



## MANDATE OF THE BOARD

## TABLE OF CONTENTS

	Page
I. INTRODUCTION .....	1
II. ROLE AND RESPONSIBILITIES OF THE BOARD.....	1
III. CHAIR OF THE BOARD .....	1
IV. POSITION DESCRIPTIONS.....	1
V. BOARD SIZE .....	2
VI. INDEPENDENCE .....	2
VII. BOARD MEETINGS .....	2
VIII. DELEGATIONS AND APPROVAL AUTHORITIES .....	2
IX. STRATEGIC PLANNING PROCESS AND RISK MANAGEMENT .....	3
X. SUCCESSION PLANNING, APPOINTMENT AND SUPERVISION OF SENIOR EXECUTIVES OF THE CORPORATION .....	3
XI. FINANCIAL REPORTING AND INTERNAL CONTROLS .....	4
XII. REGULATORY FILINGS.....	4
XIII. CORPORATE DISCLOSURE AND COMMUNICATIONS.....	4
XIV. CORPORATE POLICIES.....	4
XV. INDEPENDENT ADVICE .....	4
XVI. REVIEW OF MANDATE.....	5

## I. INTRODUCTION

---

- A. The members of the board of directors (respectively, the “**Directors**” and the “**Board**”) of Star Royalties Ltd. (the “**Corporation**”) are elected by the shareholders of the Corporation and are responsible for the stewardship of the Corporation. The purpose of this Mandate is to describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

Certain aspects of the composition and organization of the Board are prescribed and/or governed by the *Canada Business Corporations Act* and the constating documents of the Corporation, and applicable agreements.

## II. ROLE AND RESPONSIBILITIES OF THE BOARD

---

- A. The Board is responsible for supervising the management of the business and affairs of the Corporation and is expected to focus on guidance and strategic oversight with a view to the best interests of the Corporation.

In accordance with the *Canada Business Corporations Act*, in discharging his or her duties, each Director must act honestly and in good faith, with a view to the best interests of the Corporation. Each Director must also exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

## III. CHAIR OF THE BOARD

---

- A. The Board will appoint an independent director to act as Chairperson of the Board (the “**Chair**”). If the Board determines that this is not appropriate in the circumstances and instead appoints a non-independent director to act as a Chair, the Board will also appoint an independent director to act as lead director (the “**Lead Director**”). Either an independent Chair or the Lead Director will act as the effective leader of the Board and ensure that the Board’s agenda will enable it to successfully carry out its duties. The Chair and the Lead Director, as applicable, may be removed at any time at the discretion of the Board.

## IV. POSITION DESCRIPTIONS

---

- A. The Board shall review and, if determined appropriate, approve the recommendations of the Environmental, Social, Governance and Nominating Committee, concerning formal position descriptions for:
- a. the Chair;
  - b. the Lead Director, if the Chair is not an independent Director;

- c. the chair of each standing committee of the Board; and
- d. the CEO.

## **V. BOARD SIZE**

---

- A. The constating documents of the Corporation provide that the Board shall be comprised of a minimum of three (3) Directors and a maximum of ten (10) Directors, as determined from time to time by the Directors. The Board shall initially be comprised of seven (7) Directors. The Board shall periodically review its size in light of its duties and responsibilities.

## **VI. INDEPENDENCE**

---

- A. The Board shall be comprised of a majority of independent Directors. A Director shall be considered independent if he or she would be considered independent for the purposes of National Instrument 58-101 — *Disclosure of Corporate Governance Practices*.

## **VII. BOARD MEETINGS**

---

- a. The proceedings and meetings of the Board are governed by the provisions of the constating documents of the Corporation relating to the regulation of the meetings and proceedings of the Board. In accordance with the constating documents of the Corporation, meetings of the Board may be held at such times and places as the Chair may determine and as many times per year as necessary to effectively carry out the Board's responsibilities.
- b. The non-employee Directors may meet without senior executives of the Corporation, as required. The independent Directors may meet without senior executives of the Corporation and any non-independent Directors, as required.
- c. The Chair shall be responsible, in consultation with the other members of the Board and Lead Director, for establishing or causing to be established the agenda for each Board meeting, and for ensuring that regular minutes of Board proceedings are kept and circulated on a timely basis for review and approval.
- d. The Chair (or other Directors as delegated by the Chair from time to time) may invite, at its discretion, any other individuals to attend its meetings. Senior executives of the Corporation shall attend a meeting if invited by the Chair (or another Director delegated by the Chair).

## **VIII. DELEGATIONS AND APPROVAL AUTHORITIES**

---

- a. The Board shall appoint the chief executive officer of the Corporation (the "CEO") and delegate to the CEO and other senior executives of the Corporation the

authority for the day-to-day management of the business and affairs of the Corporation.

- b. The Board may delegate certain matters it is responsible for to the committees of the Board, currently consisting of the Audit Committee, the Compensation Committee, and the Environmental, Social, Governance and Nominating Committee. The Board may appoint other committees, as it deems appropriate, to the extent permissible under applicable law. The Board will, however, retain its oversight function and ultimate responsibility for such matters and associated delegated responsibilities.

#### **IX. STRATEGIC PLANNING PROCESS AND RISK MANAGEMENT**

---

- a. The Board shall adopt a strategic planning process to establish objectives and goals for the Corporation's business and shall review, approve and modify as appropriate the strategies proposed by senior executives of the Corporation to achieve such objectives and goals. The Board shall review and approve, at least on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Corporation's business and affairs.
- b. The Board, in conjunction with management, shall be responsible for identifying the principal risks of the Corporation's business and oversee management's implementation of appropriate systems to seek to effectively monitor, manage and mitigate the impact of such risks. Pursuant to its duty to oversee the implementation of effective risk management policies and procedures, the Board may delegate to applicable Board committees the responsibility for assessing and implementing appropriate policies and procedures to address specified risks, including delegation of financial and related risk management to the Audit Committee and delegation of risks associated with compensation policies and practices to the Environmental, Social, Governance and Nominating Committee.

#### **X. SUCCESSION PLANNING, APPOINTMENT AND SUPERVISION OF SENIOR EXECUTIVES OF THE CORPORATION**

---

- a. The Board shall approve the corporate goals and objectives of the CEO and review the performance of the CEO against such corporate goals and objectives. The Board shall take steps to satisfy itself as to the integrity of the CEO and other senior executives of the Corporation and that the CEO and other senior executives of the Corporation create a culture of integrity throughout the organization.
- b. The Board shall approve the succession plan for the Corporation, including the selection, appointment, supervision and evaluation of the senior executives of the Corporation, and shall also approve the compensation of the senior executives of the Corporation upon recommendation of the Compensation Committee.

**XI. FINANCIAL REPORTING AND INTERNAL CONTROLS**

---

- A. The Board shall review and monitor, with the assistance of the Audit Committee, the adequacy and effectiveness of the Corporation's system of internal control over financial reporting, including any significant deficiencies or changes in internal control and the quality and integrity of the Corporation's external financial reporting processes.

**XII. REGULATORY FILINGS**

---

- A. The Board shall approve all applicable regulatory filings that require or are advisable for the Board to approve, which the Board may delegate in accordance with Section VIII(b) of this Mandate. These include, but are not limited to, the annual audited financial statements, interim financial statements and related management's discussion and analysis incorporating such financial statements, management proxy circulars, annual information forms, offering documents and other applicable disclosure.

**XIII. CORPORATE DISCLOSURE AND COMMUNICATIONS**

---

- A. The Board will seek to ensure that corporate disclosure of the Corporation complies with all applicable laws, rules, regulations, including the rules and regulations of the stock exchanges upon which the Corporation's securities are listed. In addition, the Board shall adopt appropriate procedures designed to permit the Board to receive feedback from shareholders on material issues.

**XIV. CORPORATE POLICIES**

---

- A. The Board shall adopt and periodically review policies and procedures. The policies and procedures adopted by the Board are designed to ensure that the Corporation and its Directors, officers and employees comply with all applicable laws, rules and regulations, including the rules and regulations of the stock exchanges upon which the Corporation's securities are listed, and conduct the Corporation's business ethically and with honesty and integrity.
- B. Until such time as the Board adopts policies relating to matters of ESGN and ethics, the Board shall adopt the International Counsel on Mining & Metals principles as the minimum standards of the Corporation and shall review and recommend changes from time to time upon recommendation of the Environmental, Social, Governance and Nominating Committee

**XV. INDEPENDENT ADVICE**

---

- A. In discharging its Mandate, the Board shall have the authority to retain and receive advice from, special legal, accounting or other advisors and outside consultants, if appropriate.

**XVI. REVIEW OF MANDATE**

---

- A.** The Board may, from time to time, permit departures from the terms of this Mandate, either prospectively or retrospectively. This Mandate is not intended to give rise to civil liability on the part of the Corporation or its Directors or officers, to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

The Board may review and recommend changes to the Mandate from time to time and the Environmental, Social, Governance and Nominating Committee may periodically review and assess the adequacy of this Mandate and recommend any proposed changes to the Board for consideration.