

## OSISKO GOLD ROYALTIES LTD

### CONFLICT OF INTEREST AND RELATED PARTY TRANSACTION POLICY

#### OBJECTIVE AND SCOPE

This policy concerning conflicts of interest and related party transactions (the “**Policy**”) provides the framework for Osisko Gold Royalties Ltd (“**Osisko**” or the “**Corporation**”) to effectively identify, evaluate, disclose and manage actual or potential conflicts of interest as well as related party transactions which may arise in relation to the activities of the Corporation.

This Policy aims to ensure (i) that the conduct of the Directors and Employees within the Corporation are protected against any appearance of impropriety, (ii) the protection of the reputation of the Corporation, and (iii) that all decisions taken are transparent and in the best interests of the Corporation and in compliance with statutory requirements, while upholding good governance practices.

This Policy shall apply to the Directors and Employees of the Corporation.

#### DEFINITIONS

“**associates**” means:

- (a) in relation to an individual: (i) a spouse and any child or stepchild under the age of 18 years (“the individual’s family”) and (ii) any company in the equity capital of which the individual and/or any member or members of the individual’s family (taken together) are directly or indirectly interested so as to exercise or control the exercise of twenty percent (20%) or more of the voting power at meetings of shareholders, or to control the appointment and/or removal of directors holding a majority of voting rights at board meetings on all or substantially all matters, and any other company which is its subsidiary; and
- (b) in relation to a relationship with any legal person: (i) any other company which is controlled by or under the same control as such legal person or companies taken together which are directly or indirectly interested so as to exercise or control the exercise of twenty percent (20%) or more of the voting power at meetings of shareholders, or to otherwise exercise the power to influence the appointment and/or removal of directors holding a majority of voting rights at board meetings on all or substantially all matters.

“**Board**” means the Board of Directors of the Corporation;

“**Directors**” means the directors of the Corporation or any of them; and

“**Employees**” means employees, including executive officers of the Corporation, or any of them.

## **GOVERNANCE**

The Board is ultimately responsible for ensuring that any situation of actual or potential conflict of interest as well as related party transactions are effectively identified and managed.

In the exercise of its responsibility, the Board has delegated to the Governance and Nomination Committee the explicit responsibility of reviewing and making recommendations to the Board on:

- (a) the governance processes to be implemented to identify and address situations of actual or potential conflicts of interest and any changes required to the governance processes from time to time to address more effectively such situations;
- (b) situations of actual or potential conflicts of interests of potential candidates prior to their appointment as directors to the Board; and
- (c) situations of actual or potential conflicts of interests of the Directors at any time during their mandate.

In addition, the Board has delegated to the Audit and Risk Committee the explicit responsibility for:

- (a) ensuring that the governance processes in place to address situations of actual or potential conflicts of interest are implemented and adhered to;
- (b) reviewing and making recommendations to the Board on any situation of actual or potential conflict of interest other than those dealing with the appointment of potential candidates as directors to the Board and with Directors at any time during their mandate;
- (c) reviewing and making recommendations to the Board on related party transactions; and
- (d) exercising oversight of the Corporation on detecting and reporting on related party transactions.

## **CONFLICT OF INTEREST**

A conflict of interest is a situation in which a person has, directly or indirectly (through parents, friends, commercial partners, entities with which such person is engaged), a personal, professional or business interest sufficient to appear to influence the objectivity of such person's duties within the Corporation.

Potential directors, Directors and Employees shall not allow such direct or indirect interest to conflict with their duties and take precedence over the interest of the Corporation. Directors must make their best effort to avoid conflicts of interest.

Common situations of conflicts of interest include, without limitation, a person:

- (a) engaging in activities that compete, directly or indirectly, with the businesses in which the Corporation is engaged;
- (b) participating in Board discussions and decisions regarding any transactions with a third party in which such person is directly or indirectly interested;

A Director may not use such position as director for personal monetary or non-monetary benefit, or that of third parties.

A potential candidate to be appointed as director of the Corporation shall immediately disclose the fact, nature and extent, including the monetary value of the interest where same can be quantified, of such interest.

A Director or Employee shall, forthwith after becoming aware of being interested in a related party transaction (see below) with the Corporation or being otherwise involved in a situation of actual or potential conflict of interest, (i) immediately disclose the fact, nature and extent, including the monetary value of the interest where same can be quantified, of such interest to the Board (for Directors) or to the Vice President, Finance and Chief Financial Officer (“**CFO**”) or to the Vice President, Legal Affairs and Corporate Secretary (“**Secretary**”), (for Employees) and (ii) not take part in any deliberation or any decision-making process in relation thereto.

A Director shall not compete with the Corporation or become a Director or Officer of a competing company, unless duly authorized by the Board.

If an Employee is not certain of the existence of a conflict of interest and/or related party transaction situation, such Employee should discuss the matter with the CFO or with the Secretary of the Corporation for advice and guidance. A Director shall discuss such matters with the Lead Director.

## **RELATED PARTY TRANSACTIONS**

A Director or an Employee shall be deemed to be interested in a related party transaction where such Director or Employee:

- (a) is a party to, or shall or may derive a material financial benefit from the transaction;
- (b) has a material financial interest in or with another party to the transaction, either directly or indirectly;
- (c) is the parent, child or spouse of another party to, or person who shall or may derive a material financial benefit from the transaction; or
- (d) is otherwise directly or indirectly materially interested in the transaction.

A related party also includes the following:

- (i) the Directors of the Board of the Corporation, a subsidiary of the Corporation or an associate of the Corporation;
- (ii) an Employee who directly reports to the Board or to the President and Chief Executive Officer of the Corporation;
- (iii) an associate company;
- (iv) any significant shareholder owning or controlling more than 10% of the voting shares having the ability to control, or exercise a significant influence on, the outcome of resolutions voted on by shareholders or by the Board of the Corporation, or of an associated companies;
- (v) the father, mother, sons, daughters, spouse of any of the natural persons listed in (i) or (ii);
- (vi) any business, and the board members, and executive officers of any business, in which the natural persons listed in clauses (i), (ii) or (v) own jointly or severally at least 10% of the voting rights; and
- (vii) any person whose judgment or decisions could be influenced as a consequence of an arrangement or relationship between or involving themselves and any of the persons in clauses (i) to (vi).

Related party transactions include, but are not limited to, any arrangement or transaction between the Corporation or any of its associate companies and a Director, Employee, or associates of such Director or Employee.

The Audit and Risk Committee has the explicit responsibility for reviewing and making recommendations to the Board on any related party transaction, and shall exercise oversight of the reporting of such transactions in the financial statements of the Corporation.

Where a related party transaction of the Corporation shall be subject to *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions* or other applicable rules of any exchange on which the common shares of the Corporation are listed, such related party transaction shall be disclosed and approved in accordance with the provisions contained therein.

For greater certainty, the purpose of this Policy is to provide guidance on the practice to be followed in respect of conflicts of interest and related party transactions and should not be considered as providing any exemptions to the applicable laws and regulations.

## **DISCLOSURE OF INTEREST BY DIRECTORS AND BOARD PROCEEDINGS**

A Director shall disclose all interest that such Director may have in a related party transaction with the Corporation or that such Director is otherwise involved in a situation of actual or potential conflict of interest, at the beginning of any meeting where such matter will be reviewed by the Board. Such disclosure shall be recorded in the minutes of proceedings of the said meeting.

Decisions to enter into any related party transaction and/or transaction giving rise to any situation of actual or potential conflict of interest with Directors shall require the approval of the Board. The Director concerned by the transaction shall not participate in the deliberations of the Board pertaining to the transaction and shall not vote on the matter. Moreover, the Director shall not be counted in the quorum for the Board meeting at which the transaction is discussed. The Board shall be entitled to hire one or more advisors to review/discuss key conflict inherent to a related party transaction. Depending on the size and the nature of the proposed related party transaction, the Board may form separate teams to work distinctively on any such transaction and, if deemed warranted, the Board may also constitute a special committee to consider a potential related party transaction.

## **NON-COMPLIANCE WITH THE POLICY**

In case of non-compliance with this Policy or the failure to immediately disclose any related party transaction or any situation of actual or potential conflict of interest and/or to take any action agreed with the CFO or the Secretary in a timely manner, an Employee may be subject to disciplinary actions and may also be held personally liable for such acts and/or omissions.

Directors shall exercise their powers and discharge their duties honestly, in good faith and in the best interests of the Corporation. As such, in case of: (i) any failure to comply with this Policy; (ii) any failure to immediately disclose any related party transaction or any situation of actual or potential conflict of interest; (iii) too frequent related party transactions or situations of actual or potential conflict of interest, a Director may be required to discuss same with the Lead Director and the Chair of the Governance and Nomination Committee and such Director may eventually be asked by the Board to resign from the Board.

## **COMPLIANCE WITH THE POLICY**

Each Director and Employee shall, annually sign a statement, which confirms that such person:

- (a) has received a copy of this Policy;
- (b) has read and understood the terms of this Policy; and
- (c) agrees to comply with the terms of this Policy for so long as such person is a Director and/or Employee, as the case may be.

As part of year-end procedures, the Corporation shall distribute a detailed questionnaire to each member of the Board and the executive officers of the Corporation to inquire as to their knowledge of any related party transaction. Accordingly, the Corporation's internal audit procedures include: (i) distributing a detailed questionnaire to all Directors and officers of the Corporation; (ii) identification and coding of related party transactions; (iii) reviewing the Corporation's current related parties and associated transactions (as applicable); (iv) disclosures from Board members and officers regarding their ownership of other entities; (v) participation on additional Boards and previous employment history; (vi) analyzing the results received; and (vii) the Corporation has established guidelines to assist its accounting personnel to determine whether a supplier qualifies as a related party.

In addition, the Corporation has investments in associates over which the Corporation has significant influence. Accordingly, when assessing whether the Corporation exercises significant influence or not over such associates, management evaluates a number of key factors, namely:

- Equity interest held by the Corporation;
- Officer or Director role occupied by an officer and/or Director of the Corporation;
- Importance of roles such as Chief Executive Officer or Chair of the Board of Directors; and
- Material/significant transactions with the associate.

A report on related party transactions disclosed annually by Directors and officers is provided to the Audit and Risk Committee for review and consideration.

## **ANNUAL REPORTING**

As part of its commitment to implement sound corporate governance practices, management will report on an annual basis to the Audit and Risk Committee on conflicts of interest and related party transactions.

## **POLICY REVIEW**

The Policy shall be reviewed annually by the Governance and Nomination Committee.