 indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the form of proxy or voting instruction form provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

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 118,622,667 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 16, 2020), 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)	26,013,264 ²	21.9%
Burgundy Asset Management Ltd.	12,078,116	10.2%

(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 6,126,157 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 21.9% 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 Reduction of Stated Capital Resolution 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, 2019, 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 Thomas J. Mullane 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	Committees	Current Number of Public Boards (including Freehold)
Gary R. Bugeaud	2015	Y	58	Audit, GNC	1
Peter T. Harrison ¹	1996	N	64	-	1
J. Douglas Kay	2016	Y	66	GNC, Reserves	1
Arthur N. Korpach	2012	Y	62	Audit, GNC	2
Susan M. MacKenzie	2014	Y	59	GNC, Reserves	4
Thomas J. Mullane ²	2013	N	59	-	1
Marvin F. Romanow	2015	Y	64	-	1
Aidan M. Walsh	2013	Y	65	Audit, Reserves	2

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

(2) Mr. Mullane is not considered independent by virtue of the fact that 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 Thomas J. Mullane) 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 19 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 Shareholder 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 were first appointed Auditors of Freehold on September 30, 1996.

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

AUDIT FEES

	December 31, 2019 (\$)	December 31, 2018 (\$)
Audit fees ¹	188,000	183,000
Audit-related fees ²	16,800	25,000
Tax fees ³	12,500	22,500
All other fees	-	-
Total	217,300	230,500

- (1) Audit fees consist of fees for the audit of 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. The services provided in this category includes work performed by Freehold's external auditors in connection with audit work performed on International Financial Reporting Standards (IFRS) 9, IFRS 15 and IFRS 16.
- (3) Tax fees consist of fees for tax compliance and advisory services. During 2018 and 2019, \$12,500 was for U.S. tax compliance and the remainder was for advisory services.

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 cooperation 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 cooperate 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 cooperate in the review and approval of 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 cooperative relationship with Rife on compensation matters and the resulting ability of our GNC Committee to potentially influence compensation decisions of Rife, last year we decided to implement an annual Say on Pay Advisory Vote commencing with the annual and special meeting of our Shareholders held on May 7, 2019. 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 inaugural Say on Pay Advisory Vote was approved by over 98% 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 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 "Corporation"), that the Shareholders accept the approach to executive compensation as disclosed in the "*Executive Compensation*" section of the management information circular of the Corporation dated March 16, 2020."

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 cooperative 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 2021.

5. Reduction of Stated Capital

At the Meeting, the Shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, the Reduction of Stated Capital Resolution, which is a special resolution reducing the stated capital of the Common Shares by \$384 million, without any payment or distribution to the Shareholders.

Reasons for the Reduction of Stated Capital

Under the ABCA, the corporate statute governing Freehold, a corporation is prohibited from taking certain actions, including declaring or paying a dividend, if, among other things, there are reasonable grounds for believing that the realizable value of its assets would as a result of the declaration or payment of the dividend be less than the aggregate of its liabilities and stated capital of all classes of its shares.

The purpose of reducing the stated capital of the Common Shares is to reduce the aggregate of our liabilities and stated capital so as to increase the difference between such amount and the realizable value of our assets, thereby providing us with additional flexibility under the ABCA to pay dividends if, as and when declared by the Board.

The stated capital account of the Common Shares is currently \$509 million. If the Reduction of Stated Capital Resolution is approved by the Shareholders, the stated capital of the Common Shares will be \$125 million. The proposed reduction in stated capital will have no impact on the day-to-day operations of Freehold and will not alter the financial condition of Freehold.

Limitation on the Reduction of Stated Capital under the ABCA

The ABCA provides that a corporation shall not reduce its stated capital if there are reasonable grounds for believing that (i) the corporation is, or would after the reduction be, unable to pay its liabilities as they become due, or (ii) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

Freehold does not have reasonable grounds to believe that (i) it is, or would after the stated capital reduction contemplated by the Reduction of Stated Capital Resolution be, unable to pay its liabilities as they become due, or (ii) the realizable value of Freehold's assets would, as a result of the stated capital reduction contemplated by the Reduction of Stated Capital Resolution, be less than the aggregate of its liabilities.

Certain Canadian Federal Income Tax Considerations with Respect to the Reduction of Stated Capital

The following is a summary of the principal Canadian federal income tax considerations related to the proposed reduction of stated capital that are generally applicable to Shareholders. This summary is based on the current provisions of the Tax Act, the regulations to the Tax Act, and the current published administrative practices and assessing policies of the Canada Revenue Agency (publicly available prior to the date hereof). This summary also takes into account all proposed amendments to the Tax Act and regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and assumes that all proposed amendments will be enacted in the form proposed, although no assurances can be given in this regard. Except for the proposed amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental, regulatory, or judicial action or decision, or changes in the administrative practices of the Canada Revenue Agency, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below.

This summary is not applicable to (i) a Shareholder that is a "financial institution", as defined in the Tax Act for purposes of the mark-to-market rules, (ii) a Shareholder an interest in which would be a "tax shelter investment" as defined in the Tax Act, (iii) a Shareholder that is a "specified financial institution" as defined in the Tax Act, or (iv) a Shareholder who makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act. Any such Shareholder should consult its own tax advisor.

This summary is not exhaustive of all Canadian federal income tax considerations related to the proposed reduction of stated capital, nor does it take into account any provincial or territorial tax laws of Canada or any tax laws of any jurisdiction outside Canada. This summary is of a general nature only and is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular Shareholder of Freehold. Each Shareholder should obtain advice from his, her or its own independent tax advisors with respect to his, her or its particular tax position as such consequences can vary depending upon the particular circumstances of each Shareholder.

The proposed reduction of the stated capital of the Common Shares will not result in any immediate Canadian income tax consequences to a Shareholder nor will it affect a Shareholder's adjusted cost base of the Common Shares for purposes of the Tax Act. However, the reduction in the stated capital will reduce the paid-up capital (as defined in the Tax Act) of the Common Shares by an amount equal to the reduction in stated capital. Paid-up capital is generally the aggregate of all of the amounts received by Freehold upon issuance of its shares (by class) adjusted in certain circumstances in accordance with the Tax Act over the total outstanding number of shares of that class. Paid-up capital differs from the adjusted cost base of shares to any particular Shareholder as adjusted cost base is calculated based on the amount paid by a Shareholder to acquire shares of Freehold, whether on issuance by Freehold or through the marketplace. Although the reduction of the stated capital and the corresponding reduction of the paid-up capital of the Common Shares will not have any immediate Canadian income tax consequences, such reduction may have future Canadian federal income tax consequences to a Shareholder in certain limited circumstances, including, but not limited to, if Freehold repurchases any Common Shares (other than in the context of an issuer bid or normal course issuer bid), if Freehold distributes its assets to its Shareholders, or if Freehold is wound-up.

Reduction of Stated Capital Resolution and Approval Requirement

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass the following special resolution, being the Reduction of Stated Capital Resolution:

"BE IT RESOLVED, as a special resolution of the holders of common shares of Freehold Royalties Ltd. (the "Corporation"), that the stated capital account maintained in respect of the common shares of the Corporation be and is hereby reduced by \$384 million."

In order to be passed, the Reduction of Stated Capital Resolution requires the approval of not less than two-thirds of the votes cast thereon by or on behalf of Shareholders present in person or represented 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 Thomas J. Mullane are independent within the meaning of NI 58-101 of the Canadian Securities Administrators.

DIRECTOR PROFILES



Gary R. Bugeaud
Corporate Director
Age: 58
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	2019 Meeting Attendance	Voting Results of 2019 Annual Meeting		
Board of Directors	10/10 (100%)	Votes For	78,655,261 (98.91%)	
Audit Committee	4/4 (100%)	Votes Withheld	868,863 (1.09%)	
GNC Committee	5/5 (100%)			
Compensation	Director Share Ownership Guidelines			
Total compensation for 2019	\$130,000	Minimum 3 times annual cash retainer		
Total compensation for 2018	\$130,000	Meets Guideline: Yes		
Securities held as of March 16, 2020	Number	Book Value	Market Value	TSX Closing Price
Freehold Common Shares	15,412	\$263,322	\$51,630	\$3.35
Deferred Share Units	42,012	\$432,887	\$140,740	
Total Common Shares and Deferred Share Units	57,424	\$696,209	\$192,370	
Other Public Boards	None			



Peter T. Harrison
Manager, Oil and Gas Investments,
CN Investment Division
Age: 64
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	2019 Meeting Attendance	Voting Results of 2019 Annual Meeting		
Board of Directors	9/9 (100%)	Votes For	79,227,333 (99.63%)	
		Votes Withheld	296,791 (0.37%)	
Compensation ¹	Director Share Ownership Guidelines			
Total compensation for 2019	\$55,000	Minimum 3 times annual cash retainer		
Total compensation for 2018	\$55,000	Meets Guideline: Yes		
Securities held as of March 16, 2020	Number	Book Value	Market Value	TSX Closing Price
Freehold Common Shares	27,000	\$233,861	\$90,450	\$3.35
Deferred Share Units ²	24,130	\$358,095	\$80,836	
Total Common Shares and Deferred Share Units	51,130	\$591,956	\$171,286	
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 but 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: 66
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.

Board and Committees	2019 Meeting Attendance	Voting Results of 2019 Annual Meeting		
Board of Directors	10/10 (100%)	Votes For	78,665,650 (98.92%)	
GNC Committee	5/5 (100%)	Votes Withheld	858,474 (1.08%)	
Reserves Committee	2/2 (100%)			
Compensation		Director Share Ownership Guidelines		
Total compensation for 2019	\$130,000	Minimum 3 times annual cash retainer		
Total compensation for 2018	\$130,000	Meets Guidelines: Yes		
Securities held as of March 16, 2020	Number	Book Value	Market Value	TSX Closing Price
Freehold Common Shares	5,000	\$57,750	\$16,750	\$3.35
Deferred Share Units	36,295	\$358,332	\$121,588	
Total Common Shares and Deferred Share Units	41,295	\$416,082	\$138,338	
Other Public Boards				
None				



Arthur N. Korpach
Corporate Director
Age: 62
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 an 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	2019 Meeting Attendance	Voting Results of 2019 Annual Meeting		
Board of Directors	10/10 (100%)	Votes For	78,150,497 (98.27%)	
Audit Committee (Chair)	4/4 (100%)	Votes Withheld	1,373,627 (1.73%)	
GNC Committee	5/5 (100%)			
Compensation		Director Share Ownership Guidelines		
Total compensation for 2019	\$145,000	Minimum 3 times annual cash retainer		
Total compensation for 2018	\$145,000	Meets Guidelines: Yes		
Securities held as of March 16, 2020	Number	Book Value	Market Value	TSX Closing Price
Freehold Common Shares	15,000	\$313,887	\$50,250	\$3.35
Deferred Share Units	54,005	\$653,741	\$180,917	
Total Common Shares and Deferred Share Units	69,005	\$967,628	\$231,167	
Other Public Boards				
Inter Pipeline Ltd. (Public – IPL:TSX) Director and Member of Audit and Governance Committees				



Susan M. MacKenzie
Corporate Director
Age: 59
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	2019 Meeting Attendance	Voting Results of 2019 Annual Meeting	
Board of Directors	10/10 (100%)	Votes For	78,337,788 (98.51%)
GNC Committee (Chair)	5/5 (100%)	Votes Withheld	1,186,336 (1.49%)
Reserves Committee	2/2 (100%)		

Compensation	Director Share Ownership Guidelines
Total compensation for 2019	Minimum 3 times annual cash retainer
Total compensation for 2018	Meets Guidelines: Yes

Securities held as of March 16, 2020	Number	Book Value	Market Value	TSX Closing Price
Freehold Common Shares	12,500	\$189,725	\$41,875	\$3.35
Deferred Share Units	45,688	\$506,237	\$153,055	
Total Common Shares and Deferred Share Units	58,188	\$695,962	\$194,930	

Other Public Boards
Enerplus Corporation (Public – ERF:TSX, ERF: NYSE) – Director and Member of Audit & Risk Committee, Reserves Committee, and Safety & Social Responsibility Committee (Chair)
Precision Drilling Corporation (Public – PD:TSX, PDS: NYSE) – Director and Member of the Corporate Governance, Nominating and Risk Committee and the Human Resources and Compensation Committee
TransGlobe Energy Corporation (Public - TGL:TSX) (TGA:NASDAQ) - Director and Member of Reserves, Health, Safety, Environment and Social Responsibility Committee, and Compensation, Human Resources, and Governance Committee



Thomas J. Mullane
President and Chief Executive Officer and Director,
Rife Resources Ltd. and
Freehold Royalties Ltd.
Age: 59
Calgary, Alberta, Canada
Director Since: 2013
Not Independent
Public Board Interlocks: None

Tom Mullane is the President and Chief Executive Officer of Freehold. He joined Rife in July 2012 and was appointed President and Chief Executive Officer in May 2013. He has over 25 years of industry experience and a broad background in exploitation and production engineering gathered from both domestic and international assignments. His roles have included responsibility and oversight of acquisitions, divestitures, exploitation and reservoir engineering management, with significant experience in horizontal drilling. He graduated from the University of Alberta with a Bachelor of Science (Chemical Engineering) degree and is a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA). Mr. Mullane holds the ICD.D designation from the Institute of Corporate Directors.

Board and Committees	2019 Meeting Attendance	Voting Results of 2019 Annual Meeting	
Board of Directors	9/9 (100%)	Votes For	79,188,516 (99.58%)
		Votes Withheld	335,608 (0.42%)

Compensation	Director Share Ownership Guidelines
Total compensation for 2019	N/A ¹
Total compensation for 2018	N/A

Securities held as of March 16, 2020	Number	Book Value	Market Value	TSX Closing Price
Freehold Common Shares	42,393	\$430,100	\$142,017	\$3.35
Deferred Share Units	N/A			
Total Common Shares and Deferred Share Units	42,393	\$430,100	\$142,017	

Other Public Boards
None

(1) As a member of management of Rife, Mr. Mullane is not required to meet the share ownership requirements applicable to Non-Management Directors. Effective March 2, 2017 Mr. Mullane is subject to Executive Share Ownership Guidelines as described on page 50.



Marvin F. Romanow
Corporate Director
Age: 64
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 former oil and gas industry executive with over 30 years of experience. 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.

Board and Committees	2019 Meeting Attendance	Voting Results of 2019 Annual Meeting		
Board of Directors (Chair)	10/10 (100%)	Votes For	79,072,991 (99.43%)	
		Votes Withheld	451,133 (0.57%)	
Compensation	Director Share Ownership Guidelines			
Total compensation for 2019	\$180,000	Minimum 3 times annual cash retainer		
Total compensation for 2018	\$180,000	Meets Guidelines: Yes		
Securities held as of March 16, 2020	Number	Book Value	Market Value	TSX Closing Price
Freehold Common Shares	81,856	\$972,449	\$274,218	\$3.35
Deferred Share Units	59,267	\$604,026	\$198,545	
Total Common Shares and Deferred Share Units	141,123	\$1,576,475	\$472,763	
Other Public Boards				
None				



Aidan M. Walsh
Chief Executive Officer and Director,
Baccalieu Energy Inc.
Age: 65
Calgary, Alberta, Canada
Director Since: 2013
Independent
Public Board Interlocks: None

Aidan Walsh is 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 42 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 (Mechanical) degree 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.

Board and Committees	2019 Meeting Attendance	Voting Results of 2019 Annual Meeting		
Board of Directors	10/10 (100%)	Votes For	79,219,870 (99.62%)	
Audit Committee	4/4 (100%)	Votes Withheld	304,254 (0.38%)	
Reserves Committee (Chair)	2/2 (100%)			
Compensation	Director Share Ownership Guidelines			
Total compensation for 2019	\$137,500	Minimum 3 times annual cash retainer		
Total compensation for 2018	\$137,500	Meets Guidelines: Yes		
Securities held as of March 16, 2020	Number	Book Value	Market Value	TSX Closing Price
Freehold Common Shares	20,518	\$352,513	\$68,735	\$3.35
Deferred Share Units	49,538	\$577,776	\$165,952	
Total Common Shares and Deferred Share Units	70,056	\$930,289	\$234,687	
Other Public Boards				
Bonterra Energy Corp. (Public – BNE:TSX) – Director and Member of the Audit; Compensation; Policy, Governance and Nominating; Disclosure; and Reserves Committees				

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.

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 16, 2020.

DIRECTOR SHARE OWNERSHIP

Name	Common Shares (#)	DSUs ¹ (#)	Total Number of Common Shares and DSUs Owned (#)	Book Value of Common Shares and DSUs Owned ² (\$)	Market Value of Common Shares and DSUs Owned ³ (\$)	Total Value of Share Ownership Required ⁴ (\$)	Meets Share Ownership Requirements
Gary R. Bugeaud	15,412	42,012	57,424	696,209	192,370	165,000	Yes
Peter T. Harrison	27,000	24,130	51,130	591,956	171,286	165,000	Yes
J. Douglas Kay	5,000	36,295	41,295	416,082	138,338	165,000	Yes
Arthur N. Korpach	15,000	54,005	69,005	967,628	231,167	165,000	Yes
Susan M. MacKenzie	12,500	45,688	58,188	695,962	194,930	165,000	Yes
Marvin F. Romanow	81,856	59,267	141,123	1,576,475	472,763	210,000	Yes
Aidan M. Walsh	20,518	49,538	70,056	930,289	234,687	165,000	Yes
Total	177,286	310,935	488,221	5,874,601	1,635,541		

- (1) All DSUs vest immediately upon grant but cannot be redeemed until the director ceases to be a director of Freehold.
- (2) Book value has been determined by the number of Common Shares multiplied by the purchase price paid for such Common Shares plus the number of DSUs multiplied by the closing price of the underlying Common Shares on the trading day immediately prior to the date of grant.
- (3) 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 16, 2020 of \$3.35.
- (4) Based on annual cash retainer effective January 1, 2020.

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 2019, 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.

Cash Fees and Retainers

The following table sets forth the Board and Committee retainer fee schedule for Non-Management Directors for 2019, which has remained unchanged in 2020.

2019 DIRECTOR RETAINERS

Type of Retainer or Fee ¹	Amount(\$)
Board Chair Retainer	70,000
Non-Management Director (other than Board Chair) Retainer	55,000
Additional Committee Chair Retainers:	
Audit Committee	15,000
GNC Committee	10,000
Reserves Committee	7,500
Annual DSU Award – Board Chair	110,000
Annual DSU Award – Non-Management Director (other than Board Chair)	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 2019.

SUMMARY 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	55,000	75,000	-	-	-	-	130,000
Peter T. Harrison ²	55,000	-	-	-	-	-	55,000
J. Douglas Kay	55,000	75,000	-	-	-	-	130,000
Arthur N. Korpach	70,000	75,000	-	-	-	-	145,000
Susan M. MacKenzie	65,000	75,000	-	-	-	-	140,000
Marvin F. Romanow	70,000	110,000	-	-	-	-	180,000
Aidan M. Walsh	62,500	75,000	-	-	-	-	137,500
Total	432,500	485,000					917,500

- (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, 2019. 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	30,639	223,358
Peter T. Harrison ³	23,467	171,074
J. Douglas Kay	25,079	182,826
Arthur N. Korpach	42,303	308,389
Susan M. MacKenzie	34,214	249,420
Marvin F. Romanow	42,651	310,926
Aidan M. Walsh	37,958	276,714

- (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, 2019 Common Share closing price on the TSX of \$7.29.
- (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, 2019. 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	92,994
Peter T. Harrison ³	14,144
J. Douglas Kay	89,643
Arthur N. Korpach	100,023
Susan M. MacKenzie	95,148
Marvin F. Romanow	135,013
Aidan M. Walsh	97,405

- (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 12.

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.

Thomas J. Mullane 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 20.

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 16, 2020.

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 39. 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 Board and committee meeting.

Committee Composition

There are three committees of the Board of Directors. The following table outlines the composition of the Board committees as at December 31, 2019.

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	✓
Thomas J. Mullane ²	2013	No			
Marvin F. Romanow ³	2015	Yes			
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. Mullane is not considered independent by virtue of the fact that he is an officer of Freehold and of the Manager.

(3) Mr. Romanow is the Board Chair.

Board Meeting Attendance

The following table summarizes the meetings of the Board and its standing committees held during the year ended December 31, 2019, 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	10 of 10	4 of 4	5 of 5	-	19 of 19 (100%)
Peter T. Harrison ²	9 of 9	-	-	-	9 of 9 (100%)
J. Douglas Kay	10 of 10	-	5 of 5	2 of 2	17 of 17 (100%)
Arthur N. Korpach	10 of 10	4 of 4	5 of 5	-	19 of 19 (100%)
Susan M. MacKenzie	10 of 10	-	5 of 5	2 of 2	17 of 17 (100%)
Thomas J. Mullane ²	9 of 9	-	-	-	9 of 9 (100%)
Marvin F. Romanow	10 of 10	-	-	-	10 of 10 (100%)
Aidan M. Walsh	10 of 10	4 of 4	-	2 of 2	16 of 16 (100%)

(1) The GNC Committee held two joint compensation meetings with the Rife Compensation Committee in 2019.

(2) A meeting of the independent directors has not been included in Mr. Harrison's and Mr. Mullane's attendance record as they were excluded from such meeting.

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 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 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). Seven directors, namely Mr. Bugeaud, Mr. Kay, Mr. Korpach, Ms. MacKenzie, Mr. Mullane, 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 2019, 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 2019.

DIRECTOR EDUCATION PROVIDED IN 2019

Date	Topic	Presented by	Attended by
January 2019	US Tax	BDO Canada LLP	All Directors
March 2019	Regulatory and Compliance Update	Burnet, Duckworth & Palmer LLP	GNC Committee, materials available to All Directors
May 2019	Oil Rail Transportation	CN	All Directors
May 2019	Regulatory and Compliance Update	Burnet, Duckworth & Palmer LLP	GNC Committee, materials available to All Directors
July 2019	Directors Duties & Liabilities of Directors	Burnet, Duckworth & Palmer LLP	GNC Committee, materials available to All Directors
August 2019	Canadian Political & Economical Landscape	Osler, Hoskin & Harcourt LLP	All Directors
September 2019	Innovation & Analytics	Judy Fairburn	All Directors
October 2019	Strategist; Future of Canadian Oil & Gas	ARC Energy Research Institute	All Directors
October 2019	US Perspective	Tudor, Pickering, Holt & Co.	All Directors
October 2019	Financing Near Term 2019-2020	RBC Capital Markets	All Directors
November 2019	Regulatory and Compliance Update	Burnet, Duckworth & Palmer LLP	GNC Committee, materials available to All Directors
November 2019	Federal Election	IPSOS	All Directors
November 2019	State of Oil & Gas in Canada as seen by EPAC Members	EPAC	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, are reviewed by the Chair of GNC Committee, and are 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 and to give each director an opportunity to provide a peer analysis of 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 35) 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 34). 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 cooperates 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

Name	Competencies ¹										
	Corporate Governance	Environmental Stewardship	Executive Background	Financial Expertise	Human Capital Experience	Legal Experience	Managing/Leading Growth	M&A/Capital Markets	Risk Management	Strategic Insight	Technical Oil and Gas Background
Gary R. Bugeaud	✓	✓	✓	✓	✓	✓		✓		✓	
Peter T. Harrison	✓		✓	✓	✓		✓	✓		✓	
J. Douglas Kay	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Arthur N. Korpach	✓		✓	✓	✓		✓	✓	✓	✓	
Susan M. MacKenzie	✓	✓	✓	✓	✓		✓		✓	✓	✓
Thomas J. Mullane	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Marvin F. Romanow	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Aidan M. Walsh	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓

(1) Definition of competencies:

Corporate Governance: Understanding the requirements of good corporate governance through experience as a board member of a public company.

Environmental Stewardship: Understanding the environmental regulatory framework governing oil and gas operations and experience implementing or overseeing policies and procedures relating to the responsible use and protection of the natural environment.

Executive Background: Experience as an executive officer of a business organization.

Financial Expertise: The ability to critically read and analyze financial statements, which could include: experience in corporate finance, financial accounting and reporting, and internal financial controls.

Human Capital Experience: A thorough understanding of succession planning, talent development and retention, and compensation programs, including executive compensation.

Legal Experience: Experience or background in securities or corporate law, contracts and agreements with 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.

Risk Management: Executive experience in evaluating and managing the variety of risks faced by a public company.

Strategic Insight: Experience in driving strategic insight and direction, encouraging innovation and conceptualizing key trends to challenge the organization.

Technical Oil and Gas Background: Management or executive experience in planning and managing oil and gas projects, with a professional designation in engineering, land, geology or geophysics.

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 six 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.

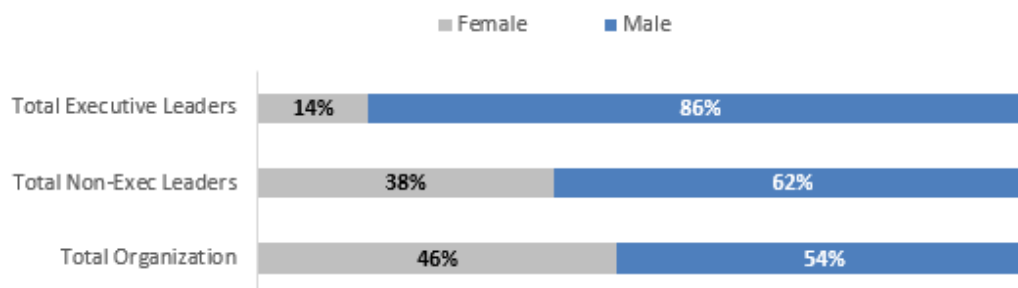
The Board recognizes the benefits of diversity within the Board and encourages the consideration of women who have the necessary skills, knowledge, experience and character for nomination to the Board. The GNC Committee is authorized under its charter to retain experts to assist in "board searches" for 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 endeavour 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 cooperative 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, 2020.



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 are presented in summary form to the GNC Committee for discussion and follow-up with the full Board and the Manager as required.

Freehold's Approach to ESG Risk Management and Disclosure

In 2019, we published our first environmental, social and governance (ESG) report covering information for the calendar year 2018. Although there is a wide range of ESG risks to consider, we wanted to focus on what matters. In October 2018, Freehold undertook a materiality assessment to determine which ESG-related risks are most relevant to Freehold's business and stakeholders. The results of this assessment were reviewed and approved by Freehold's Board of Directors and incorporated into Freehold's overall corporate risk management processes.

The nine risks that were identified as most relevant to us and our stakeholders are:

ENVIRONMENT	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> Relationships with royalty payors Hydraulic well fracturing Greenhouse gas emissions/climate change End-of-asset-life issues 	<ul style="list-style-type: none"> Employee and contractor safety Diverse and engaged workforce 	<ul style="list-style-type: none"> Ethics Relationship with Rife Financial stability of royalty payors

For 2020 we intend to continue to proactively reduce our end-of-asset-life obligations, following up on the 53 gross/19 net wells abandoned in 2019. We will strive to quantify, and report greenhouse gas emissions not only related to the direct emissions from our 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.

From a social perspective we will continue to advance our employee engagement and diversity initiatives. Most recently, the appointment of Ms. Farstad to Vice President, Corporate Services strengthens the leadership and diversity within the leadership team.

The GNC Committee is responsible for overseeing these ESG-related risk management processes and their disclosure, recommending Board of Director approval, as appropriate. 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.

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 dial-in conference calls. Freehold also holds a bi-annual Investor Day, which allows management to highlight the value associated with Freehold's assets to our Shareholders. 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 about 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 2019, Freehold representatives communicated with more than 100 current and prospective Shareholders, representing approximately 70% of Freehold's issued and outstanding Common Shares.

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 2019:

- Met with management and separately with the external auditor to review the quarterly and annual financial statements and management's discussion and analysis and made recommendations to the Board;
- Reviewed the external auditor's independence and performance;
- 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 all audit and non-audit services performed by the external auditor;
- Reviewed and recommended to the Board approval of the amended credit facility agreement;
- Reviewed Freehold's business insurance and recommended to the Board for approval; reviewed 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 2019:

- Recommended to the Board the engagement of the independent reserves evaluators;
- Reviewed management's assessment of the work of the independent reserves evaluators;
- Reviewed the disclosure of reserves and resources information;
- Met in camera with 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 20 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 2019 – Governance and Nominating:

- Reviewed and discussed Freehold’s governance practices and disclosure;
- Evaluated the Manager, director and board performance;
- Reviewed emergent and best practices in corporate governance;
- Reviewed and recommended to the Board Freehold’s directors’ and officers’ liability insurance coverage; and
- Reviewed and assessed progress on Freehold's environmental, social and governance (ESG) approach, plans and disclosure.

Key Activities for 2019 – Compensation:

- Met jointly with Rife on two occasions in 2019 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;
- Assessed, reviewed and recommended revised director compensation to the Board;
- Recommended 2019 CEO objectives for Board approval;
- Assessed and recommended 2019 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

TABLE OF CONTENTS FOR EXECUTIVE COMPENSATION

Compensation Discussion and Analysis	46
Compensation Governance	46
Compensation Advisor	46
Named Executive Officers	47
Aligning Executive Compensation and Shareholder Interests	48
Compensation Elements	51
2019 NEO Compensation Treatment	55
Performance Chart	57
Executive Compensation Summary	58
Termination and Change of Control Benefits	61
Compensation and Reimbursement of the Manager	62

Non-GAAP Financial Measures

Within this Management 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, 2019 which is available on SEDAR at www.sedar.com.

Letter to Shareholders

March 16, 2020

Fellow Shareholders,

The Freehold 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 2019 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.

2019 Business Overview

Despite continued challenges in the Canadian oil and gas industry, 2019 marked another year of successful operations for Freehold as the Company was able to execute on a number of strategic objectives, while improving the quality of our underlying royalty portfolio. Royalty production for the year averaged 10,229 boe/d, down approximately 5% from 2018. Reduced volumes primarily reflected lower levels of third-party drilling on our royalty lands. In total, 641 (20.8 net) wells were drilled on our royalty lands in 2019, a 2% decrease on a net measure versus 2018 activity levels. Activity on Freehold's lands, however, outpaced industry activity in the broader Western Canadian Sedimentary Basin materially over the period.

Royalties as a percentage of total production increased from 94% to 96%, while our oil and natural gas liquid weighting increased from 55% to 56% year-over-year, reflecting an improvement in the quality and profitability of our income stream. Cash costs for the year totaled \$5.30 per boe, in-line with levels achieved in 2018. We remain focused on the mitigation of costs within our business model as it enhances the sustainability of returns to our Shareholders. Our leasing team completed 93 new lease agreements on our royalty lands in 2019 compared to 108 in 2018 and we expect to see results of this success through production adds into future years.

Similar to the past 5-years, 2019 represented a busy period for Freehold's acquisition team with the group executing on \$46 million of value enhancing transactions over the period. Most notably, the team was able to complete Freehold's first U.S. royalty transaction adding a core position in the North Dakota Bakken play. We expect Freehold to expand on this initial position in North Dakota, remaining disciplined and focused on providing lower-risk attractive returns to our Shareholders.

2019 Executive Compensation Decisions

Freehold's 2019 business performance, and a continued challenging macro-environment with low commodity prices, influenced compensation decisions made in 2019. Freehold's allocation of Rife's G&A Costs remained at 48% in 2019, the same as 2018.

- **Base Salary Increase.** Effective March 16, 2019, the average base salaries of our then existing NEOs (other than Mr. Spyker) increased by 2.1%. In 2019, Mr. Spyker was promoted from Vice President, Production to Chief Operating Officer and as result received a higher percentage increase in salary relative to the other NEOs.

- **Short Term Incentive Plan (STIP).** For 2019 the Rife STIP included a Freehold-specific scorecard reflecting Freehold's 2019 corporate performance against defined metrics. Based on 2019 results the GNC Committee recommended and the Board approved a Freehold STIP score of 0.74.
- **Long Term Incentive Plan (LTIP).** Analysis of Mercer peer group data allows establishment of NEO long term incentive targets in alignment with competitive practice and Shareholder interests. In 2019, the GNC Committee recommended and the Board approved 2019 grants to NEOs under the Freehold Award Plan at target levels, with an aggregate grant value of \$1,393,800.

2019 CEO Compensation

The CEO's compensation in 2019 was directly tied to performance of Freehold, Rife and Canpar with approximately 66% of Mr. Mullane's total direct compensation at risk. In 2019, Mr. Mullane's base salary increased by 2.9%. In 2019, Mr. Mullane received a Rife STIP payout and grants under the Freehold Award Plan and Rife Award Plan equal to approximately 100% of his base salary. Freehold pays its proportionate share of Mr. Mullane's compensation, as described in the CD&A that follows.

2020 Compensation Decisions

- **Base Salary Treatment.** Freehold's NEO base salary budget was frozen with a zero percent salary increase for 2020.
- **2020 Freehold STIP scorecard was approved with operational, financial and strategic measures.**
- **LTIP Grant Target for NEOs.** 2020 grants under the Freehold Award Plan and Rife Award Plan were deferred given the exceptionally challenging macro environment being experienced at the usual time of grant.
- **Director Pay:** Compensation levels for Non-Management Directors are unchanged from 2019 compensation levels.

Advisory Vote on Executive Compensation

Since 2015, Rife has cooperated with the Freehold 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, including with respect to Freehold's executives. As a result of this cooperative relationship with Rife on compensation matters and the potential for our GNC Committee to influence compensation decisions of Rife, in 2019, we implemented an annual non-binding shareholder 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 inaugural Say on Pay Advisory Vote was approved by over 98% of the votes cast by our Shareholders. 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. To contact us, write to Freehold, Suite 1000, 517 – 10th Avenue S.W., Calgary, Alberta T2R 0A8, telephone (1-888-257-1873), or email 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, cooperates 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 2019, see page 41 in the Corporate Governance section of this Information Circular.

Compensation Advisor

In 2019, the GNC Committee engaged Hugessen Consulting to assist with changes to the management information circular. 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 2018 and 2019, are detailed below.

COMPENSATION CONSULTANT FEES

	December 31, 2019 (\$)	December 31, 2018 (\$)
Executive and Director Compensation Related Fees	-	-
All Other Fees	4,863	10,660
Total	4,863	10,660

Named Executive Officers

Our current named executive officers are:



Thomas J. Mullane | President and Chief Executive Officer

Tom Mullane is the President and Chief Executive Officer of Freehold. He joined Rife in July 2012 and was appointed President and Chief Executive Officer in May 2013. He has over 25 years of industry experience and a broad background in exploitation and production engineering gathered from both domestic and international assignments. His roles have included responsibility and oversight of acquisitions, divestitures, exploitation and reservoir engineering management, with significant experience in horizontal drilling. He graduated from the University of Alberta with a Bachelor of Science (Chemical Engineering) degree and is a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA). Mr. Mullane hold the ICD.D designation from the Institute of Corporate Directors.



David M. Spyker | Chief Operating Officer

David Spyker is the Chief Operating Officer of Freehold. He served as Vice-President, Production of Freehold from the time he joined Rife in November 2016 until he was promoted into his current role on March 18, 2019. Prior to joining Freehold, Mr. Spyker held various roles at Anderson Exploration Ltd., Anderson Energy Ltd., and Anderson Energy Inc. Most recently he held the role of Chief Operating Officer at Anderson Energy Inc. Mr. Spyker holds a Bachelor of Science (Mechanical Engineering) degree 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

David Hendry is Vice-President, Finance and Chief Financial Officer of Freehold. He joined Rife in December 2019. Mr. Hendry is a Chartered Professional Accountant with over 25 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 finance Vice President 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.



Robert E. Lamond | Vice President, Asset Development

Robert Lamond is Vice-President, Asset Development of Freehold. 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).



Michael J. Stone | Vice President, Land

Michael Stone is Vice-President, Land of Freehold and has held such position since March 2010. Mr. Stone has a Bachelor of Commerce (Management) degree from the University of Calgary and is a member of the Canadian Association of Petroleum Landmen (CAPL).

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

- *Thomas J. Mullane, President and CEO*
- *David M. Spyker, COO*
- *David W. Hendry, Vice-President, Finance and CFO*
- *Robert E. Lamond, Vice-President, Asset Development*
- *Michael J. Stone, Vice-President, Land*
- *Darren G. Gunderson, Former Vice-President, Finance and CFO*
- *Alan W. Withey, Former Interim Vice-President, Finance and CFO*

Mr. Gunderson has been included as a NEO as he served as the Vice-President, Finance and CFO from January 1, 2019 to March 18, 2019. Mr. Withey has been included as a NEO as he served as the Interim Vice-President, Finance and CFO from March 18, 2019 to November 30, 2019. Mr. Hendry has been included as a NEO as he served as the Vice-President, Finance and CFO from December 6, 2019 to December 31, 2019. Other than the NEOs listed above, no individual acting as an executive officer or in a similar capacity of Freehold received total compensation related to services rendered to Freehold in excess of \$150,000 in the year ended December 31, 2019.

Aligning Executive Compensation and Shareholder Interests

Compensation Philosophy and Program

All elements of compensation are determined and agreed to jointly by the Rife and Freehold Boards 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 21.9% 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 and the closing price of 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 16, 2020.

EXECUTIVE SHARE OWNERSHIP¹

Name ⁵	Share Ownership Guideline (multiple of base salary) ²	Common Shares Owned (#)	Value of Common Shares Owned ³ (\$)	Restricted Awards Held (#)	Value of Restricted Awards Held ⁴ (\$)	Total	Total Value	Total Value of Share Ownership Required ² (\$)	Meets Share Ownership Requirements
						Number of Common Shares and Restricted Awards Owned (#)	of Common Shares and Restricted Awards Owned ^{3,4} (\$)		
Thomas J. Mullane	3x	42,660	431,014	10,560	102,944	53,220	533,958	482,400	Yes
David M. Spyker	1x	26,100	147,296	5,809	55,764	31,909	203,060	139,200	Yes
David W. Hendry	1x	5,000	29,910	2,985	19,940	7,985	49,850	139,200	has until 2024
Robert E. Lamond	1x	14,966	157,779	4,717	46,296	19,683	204,075	117,120	Yes
Michael J. Stone	1x	35,000	420,840	4,717	46,296	39,717	467,136	118,080	Yes

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

(2) Based on Freehold's proportionate share (48%) of base salaries effective March 16, 2020.

(3) Value has been determined by multiplying the number of Common Shares by the greater of the current market price of the Common Shares on the TSX (the closing price of the Common Shares on the TSX on March 16, 2020 of \$3.35) and the original purchase price for the Common Shares.

(4) Value has been determined by multiplying the number of Common Shares underlying the Restricted Awards by the greater of the current market price of the Common Share on the TSX (the closing price of the Common Shares on the TSX on March 16, 2020 was \$3.35) and 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) Mr. Gunderson has not been included in the above table as he ceased to be an executive officer of Freehold on March 18, 2019. Mr. Withey has not been included in the above table as he ceased to be an officer prior to December 31, 2019 and because he served as Vice-President, Finance and CFO in an interim capacity and was therefore not subject to the executive share ownership guidelines.

Clawback Policy (Recoupment of Incentive Compensation)

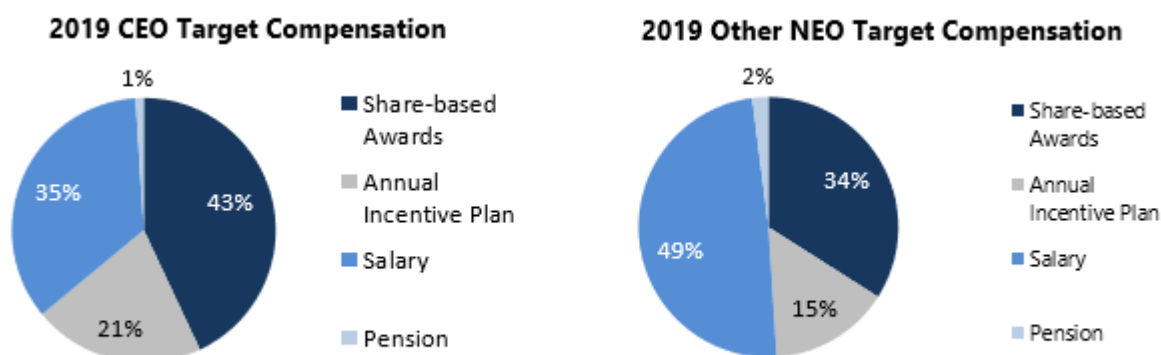
Clawback policies were adopted by Freehold and Rife in 2017. Under Freehold's clawback policy, the Board may, in its sole discretion, to the full extent permitted by applicable laws and to the extent it determines that it is in the best interests of Freehold, require reimbursement of all or a portion 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 64% of the CEO’s compensation and on average 49% of other NEO’s compensation is “at risk” (bonus or long-term incentives).



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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<p>Performance Awards</p> <ul style="list-style-type: none"> 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): <ul style="list-style-type: none"> 50% Relative Total Shareholder Return 50% Absolute Rate of Return (2% min, 7% target, 12% max) <p>Restricted Awards</p> <ul style="list-style-type: none"> 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 (5 day weighted average price preceding vesting date)

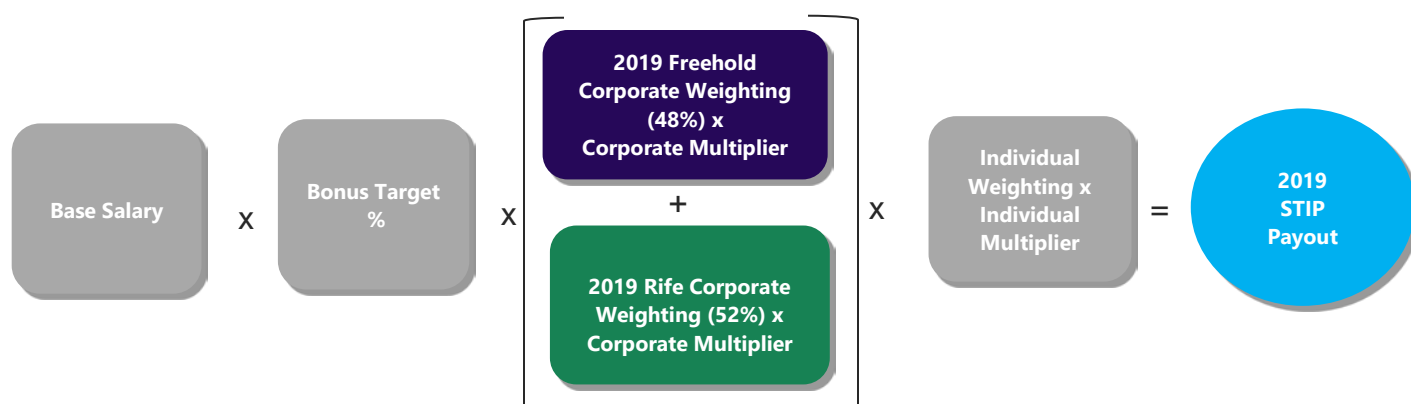
In addition to the above compensation elements, executives participate in the pension and benefits plans on the same basis as all employees. Perquisites are limited in nature and value. Neither Freehold nor Rife have a savings or option plan.

Base Salary

Base salaries for Named Executive Officers are reviewed annually against the median of the Mercer, an independent human resource consulting firm, 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 payouts ranging from 0X to 1.5X target, with payout approved by the Board. An overall corporate performance score at maximum would payout at 1.5X target. An overall corporate performance score below threshold would result in no bonus payable.

Individual performance scores can also range from 0X to 1.5X target on the basis of an NEO’s assessed annual performance.

2019 STIP TARGETS AND PERFORMANCE WEIGHTING

Level	Target	Corporate Weighting	Individual Weighting
CEO	60%	80%	20%
COO/CFO	50%	60%	40%
VP	40%	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.

2019 LTIP TARGETS AND WEIGHTING

Level	LTIP Target as a percentage of base salary	Restricted Award Weighting	Performance Award Weighting
CEO	150%	25%	75%
COO/CFO	110%	25%	75%
VP	90%	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.

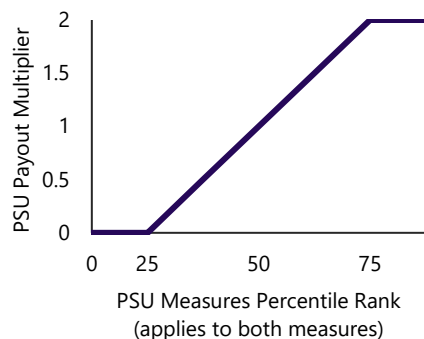
Performance Awards cliff vest (all at once) after three years with the performance period being January 1 of the year of grant to December 31 of the third year following grant. On the vesting date the number of Performance Awards (adjusted to include accumulated dividends) is multiplied first by a performance 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 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. For 2019, the performance peer group was based on the S&P/TSX Capped Energy Index at January 1, 2019 with adjustments made to remove international, oil sands, and service focused companies, and consists of the following companies:

2019 PERFORMANCE AWARD PERFORMANCE PEER GROUP

ARC Resources Ltd.	Peyto Exploration & Development Corp.
Baytex Energy Corp.	PrairieSky Royalty Ltd.
Birchcliff Energy Ltd.	Seven Generations Energy Ltd.
Crescent Point Energy Corp.	TORC Oil & Gas Ltd.
Encana Corporation	Tourmaline Oil Corp.
Enerplus Corporation	Vermilion Energy Inc.
Kelt Exploration Ltd.	Whitecap Resources Inc.
NuVista Energy Ltd.	

2019 NEO Compensation Treatment

2019 Base Salary

In 2019 Freehold's total base salary budget increased by 1.9%. Effective March 16, 2019, the average base salaries of our then existing NEOs (other than Mr. Spyker) increased by 2.1%. In 2019, Mr. Spyker was promoted from Vice President, Production to Chief Operating Officer and as result received a higher percentage increase in salary relative to the other NEOs.

2019 Short Term Incentive Plan

The following table details the Freehold portion of the 2019 corporate scorecard which consisted of seven factors within two primary objectives as well as the assessment of 2019 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 2019 PERFORMANCE

CREATE AND ENHANCE VALUE	Weighting	Multiplier
Royalty Production Additions - This measure relates to the organic creation of royalties through increased leasing activity and compliance activities on our royalty lands. For 2019, there were 93 new leases issued (compared to 100 in 2018). Compliance and leasing initiatives contributed a total of 572 boe/d of annualized production in 2019, in line with the 570 boe/d in 2018. Royalty production additions are specific and defined volumes associated with wells drilled as a result of leasing initiatives and volumes added as a result of audit and compliance initiatives	25%	0.87
Royalty Additions - Acquisitions - For 2019, acquisition efforts were directed to accretive oil focused transactions in areas of active drilling providing for both near term cash flow and longer-term development. Approximately \$30 million was spent in Canada adding royalty lands in the Shaunavon, Sparky, and Slave Point oil plays. In the US, Freehold completed \$16 million of transactions, acquiring royalty lands in the Bakken light oil play in North Dakota. Through this oil acquisition focus, the oil and NGL weighting in our portfolio increased from 54% in 2018 to 57% in Q4-2019. With very defined acquisition attributes, the transactions achieved in 2019 were below the threshold level.	25%	0.00
Royalty Creation - New Business Opportunities - We were able to successfully establish a royalty position in North Dakota Bakken as part of our initiative to increase our exposure to light oil plays in growth areas in the US. We were successful in developing a strong technical and business understanding in North Dakota and in positioning ourselves into the deal flow, resulting in several successful asset transactions, exiting 2019 with 200 boe/d of US production. Based on a qualitative assessment, the GNC Committee considered that Freehold's performance was at maximum on this factor.	15%	1.50
DELIVER VALUE		
Stakeholder Relations - In 2019, we published our first environmental, social and governance (ESG) report to share our ESG impacts, approach and future aspirations with our stakeholders. We continued to communicate our strategic objectives and achievement of these objectives with all our stakeholders. Based on a qualitative assessment, the GNC Committee considered that Freehold's performance was at target on this factor.	5%	1.00
High Performance Culture and Technology & Innovation - We implemented enhancements to improve organizational efficiencies and business development focus. We continued emphasis on employee engagement and improved corporate communication initiatives. We introduced data dashboards to access and analyze corporate data more effectively and completed major upgrades to our computing infrastructure and cyber security protocols. Based on a qualitative assessment, the GNC Committee considered that Freehold's performance was between target and maximum on these initiatives.	10%	1.20
Cash Costs - Cash costs of \$5.43/boe in 2019 were higher than the \$5.17/boe threshold and as such this objective was not met. This was primarily related to one time severance obligations, US related expansion costs, and interest expenses associated with 2019 royalty acquisitions.	10%	0.00
Funds From Operations - In 2019, funds from operations was \$1.00/share which was above the \$0.91/share target and in line with the \$1.03/share achieved in 2018. Results were driven by production performance at the higher end of guidance and strong realized pricing.	10%	1.30
Total Multiplier		0.74

On the basis of performance reflected in the scorecard, the GNC Committee recommended and the Board approved a Freehold corporate score multiplier of 0.74 for 2019. This score was applied to 48% of the NEO's total corporate weighting for 2019. Freehold's 48% share of the total STIP to NEO's is shown below.

2019 STIP PAYOUTS

Position	Name	Freehold Proportionate share (48%) (\$)	Total STIP Payout ⁽¹⁾ (\$)	Total STIP as % of Total Salary
CEO	Thomas J. Mullane	83,616	174,200	52%
COO	David M. Spyker	74,880	156,000	59%
CFO	David W. Hendry	5,520	11,500	48%
VP, Asset Development	Robert E. Lamond	45,840	95,500	39%
VP, Land	Michael J. Stone	45,840	95,500	39%

(1) Includes Rife's proportionate share.

Long Term Incentive Plan Grants

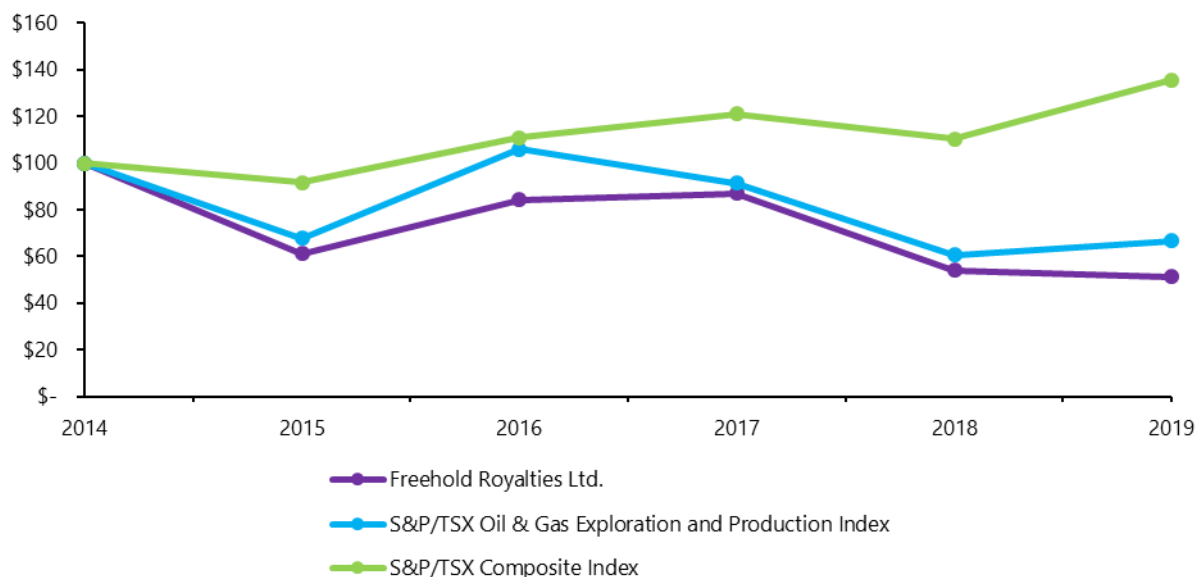
In 2019, the NEO's received the following long term incentive grants under the Freehold Award Plan:

2019 VALUE OF FREEHOLD LONG TERM INCENTIVE AWARDS GRANTED

Position	Name	Freehold Performance Awards (\$)	Freehold Restricted Awards (\$)
CEO	Thomas J. Mullane	180,900	60,300
COO	David M. Spyker	104,940	34,980
CFO	David W. Hendry	58,248	19,416
VP, Asset Development	Robert E. Lamond	78,840	26,280
VP, Land	Michael J. Stone	78,840	26,280

Performance Chart

The following graph and table illustrate changes during the last five years in the value of \$100 invested on December 31, 2014, 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.



	2014	2015	2016	2017	2018	2019
Freehold Royalties Ltd.	\$100.00	\$61.24	\$84.15	\$86.95	\$54.02	\$51.48
S&P/TSX Oil & Gas Exploration & Production Index	\$100.00	\$67.90	\$105.88	\$91.49	\$60.58	\$66.61
S&P/TSX Composite Index	\$100.00	\$91.68	\$111.01	\$121.11	\$110.34	\$135.59

Over the period from 2015 to 2019, the total return performance assuming reinvestment of dividends of Freehold decreased approximately 49%, while the total compensation levels of Named Executive Officers paid by Freehold during the same period increased by approximately 58% (after excluding extraordinary items such as keep whole payments and payments payable on termination of employment).

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. 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. During the same period, Rife and Freehold have been required to attract new personnel and continue to retain its existing personnel. 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 2015 to 2019 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 62. 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			All other Compensation (\$)	Total Compensation ¹ (\$)
					Annual incentive plans ^{1,3} (\$)	Long-term incentive plans (\$)	Pension value ¹ (\$)		
Thomas J. Mullane President and CEO	2019	160,800	-	241,200	83,616	-	6,535	-	492,151
	2018	156,240	-	195,360	100,800	-	6,360	-	458,760
	2017	153,180	-	144,000	103,964	-	7,659	-	408,803
David M. Spyker ⁴ COO	2019	126,180	-	139,920	74,880	-	6,309	-	347,289
	2018	117,504	-	92,640	57,120	-	5,875	-	273,139
	2017	115,200	-	81,600	53,890	-	5,760	-	256,450
David W. Hendry ⁵ Vice-President, Finance and CFO	2019	11,600	-	77,664	5,520	-	580	42,000 ⁶	137,364
	2018	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-
Robert E. Lamond ⁷ Vice-President, Asset Development	2019	117,120	-	105,120	45,840	-	5,856	24,000 ⁸	297,936
	2018	115,200	-	92,640	47,040	-	5,760	28,800 ⁸	289,440
	2017	38,014	-	163,700	49,598	-	1,901	-	253,213
Michael J. Stone Vice-President, Land	2019	118,080	-	105,120	45,840	-	5,904	-	274,944
	2018	116,160	-	92,640	47,040	-	5,808	-	261,648
	2017	113,886	-	76,800	49,598	-	5,694	-	245,978
Darren G. Gunderson ⁹ Former Vice-President, Finance and CFO	2019	25,900	-	-	-	-	1,295	277,920 ¹⁰	305,115
	2018	124,320	-	111,840	57,120	-	6,216	-	299,496
	2017	121,878	-	84,000	59,613	-	6,094	-	271,585
Alan W. Withey Interim CFO	2019	119,250	-	-	-	-	-	-	119,250
	2018	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-

- (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 2019, 48% in 2018 and 48% in 2017. 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, 2019, 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 COO on March 18, 2019. From November 28, 2016 to March 18, 2019 he served as Vice-President, Production.
- (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 keep whole payment paid in connection to his appointment as Vice President of Finance and CFO on December 1, 2019.

- (7) 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. A portion of the awards under the Freehold Award Plan and the old long-term incentive plan of Rife 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.
- (8) The amount shown for Mr. Lamond is a cash keep whole payment paid in connection to his appointment as Vice President of Exploration on September 5, 2017.
- (9) Mr. Gunderson resigned as the Vice-President, Finance and CFO on March 18, 2019.
- (10) The amount shown for Mr. Gunderson is an amount paid in connection to his departure as Vice-President, Finance and CFO on March 18, 2019.

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, 2019. The Named Executive Officers do not receive any option-based awards. Description of the Freehold Award Plan is contained in Appendix C.

SHARE-BASED AWARDS

Name ¹	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ^{2,3} (\$)
Thomas J. Mullane	44,444 Performance Awards 11,319 Restricted Awards	327,993 83,535
David M. Spyker	24,264 Performance Awards 6,243 Restricted Awards	179,068 46,070
David W. Hendry	9,248 Performance Awards 3,083 Restricted Awards	68,247 22,749
Robert E. Lamond	20,667 Performance Awards 5,135 Restricted Awards	152,599 37,893
Michael J. Stone	20,767 Performance Awards 5,145 Restricted Awards	153,257 37,966

- (1) Neither Mr. Gunderson nor Mr. Withey held any share based awards at December 31, 2019.
- (2) Estimated based on the five day volume weighted average price of the Common Shares on the TSX at December 31, 2019, which was \$7.38, 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, 2019 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, (ii) Freehold's proportionate share of awards granted under the old long-term incentive plan of Rife held by the Named Executive Officers that vested, and (iii) 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	Total Number of Shares and Payout Value	
	Share-based awards	Non-equity incentive plan compensation
	Value vested during 2019 ^{1,2,3}	– value earned during 2019 ⁴
	(\$)	(\$)
Thomas J. Mullane	48,636	83,616
David M. Spyker	27,573	74,880
David W. Hendry	-	5,520
Robert E. Lamond	22,283	45,840
Michael J. Stone	27,295	45,840
Darren G. Gunderson	30,726	-

- (1) Mr. Withey did not hold any share-based awards that vested in 2019 and did not receive any non-equity plan compensation while he was employed at Freehold.
- (2) 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.
- (3) Includes Freehold's proportionate share of the 2016 grant under the former long-term incentive plan that vested in 2019 and Restricted Awards under the Freehold Award Plan that vested in 2019.
- (4) Freehold's proportionate share of the old long-term incentive plan of Rife is calculated based on the weighted average trading price of the Common Shares for the five trading days prior to vesting plus certain adjustments made for dividends since the date of the grant and performance factors.
- (5) As 2017 was the first year in which grants were made under the Freehold Award Plan, no Performance Awards vested in 2019.
- (6) Freehold's proportionate share of bonuses earned in 2019 (paid in 2020) under the Rife STIP.

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 ²	Accumulated value at start of year (\$)	Compensatory change (\$)	Accumulated value at year end (\$)
Thomas J. Mullane	98,236	6,535	131,030
David M. Spyker	23,603	6,309	41,002
David W. Hendry	-	580	1,147
Robert E. Lamond	14,905	5,856	29,899
Michael J. Stone	115,936	5,904	141,246
Darren G. Gunderson	281,335	1,295	-

- (1) Calculated based on Freehold's proportionate share of 48% for 2019.
- (2) Mr. Withey did not participate in the Rife pension plan.

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, 2019, 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, 2019 and if each Named Executive Officer was terminated on such date in connection with such change of control.

Name ¹	Number of Performance Awards and Restricted Awards held on December 31, 2019 (#)	Market or payout value of Performance Awards and Restricted Awards that have not vested ² (\$)
Thomas J. Mullane	44,444 Performance Awards 11,319 Restricted Awards	327,993 83,535
David M. Spyker	24,264 Performance Awards 6,243 Restricted Awards	179,068 46,070
David W. Hendry	9,248 Performance Awards 3,083 Restricted Awards	68,247 22,749
Robert E. Lamond	20,667 Performance Awards 5,135 Restricted Awards	152,599 37,893
Michael J. Stone	20,767 Performance Awards 5,145 Restricted Awards	153,257 37,966

(1) Neither Mr. Gunderson nor Mr. Withey held any Performance Awards or Restricted Awards as at December 31, 2019.

(2) For Restricted Awards, calculated based on the number of notional Common Shares underlying such Restricted Awards held at December 31, 2019 multiplied by the five day volume weighted average price of the Common Shares on the TSX at December 31, 2019, which was \$7.38. For Performance Awards, calculated based on the five day volume weighted average price per Common Share on the TSX at December 31, 2019, which was \$7.38 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, 2019 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 2017, 2018 and 2019 an aggregate of 220,000, 220,000 and 220,000 Common Shares, respectively, were issued to the Manager as payment of the management fee. As at December 31, 2019, the quarterly management fee was 55,000 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 seven years, as follows:

- in 2020 the Common Shares issuable on payment of the Management fee will be capped at 41,250 Common Shares paid quarterly;
- 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, which averaged 47% in 2019. In 2019, G&A Costs, excluding share based compensation totaled \$12.1 million, including \$10.0 million charged by the Manager for time and direct costs incurred by Rife on behalf of Freehold.

Effective July 1, 2019, Rife entered into a new office lease. Concurrently with Rife entering into the new office lease, Freehold and Rife entered into an office lease sharing agreement pursuant to which Freehold is responsible for its proportional share of the new office lease based on the allocation of general and administrative costs between Freehold and Manager in accordance with the Management Agreement provided that the minimum percentage of the office lease that Freehold will be responsible for is 40% and the maximum percentage of the office lease that Freehold will be responsible for is 60%.

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 2019, a total of 102,616 (2018 – 65,403) Restricted Awards and 106,919 (2018 – 63,205) Performance Awards were granted to employees of Rife under the Freehold Award Plan reflecting Freehold's 48% (2018 – 48%) of long-term incentive compensation granted to Rife employees in 2019. 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 (2019 – 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 (2019 – 47%). 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, 2019.

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	236,311	N/A	231,033
Management Agreement ¹	N/A	N/A	368,467
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
Total	236,311	N/A	599,500

(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 62.

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	2019	76,119	118,486,297	0.064%
	2018	42,763	118,266,297	0.036%
	2017	76,742	118,044,473	0.065%
Management Agreement	2019	220,000	118,486,297	0.186%
	2018	220,000	118,266,297	0.186%
	2017	220,000	118,044,473	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.

The Manager and Rife are wholly-owned subsidiaries of the CN Pension Trust Funds, which held 26,013,264 Common Shares as at March 16, 2020, representing approximately 21.9% 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 62. All transactions during 2019 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, 2019 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 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. In 2019, each Non-Management Director, other than Marvin F. Romanow, received a grant of DSUs having a value of \$75,000. Marvin F. Romanow as Chair of the Board received a grant of DSUs having a value of \$110,000. The dollar value of each grant is converted into DSUs based on the closing price of the Common Shares on the TSX on the trading day immediately prior to the date of grant.

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.

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 310,935 Common Shares (representing approximately 0.26% 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 156,409 Common Shares (representing approximately 0.13% 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 2017, 2018 and 2019 was 0.065%, 0.036% and 0.064%, 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	<ul style="list-style-type: none"> • <i>Business Corporations Act</i> (Alberta)
Advance Notice By-Law	<ul style="list-style-type: none"> • The Advance Notice By-Law of Freehold regarding advance notice of nomination of directors of Freehold
Beneficial Shareholder	<ul style="list-style-type: none"> • Shareholders who do not hold Common Shares in their own name
Board	<ul style="list-style-type: none"> • Board of Directors of Freehold
Broadridge	<ul style="list-style-type: none"> • Broadridge Investor Communications
Canpar	<ul style="list-style-type: none"> • Canpar Holdings Ltd., a private royalty company that is a wholly-owned subsidiary of the CN Pension Trust Funds
CEO	<ul style="list-style-type: none"> • Chief Executive Officer
CFO	<ul style="list-style-type: none"> • Chief Financial Officer
CN Pension Trust Funds	<ul style="list-style-type: none"> • The pension funds for employees of Canadian National Railway Company
Code	<ul style="list-style-type: none"> • Code of Business Conduct and Conflict of Interest Policy
Common Share	<ul style="list-style-type: none"> • A common share in the capital of Freehold
COO	<ul style="list-style-type: none"> • Chief Operating Officer
Diversity and Renewal Policy	<ul style="list-style-type: none"> • Board Diversity and Renewal Policy adopted March 10, 2015; amended March 2, 2017
DSU Plan	<ul style="list-style-type: none"> • The Directors' Deferred Share Unit Plan adopted January 1, 2011; amended March 2, 2017
DSUs or Deferred Share Units	<ul style="list-style-type: none"> • Deferred share units granted under the DSU Plan
Freehold or the Company	<ul style="list-style-type: none"> • Freehold Royalties Ltd.
Freehold Award Plan	<ul style="list-style-type: none"> • The Share Unit Award Plan of Freehold adopted in 2017
G&A Costs	<ul style="list-style-type: none"> • General and administrative costs
GNC Committee	<ul style="list-style-type: none"> • Governance, Nominating and Compensation Committee
Governance Agreement	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Hugessen Consulting Inc., compensation consultant to the Board and GNC Committee
Information Circular	<ul style="list-style-type: none"> • This management information circular dated March 16, 2020
KPMG	<ul style="list-style-type: none"> • KPMG LLP, Chartered Accountants, Freehold's external auditor
Management Agreement	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Rife Resources Management Ltd., a wholly-owned subsidiary of Rife Resources Ltd.
Meeting	<ul style="list-style-type: none"> • The Annual and Special Meeting of the Shareholders of Freehold to be held on May 5, 2020
Mercer	<ul style="list-style-type: none"> • Mercer Human Resource Consulting Ltd., Rife's compensation survey supplier
Named Executive Officers or NEOs	<ul style="list-style-type: none"> • Our named executive officers, including individuals who were the CEO or CFO during 2019
NI 51-101	<ul style="list-style-type: none"> • National Instrument 51-101 <i>Standards of Disclosure for Oil and Gas Activities</i>
NI 58-101	<ul style="list-style-type: none"> • National Instrument 58-101 <i>Disclosure of Corporate Governance Practices</i>
Non-Management Director	<ul style="list-style-type: none"> • Each director of Freehold who is not an employee of Freehold or Rife
Notice and Access Provisions	<ul style="list-style-type: none"> • As provided under National Instrument 54-101 <i>Communications with Beneficial Owners of Securities of a Reporting Issuer</i>
Performance Award	<ul style="list-style-type: none"> • An award designated as a performance award under the Freehold Award Plan or Rife Award Plan
Record Date	<ul style="list-style-type: none"> • Close of business on March 16, 2020
Related Party Transaction	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • An award designated as a restricted award under the Freehold Award Plan or Rife Award Plan
Rife	<ul style="list-style-type: none"> • Rife Resources Ltd., a private oil and gas company that is a wholly-owned subsidiary of the CN Pension Trust Funds

- Rife Award Plan**
 - Rife STIP**
 - Say on Pay Advisory Vote**
 - SEDAR**
 - Shareholder**
 - Tax Act**
 - TSX**
- The Share Unit Award Plan of Rife adopted in 2017, amended in 2018
 - The short-term incentive award plan of Rife
 - A non-binding Shareholder advisor vote on executive compensation to be considered by Shareholders
 - The System for Electronic Document Analysis and Retrieval
 - A holder of Common Shares
 - *Income Tax Act* (Canada)
 - 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 62 for more details on how compensation is allocated.

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 (\$)					
Thomas J. Mullane President & CEO	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
	2017	319,125	-	300,000	218,000	-	15,956	-	853,081	48	408,803
David M. Spyker ⁵ COO	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
	2017	240,000	-	170,000	113,000	-	12,000	-	535,000	48	256,450
David W. Hendry ⁶ Vice President Finance & CFO	2019	24,167	-	161,800	11,500	-	1,208	87,500 ⁷	286,175	48	137,364
	2018	-	-	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-	-	-
Robert E. Lamond ⁸ Vice President, Asset Development	2019	244,000	-	219,000	95,500	-	12,200	50,000 ⁹	620,700	48	297,936
	2018	240,000	-	193,000	98,000	-	12,000	60,000 ⁹	603,000	48	289,440
	2017	79,195	-	380,000	104,000	-	4,000	-	567,195	-	253,213
Michael J. Stone Vice President, Land	2019	246,000	-	219,000	95,500	-	12,300	-	572,800	48	274,944
	2018	242,000	-	193,000	98,000	-	12,100	-	545,100	48	261,648
	2017	237,263	-	160,000	104,000	-	11,863	-	513,126	48	245,978
Darren G. Gunderson ¹⁰ Former Vice President Finance & CFO	2019	53,958	-	-	-	-	2,698	579,000 ¹¹	635,656	48	305,115
	2018	259,000	-	233,000	119,000	-	12,950	-	623,950	48	299,496
	2017	253,913	-	175,000	125,000	-	12,696	-	572,609	48	271,585
Alan W. Withey Interim CFO	2019	248,438	-	-	-	-	-	-	248,438	48	119,250
	2018	-	-	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-	-	-

- (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, 2019, 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 2019, 48% in 2018 and 48% in 2017.
- (5) 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 keep whole payment paid in connection to his appointment as Vice President of Finance and CFO on December.
- (8) 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, Rife Award Plan, the former long-term incentive plan of Rife and the Rife STIP plan 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 awards awarded in the ordinary course of business. A portion of the awards under the Freehold Award Plan and former long-term incentive plan of Rife granted upon joining Freehold/Rife were prorated based on historical annual allocations of time between Freehold and Rife; as a result, Freehold's percentage share of total compensation in 2017 did not equal 48% as per the allocation pursuant to the Management Agreement. Vesting of the initial awards has been timed to coincide with the vesting schedules of the other NEOs' historical awards.

- (9) 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.
- (10) Mr. Gunderson resigned as the Vice-President Finance and Chief Financial Officer on March 18, 2019.
- (11) The amount shown for Mr. Gunderson is an amount paid in connection to his departure as Vice President Finance and CFO.

Freehold

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