MANAGEMENT INFORMATION CIRCULAR
DATED MARCH 23, 2017

Freehold
ROYALTIES LTD.

www.freeholdroyalties.com

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.

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PROXY SUMMARY

The following summary highlights some of the important information you will find in this Information Circular. We recommend you read the entire 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	11
Appointment of KPMG LLP as Auditors	FOR	12

LETTER TO SHAREHOLDERS

March 23, 2017

Dear Fellow Shareholders,

I would like to start by introducing myself as the new Chair of the Board of Directors (the "**Board**") of Freehold Royalties Ltd. ("**Freehold**"). It is an honour to succeed Nolan Blades who retired from the Board in 2016. I look forward to serving you as the Board Chair.

On behalf of the Board and management of Freehold, I am pleased to invite you to attend the annual meeting (the "**Meeting**") of Freehold shareholders. The 2017 Meeting will be held in the Roxy Theatre A&B, Sun Life Plaza Conference Centre, Plus 15 Level, 140 – 4th Avenue S.W., Calgary, Alberta on Wednesday, May 10, 2017 at 3:30 p.m. (Calgary time). Matters to be discussed and voted on at the Meeting include the election of directors and the appointment of auditors.

Operationally, Freehold had a very strong year in 2016. Production increased by 12% to an average of 12,219 boe per day, an all-time high. In May, the acquisition of a new high quality royalty portfolio nearly doubled our land base. We believe this transaction will continue to add value for many years.

2016 was a milestone year, marking our 20th anniversary. Over the past two decades we have completed almost $1.5 billion in accretive acquisitions, to become one of Canada's largest holders of non-Crown oil and gas royalties. We have paid out over $30.00 per Freehold common share in dividends, generating superior returns for our shareholders, relative to the TSX Oil & Gas Index.

We remain committed to providing a sustainable income stream for our shareholders, and with our quality land base, we are well positioned for continued success. I would like to acknowledge the dedication and hard work of all of the employees, who do an outstanding job of managing our assets and identifying new opportunities.

The accompanying management information circular (the "**Information Circular**") describes the business to be conducted at the Meeting and provides information on executive compensation and Freehold's governance practices.

In 2017, 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.

Please take some time to read through our Information Circular in determining your vote. On behalf of the Board and management of Freehold, we thank you for your ongoing support and confidence. I would ask you to please take a moment and vote your proxy online, per the instructions in the accompanying form of proxy.

Sincerely,

(signed) "Marvin F. Romanow"
Chair of the Board

NOTICE OF ANNUAL MEETING

TO THE SHAREHOLDERS:

NOTICE is hereby given that an Annual Meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of Freehold Royalties Ltd. ("**Freehold**") will be held in the Roxy Theatre A&B, Sun Life Plaza Conference Centre, Plus 15 Level, 140 – 4th Avenue S.W., Calgary, Alberta on Wednesday, May 10, 2017 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, 2016, 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; and
4. 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.

Registered Shareholders of Freehold who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it in the envelope provided by mail, hand delivery or fax to our transfer agent, Computershare Trust Company of Canada, as follows:

1. By mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5;
2. By hand delivery to Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; or
3. By facsimile to (416) 263-9524 or 1-866-249-7775.

Alternatively, you may vote through the internet at www.investorvote.com **or by telephone at 1-866-732-8683** (toll free). You will require your 15-digit control number found on your proxy form to vote through the internet or by telephone. Your proxy must be received or we must have otherwise received your vote by no later than 48 hours (excluding weekends and holidays) before the Meeting or any adjournment thereof.

Beneficial Shareholders (Shareholders who hold their Common Shares through a broker or other nominee) should carefully follow the instructions on the materials they receive in order to ensure that their Common Shares are voted at the Meeting. For additional information, see "*Notice to Beneficial Holders of Common Shares*" on page 7 of the Information Circular.

The record date for the Meeting has been fixed at the close of business on March 23, 2017 (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.

DATED at Calgary, Alberta this 23rd day of March, 2017.

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

(signed) "Karen C. Taylor"
Corporate Secretary

Management Information Circular dated March 23, 2017 for the Annual Meeting of Shareholders of Freehold Royalties Ltd. to be held on May 10, 2017.

VOTING MATTERS

Solicitation of Proxies

This management information circular (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Freehold Royalties Ltd. ("**Freehold**") for use at the annual meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of Freehold to be held in the Roxy Theatre A&B, Sun Life Plaza Conference Centre, Plus 15 Level, 140 – 4th Avenue S.W., Calgary, Alberta, on May 10, 2017, commencing at 3:30 p.m. (Calgary time) for the purposes set forth in the Notice of the Meeting accompanying this Information Circular. Unless otherwise stated, the information contained herein is given as of March 23, 2017. 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. Such appointment may be exercised by inserting the name of the appointed representative in the blank space provided for that purpose.

Registered Shareholders of Freehold who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it in the envelope provided by mail, hand delivery or fax to our transfer agent, Computershare Trust Company of Canada, as follows:

(1) By mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5;

(2) By hand delivery to Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; or

(3) By facsimile to (416) 263-9524 or 1-866-249-7775.

Alternatively, you may vote through the internet at www.investorvote.com **or by telephone at 1-866-732-8683** (toll free). You will require your 15-digit control number found on your proxy form to vote through the internet or by telephone. Your proxy must be received or we must have otherwise received your vote by no later than 48 hours (excluding weekends and holidays) before the Meeting or any adjournment thereof.

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 by mail or facsimile as directed. Alternatively, the Beneficial Shareholder may be given the option to vote by telephone at 1-800-474-7493 or via the internet at www.proxyvote.com by carefully following the instructions on the voting instruction form.** 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* (the "**Notice-and-Access Provisions**") 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 ("**Financial Information**"), 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 Information 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 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 117,962,667 Common Shares issued and outstanding to which are attached voting rights and the registered holders thereof, at the close of business on March 23, 2017 (the "**Record Date**"), 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	Percentage of Issued and Outstanding Common Shares
CN Pension Trust Funds (the pension funds for employees of Canadian National Railway Company)	25,353,264[1,2]	21.5%
Sentry Investments Inc.	12,435,700[3]	10.6%

(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 5,466,157 Common Shares held indirectly.
(3) The information as to the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of Freehold, has been derived from an alternative monthly report (Form 62-103F3) filed by Sentry Investment Inc. on June 19, 2016 on Freehold's SEDAR profile at www.sedar.com.

Governance Agreement

Pursuant to a governance agreement dated December 31, 2010 (the "**Governance Agreement**") between Rife Resources Management Ltd. (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 (as defined below) (see "*The Manager*" on page 32), 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 21.5% of the outstanding Common Shares and as a result, has the right to nominate two individuals as directors of Freehold.

Say on Pay

Our Governance, Nominating and Compensation Committee ("**GNC Committee**") monitors the use of Say on Pay votes – where shareholders are given an opportunity to provide non-binding approval of the executive compensation program. We have historically not implemented a voluntary Say on Pay vote as Freehold does not have any employees and therefore does not directly compensate executives.

Pursuant to an amended and restated management agreement dated November 9, 2015 (the "**Management Agreement**"), Freehold is managed by the Manager, which is an external company and a wholly-owned subsidiary of Rife Resources Ltd. ("**Rife**") (a private Canadian oil and gas company). Rife is wholly owned by the CN Pension Trust Funds. Pursuant to an agreement between Rife and the Manager, 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 plus a management fee paid in Common Shares. Freehold's executives are employed by and receive their compensation directly from Rife.

As a result of the amendment and restatement of the Management Agreement in November 2015, Rife has agreed 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 with respect to Freehold's executives; however, all elements of compensation are ultimately determined by the Manager and Rife and Freehold is obligated to pay an agreed portion of these amounts according to the Management Agreement. As a result of these factors, Freehold has decided not to implement a Say on Pay vote this year.

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 the Shareholders vote FOR each of the election of directors and appointment of auditors, 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, 2016, 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	Independence	Age	Committees	Current Number of Public Boards (including Freehold)
Gary R. Bugeaud	2015	Y	55	Audit, GNC	2
Peter T. Harrison[1]	1996	N	61	-	1
J. Douglas Kay	2016	Y	63	Reserves	1
Arthur N. Korpach	2012	Y	59	Audit, GNC	1
Susan M. MacKenzie	2014	Y	56	GNC, Reserves	3
Thomas J. Mullane[2]	2013	N	56	-	1
Marvin F. Romanow	2015	Y	61	-	1
Aidan M. Walsh	2013	Y	62	Audit, Reserves	1

(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 13 for additional information on the Director Nominees.

Voting for Election of Directors

The Board has adopted an individual director voting policy which allows a Shareholder to vote with respect to each individual director. The individual voting results will be published on www.sedar.com after the meeting. The individual voting results will be reviewed by our Governance, Nominating and Compensation Committee (the "**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 Board has also adopted a majority voting policy, which 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 press 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.

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 LLP were first appointed Auditors of Freehold on September 30, 1996.

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

AUDIT FEES

	December 31, 2016	December 31, 2015
Audit Fees[1]	177,800	184,000
Audit-related fees[2]	75,000	95,000
Tax fees[3]	15,000	35,500
All other fees	-	-
Total	267,800	314,500

(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.
(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 the bought deal financings completed by Freehold during 2015 and 2016.
(3) Tax fees consist of fees for tax compliance and advisory services. During 2016 all fees were for compliance work relating to U.S. tax requirements. In 2015, $15,000 was for U.S. tax requirements and the remainder was for advisory services.

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 of the proposed nominees, including the nominees of the Manager, for election as directors, together with their age, place of primary residence, principal occupation, year first elected or appointed as a director, membership on committees of the Board, attendance at Board and committee meetings during 2016, voting results with respect to such director at the 2016 annual and special meeting of Shareholders and directorships of other public entities. 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 National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") of the Canadian Securities Administrators.

DIRECTOR PROFILES

Gary R. Bugeaud
Corporate Director
Age: 55
Calgary, Alberta, Canada
Director Since: 2015
Independent
Public Board Interlocks: None

Gary Bugeaud is a Corporate Director and former corporate lawyer with over 23 years of legal experience focused on securities, corporate finance, mergers and acquisitions, and corporate governance matters. He has been a director or corporate secretary of approximately 20 publicly traded entities.

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	2016 Meeting Attendance	Voting Results of 2016 Annual and Special Meeting	
Board of Directors	(10/10) 100%	Votes For	63,255,529 (99.32%)
Audit Committee	(2/2) 100%	Votes Withheld	431,538 (0.68%)
GNC Committee	(11/11) 100%		

Compensation		Director Share Ownership Guidelines
Total compensation for 2016	$123,000	Minimum 3 times annual cash retainer of $30,000
Total compensation for 2015	$73,500	Meets Guideline: Yes

Securities held as of March 23, 2017	Number	Market Value	TSX Closing Price
Freehold Common Shares	15,412	$202,976	$13.17
Deferred Share Units	12,574	$165,600	
Total Common Shares and Deferred Share Units	27,986	$368,576	

Other Public Boards

Raging River Exploration Inc. (Public – RRX: TSX) – Director and Member of Compensation and Corporate Governance Committee (Chair)

Peter T. Harrison
Manager, Oil and Gas Investments, CN Investment Division
Age: 61
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. Mr. Harrison has spent over 30 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.

Mr. Harrison has a Bachelor of Commerce degree from McGill University, an MBA from the University of Western Ontario, and is a Chartered Financial Analyst.

Board and Committees	2016 Meeting Attendance	Voting Results of 2016 Annual and Special Meeting	
Board of Directors	(10/10) 100%	Votes For	63,549,320 (99.78%)
		Votes Withheld	137,747 (0.22%)

Compensation[1]		Director Share Ownership Guidelines
Total compensation for 2016	$45,000	Minimum 3 times annual cash retainer of $30,000
Total compensation for 2015	$46,500	Meets Guidelines: Yes

Securities held as of March 23, 2017	Number	Market Value	TSX Closing Price
Freehold Common Shares	22,000	$289,740	$13.17
Deferred Share Units[2]	19,914	$262,267	
Total Common Shares and Deferred Share Units	41,914	$552,007	

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: 63
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 37 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).

Board and Committees	**2016 Meeting Attendance**	**Voting Results of 2016 Annual and Special Meeting**	
Board of Directors	(5/5) 100%	Votes For	63,531.172 (99.76%)
Reserves	(1/1) 100%	Votes Withheld	155,895 (0.24%)

Compensation		**Director Share Ownership Guidelines**
Total compensation for 2016	$68,121	Minimum 3 times annual retainer of $30,000
Total compensation for 2015	N/A	Meets Guidelines: Yes

Securities held as of March 23, 2017	**Number**	**Market Value**	**TSX Closing Price**
Freehold Common Shares	5,000	$65,850	$13.17
Deferred Share Units	7,857	$103,477	
Total Common Shares and Deferred Share Units	12,857	$169,327	

Other Public Boards
None

Arthur N. Korpach
Corporate Director
Age: 59
Calgary, Alberta, Canada
Director Since: 2012
Independent
Public Board Interlocks: None

Arthur Korpach is a Corporate Director and prior to May 31, 2012, was Vice-Chairman, Investment Banking at CIBC World Markets Inc. Mr. Korpach 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. He has advised clients on over 300 transactions.
Mr. Korpach is a Fellow Chartered Accountant and a Chartered Business Valuator. He has a Bachelor of Commerce degree from the University of Saskatchewan and an MBA from Harvard Business School. In 2012, Mr. Korpach received the designation of ICD.D from the Institute of Corporate Directors.

Board and Committees	**2016 Meeting Attendance**	**Voting Results of 2016 Annual and Special Meeting**	
Board of Directors	(10/10) 100%	Votes For	63,133,276 (99.13%)
Audit Committee (Chair)	(4/4) 100%	Votes Withheld	553,791 (0.87%)
GNC Committee	(11/11) 100%		

Compensation		**Director Share Ownership Guidelines**
Total compensation for 2016	$140,000	Minimum 3 times annual retainer of $30,000
Total compensation for 2015	$133,750	Meets Guidelines: Yes

Securities held as of March 23, 2017	**Number**	**Market Value**	**TSX Closing Price**
Freehold Common Shares	15,000	$197,550	$13.17
Deferred Share Units	22,472	$295,956	
Total Common Shares and Deferred Share Units	37,472	$493,506	

Other Public Boards
None

Susan M. MacKenzie
Corporate Director
Age: 56
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, an MBA from the University of Calgary and is a life member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA). Ms. MacKenzie also holds the ICD.D designation from the Institute of Corporate Directors.

Board and Committees	**2016 Meeting Attendance**	**Voting Results of 2016 Annual and Special Meeting**	
Board of Directors	(10/10) 100%	Votes For	63,205,919 (99.24%)
GNC Committee (Chair)	(11/11) 100%	Votes Withheld	481,148 (0.76%)
Reserves	(2/2) 100%		
Compensation		**Director Share Ownership Guidelines**	
Total compensation for 2016	$133,000	Minimum 3 times annual cash retainer of $30,000	
Total compensation for 2015	$120,167	Meets Guidelines: Yes	
Securities held as of March 23, 2017	**Number**	**Market Value**	**TSX Closing Price**
Freehold Common Shares	10,500	$138,285	$13.17
Deferred Share Units	15,608	$205,557	
Total Common Shares and Deferred Share Units	26,108	$343,842	

Other Public Boards

Enerplus Corporation (Public – ERF:TSX) – Director and Member of Reserves Committee, Safety & Social Responsibility Committee, and Compensation and Human Resources Committee (Chair)

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 (Chair)

Thomas J. Mullane
President and Chief Executive Officer and Director,
Rife Resources Ltd. and Freehold Royalties Ltd.
Age: 56
Calgary, Alberta, Canada
Director Since: 2013
Not Independent
Public Board Interlocks: None

Tom Mullane joined Rife and Freehold as Executive Vice-President and Chief Operating Officer on July 18, 2012 and was appointed President and Chief Executive Officer on May 17, 2013. He has over 30 years of experience in the oil and gas industry with a broad background in exploitation and production engineering. He has both domestic and international experience. His roles have included responsibility and oversight of acquisitions, divestitures, exploitation and reservoir engineering management, with significant experience in horizontal drilling.

Mr. Mullane graduated from the University of Alberta in 1983 with a Bachelor of Science degree in Chemical Engineering and is a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA).

Board and Committees	**2016 Meeting Attendance**	**Voting Results of 2016 Annual and Special Meeting**	
Board of Directors	(10/10) 100%	2016 Total Votes in Favour	63,531,771 (99.76%)
		2016 Votes Withheld	155,269 (0.24%)
Compensation		**Director Share Ownership Guidelines**	
Total compensation for 2016	N/A	N/A[1]	
Total compensation for 2015	N/A		
Securities held as of March 23, 2017	**Number**	**Market Value**	**TSX Closing Price**
Freehold Common Shares	10,965	$144,409	$13.17
Deferred Share Units	N/A		
Total Common Shares and Deferred Share Units	10,965	$144,409	

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 (as defined below). Effective March 2, 2017 Mr. Mullane is subject to Executive Share Ownership Guidelines as described on page 42.

Marvin F. Romanow
Corporate Director
Age: 61
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 energy sector 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 Advanced 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	**2016 Meeting Attendance**	**Voting Results of 2016 Annual and Special Meeting**	
Board of Directors (Chair)	(10/10) 100%	Votes For	63,497,466 (99.70%)
Audit	(2/2) 100%	Votes Withheld	189,601 (0.30%)
Compensation		**Director Share Ownership Guidelines**	
Total compensation for 2016	$134,374	Minimum 3 times annual retainer of $40,000	
Total compensation for 2015	$75,000	Meets Guidelines: Yes	

Securities held as of March 23, 2017	**Number**	**Market Value**	**TSX Closing Price**
Freehold Common Shares	31,856	$419,544	$13.17
Deferred Share Units	16,503	$217,344	
Total Common Shares and Deferred Share Units	48,359	$636,888	
Other Public Boards			
None			

Aidan M. Walsh
Chief Executive Officer and Director,
Baccalieu Energy Inc.
Age: 62
Calgary, Alberta, Canada
Director Since: 2013
Independent
Public Board Interlocks: None

Aidan Walsh is Chief Executive Officer of Baccalieu Energy Inc, a private junior oil and gas company that he co-founded in 2008. He has over 39 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 degree in Mechanical Engineering from Memorial University of Newfoundland and an MBA from the University of Calgary. He is a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA). Mr. Walsh also holds the ICD.D designation from the Institute of Corporate Directors.

Board and Committees	**2016 Meeting Attendance**	**Voting Results of 2016 Annual and Special Meeting**	
Board of Directors	(9/10) 90%	2016 For	63,513,536 (99.73%)
Audit Committee	(4/4) 100%	2016 Withheld	173,531 (0.27%)
Reserves Committee (Chair)	(2/2) 100%		
Compensation		**Director Share Ownership Guidelines**	
Total compensation for 2016	$119,500	Minimum 3 times annual retainer of $30,000	
Total compensation for 2015	$122,917	Meets Guidelines: Yes	

Securities held as of March 23, 2017	**Number**	**Market Value**	**TSX Closing Price**
Freehold Common Shares	20,518	$270,222	$13.17
Deferred Share Units	18,785	$247,399	
Total Common Shares and Deferred Share Units	39,303	$517,621	
Other Public Boards			
None			

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 director who is not an employee of Freehold or Rife ("**Non-Management Director**") is required to hold equity interests in Freehold (Common Shares and/or Deferred Share Units ("**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 DSU 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 director, as at March 23, 2017.

DIRECTOR SHARE OWNERSHIP

Name	Common Shares (#)	DSUs[1] (#)	Total Number of Common Shares and DSUs Owned (#)	Market Value of Common Shares and DSUs Owned[2] ($)	Total Value of Share Ownership Required ($)	Meets Share Ownership Requirements
Gary R. Bugeaud	15,412	12,574	27,986	368,576	90,000	Yes
Peter T. Harrison	22,000	19,914	41,914	552,007	90,000	Yes
J. Douglas Kay	5,000	7,857	12,857	169,327	90,000	Yes
Arthur N. Korpach	15,000	22,472	37,472	493,506	90,000	Yes
Susan M. MacKenzie	10,500	15,608	26,108	343,842	90,000	Yes
Thomas J. Mullane[3,4]	10,965	-	10,965	144,409	N/A	N/A
Marvin F. Romanow	31,856	16,503	48,359	636,888	120,000	Yes
Aidan M. Walsh	20,518	18,785	39,303	517,621	90,000	Yes
Total	131,251	113,713	244,964	3,226,176		

(1) All DSUs vest immediately upon grant but cannot be redeemed until the director ceases to be a director of Freehold.
(2) Market value has been determined by multiplying the number of Common Shares and DSUs by the closing price of the Common Shares on the Toronto Stock Exchange ("**TSX**") on March 22, 2017 of $13.17.
(3) As a member of management, Mr. Mullane is not eligible to receive DSUs.
(4) 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 42.

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 2016, the compensation for non-management directors consisted of cash retainers and meeting fees, and grants of DSUs under the deferred share unit plan (the "**DSU Plan**"). The directors do not receive any option-based or non-equity compensation plan awards. 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 and meeting fees for Non-Management Directors for 2016.

DIRECTOR RETAINERS AND MEETING FEES

Type of Retainer or Fee[1]	Amount($)
Board Member	30,000
Board Chair	10,000
Audit Committee Chair	14,000
GNC Committee Chair	10,000
Reserves Chair	7,000
Board and Committee Member Fees (per meeting attended)	1,500

(1) Directors are also reimbursed for out-of-pocket expenses to attend meetings.

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 2016, each Non-Management Director, other than D. Nolan Blades, J. Douglas Kay and Marvin F. Romanow, received a grant of DSUs having a value of $60,000. D. Nolan Blades as former Chair of the Board received a grant of DSUs having a value of $90,000. Marvin F. Romanow, who was appointed Chair of the Board on May 11, 2016, received a grant of DSUs having a value of $80,000 (prorated based on the date of his appointment as Chair). The grant of DSUs to J. Douglas Kay was pro-rated based on the date of election to the Board and as a result he received a grant of DSUs having a value of $40,000. 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 the Corporation 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.

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 113,713 Common Shares (representing approximately 0.1% 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 353,631 Common Shares (representing approximately 0.03% 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.

In March 2017, the Board approved an amendment to the DSU Plan to provide that the maximum value of DSUs that may be granted to any one Non-Management Director in any calendar year may not exceed $150,000 and, in connection with such amendment, the Board approved an amendment to restrict the Board's ability to increase the limit on the value of DSUs that may be granted to any one Non-Management Director in a calendar year without Shareholder approval. In addition, the Board approved an amendment to the withholding language in the DSU Plan to allow Freehold to remit a cash payment to satisfy withholding taxes on behalf of a Director, in lieu of issuing such Common Shares to such Director.

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.

Summary Director Compensation

The following table sets forth the aggregate compensation paid to each director during 2016.

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 ($)
D. Nolan Blades[2]	22,005	90,000	-	-	-	-	112,005
Gary R. Bugeaud	63,000	60,000	-	-	-	-	123,000
Peter T. Harrison[3]	45,000	-	-	-	-	-	45,000
J. Douglas Kay[4]	28,121	40,000	-	-	-	-	68,121
Arthur N. Korpach	80,000	60,000	-	-	-	-	140,000
Susan M. MacKenzie	73,000	60,000	-	-	-	-	133,000
Thomas J. Mullane[5]	-	-	-	-	-	-	-
Marvin F. Romanow[6]	54,374	80,000	-	-	-	-	134,374
David J. Sandmeyer[7]	19,879	60,000	-	-	-	-	79,879
Aidan M. Walsh	59,500	60,000	-	-	-	-	119,500
Total	444,879	510,000					954,879

(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. Blades retired from the Board on May 11, 2016. All of Mr. Blades' DSUs may be redeemed at any time prior to December 15, 2017.
(3) 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.
(4) Mr. Kay was elected to the Board on May 11, 2016 and DSUs granted in 2016 were prorated accordingly.
(5) Mr. Mullane is not compensated by Freehold for his services as a director.
(6) Mr. Romanow was appointed Chair of the Board on May 11, 2016 and DSUs granted in 2016 were prorated accordingly.
(7) Mr. Sandmeyer retired from the Board on May 11, 2016. All of Mr. Sandmeyer's DSUs were redeemed on September 29, 2016.

The following table sets forth the outstanding DSUs held by each director as at December 31, 2016. 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] ($)
D. Nolan Blades[3]	63,235	896,040
Gary R. Bugeaud	8,241	116,775
Peter T. Harrison[4]	19,737	279,673
J. Douglas Kay	3,565	50,516
Arthur N. Korpach	18,051	255,769
Susan M. MacKenzie	11,248	159,384
Thomas J. Mullane[5]	nil	nil
Marvin F. Romanow	10,024	142,040
David J. Sandmeyer[6]	nil	nil
Aidan M. Walsh	14,397	204,005

(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 30, 2016 Common Share closing price on the TSX of $14.17.
(3) Mr. Blades retired from the Board on May 11, 2016.
(4) 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.
(5) As a member of management, Mr. Mullane is not eligible to receive DSUs.
(6) Mr. Sandmeyer retired from the Board on May 11, 2016. All of Mr. Sandmeyer's DSUs were redeemed on September 29, 2016.

The following table sets forth the value of DSUs that vested during the year ended December 31, 2016. The directors do not receive any option-based awards or non-equity incentive plan compensation.

VALUE VESTED OR EARNED

Name	Share-based awards Value vested during the year[1, 2] ($)
D. Nolan Blades[3]	124,529
Gary R. Bugeaud	64,191
Peter T. Harrison[4]	10,957
J. Douglas Kay[5]	40,986
Arthur N. Korpach	69,637
Susan M. MacKenzie	65,861
Thomas J. Mullane[6]	-
Marvin F. Romanow[7]	84,684
David J. Sandmeyer[8]	71,404
Aidan M. Walsh	67,609

(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 for all DSUs held by such 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) Mr. Blades retired from the Board on May 11, 2016.
(4) 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.
(5) Mr. Kay was elected to the Board on May 11, 2016 and DSUs granted in 2016 were prorated accordingly.
(6) As a member of management, Mr. Mullane is not eligible to receive DSUs.
(7) Mr. Romanow was appointed Board Chair on May 11, 2016 and DSUs granted in 2016 were prorated accordingly.
(8) Mr. Sandmeyer retired from the Board on May 11, 2016. All of Mr. Sandmeyer's DSUs were redeemed on September 29, 2016.

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 9.

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 by virtue of the fact that he is an officer of Freehold and of the Manager. Peter T. Harrison is not considered independent by virtue 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 13.

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 Board memberships among our Directors as at March 23, 2017.

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, Audit Committee Mandate, GNC Committee Mandate and Reserves Committee Mandate are attached to this Information Circular in Appendix A, Appendix B, Appendix C and Appendix D, respectively.

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 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, 2016.

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, 2016, and the attendance of individual directors at such meetings.

BOARD ATTENDANCE

Director	Board of Directors	Audit Committee	GNC Committee[1]	Reserves Committee	Total
D. Nolan Blades[2]	5 of 5	-	-	-	5 of 5 (100%)
Gary R. Bugeaud[3]	10 of 10	2 of 2	11 of 11	-	23 of 23 (100%)
Peter T. Harrison	10 of 10	-	-	-	10 of 10 (100%)
J. Douglas Kay[4]	5 of 5	-	-	1 of 1	6 of 6 (100%)
Arthur N. Korpach	10 of 10	4 of 4	11 of 11	-	25 of 25 (100%)
Susan M. MacKenzie	10 of 10	-	11 of 11	2 of 2	23 of 23 (100%)
Thomas J. Mullane	10 of 10	-	-	-	10 of 10 (100%)
Marvin F. Romanow[5]	10 of 10	2 of 2	-	-	12 of 12 (100%)
David J. Sandmeyer[6]	5 of 5	-	-	1 of 1	6 of 6 (100%)
Aidan M. Walsh	9 of 10	4 of 4	-	2 of 2	15 of 16 (94%)

(1) The GNC Committee held four joint compensation meetings with the Rife Board in 2016.
(2) Mr. Blades (Chair) retired on May 11, 2016.
(3) Mr. Bugeaud was appointed to the Audit Committee on May 11, 2016.
(4) Mr. Kay was appointed to the Reserves Committee on May 11, 2016.
(5) Mr. Romanow was appointed Chair on May 11, 2016. Mr. Romanow resigned from the Audit Committee on May 10, 2016.
(6) Mr. Sandmeyer retired from the Board on May 11, 2016 and the Reserves Committee on May 10, 2016.

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. A director's manual containing Board and committee mandates, position descriptions, policies, and other information 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. In 2016, new director orientation was provided to Mr. Kay.

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 annually 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.

Board, Committee and Member Performance Assessment

The GNC Committee is responsible for ensuring the effectiveness of the Board of Directors, the Committees of the Board of Directors 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 of Directors 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 of Directors and its Committees. The data is compiled, is reviewed by the Chair of GNC Committee, and is presented in summary form to the GNC Committee for discussion and follow-up with the full Board as required.

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 with an emphasis placed on maximizing the contribution of each Director to the Board and continually improving the effectiveness of the Board of Directors. At this meeting, Directors may comment on their contribution to the Board as well as the contribution of their peers.

Further to the individual assessment process is the review of the “Skills Matrix” (see "*Board Skills and Competencies*" on page 29) outlining the experience and background of the member of the Board in a variety of key subject areas. This matrix is maintained so that the Board can identify areas for strengthening the Board of Directors, if any, and address them through the recruitment of new members.

Ethical Business Conduct

The Board has adopted a written Code of Business Conduct and Conflict of Interest Policy ("**Code**") 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 sign an annual compliance letter 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.

Under the general requirements of the *Business Corporations Act* (Alberta), a director must disclose the nature and extent of his or her interest, in writing, or request to have that interest entered in the minutes of the meeting of directors at which the contract or transaction is first considered, if he or she is:

- a party to a material contract or transaction or proposed material contract or transaction with Freehold;
- a director or officer of any entity who is a party to a material contract or transaction or proposed material contract or transaction with Freehold; or
- a person who has a material interest in any entity which is a party to a material contract or transaction or proposed material contract or transaction with Freehold.

In addition, the director will retire from the meeting, if required by the Board, while the discussion on the material contract or transaction or proposed material contract or transaction is taking place and will refrain from voting on the subject under consideration. This will not prevent the Board from calling him or her into the meeting to answer any questions regarding the matter under discussion, nor does it release the director from his or her fiduciary duties to Freehold.

However, because it may be impractical for a director who serves as a director or officer of another entity or who has a material interest in another entity to know that the entity is entering into a material contract or transaction with Freehold (and therefore to give notice of every such material contract or transaction), it is sufficient for the director to deliver a general notice to the Board, declaring that he or she is a director or officer or has a material interest in an entity, and is to be regarded as interested in any material contract or transaction made with that entity.

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 ("**Related Party Transactions**") and involve Freehold and Rife and/or Canpar Holdings Ltd. (an oil and gas company that is also a wholly-owned subsidiary of the CN Pension Trust Funds) ("**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 29). 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 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 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. The GNC Committee also 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, as amended and restated in November 2015, 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 with respect to Freehold's executives.

Director Term Limits and other Mechanisms for Board Renewal

The Board has adopted a Board Diversity and Renewal Policy (the "**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 pursuant 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 need to be strengthened in any area. 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 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

	Competencies[1]									
Name	M&A/Capital Markets	Corporate Governance	Executive Background	Financial Expertise	Human Capital Experience	Legal Experience	Managing/Leading Growth	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:
M&A/Capital Markets: Experience in capital markets transactions, financing, mergers & acquisitions, and securities regulations.
Corporate Governance: Understanding the requirements of good corporate governance through experience as a board member of a public company.
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.
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, 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. It is also a requirement of the GNC Committee to conduct an annual review to ensure that there are not 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 seven directors have been added. 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 other new directors.

Women Representation 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 is committed to a meritocracy and 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 recognizes the benefits of diversity within the Board and will encourage the consideration of women who have the necessary skills, knowledge, experience and character for nomination to the Board. However, the Board has not imposed any quotas or targets regarding the representation of women on the Board.

To ensure the effectiveness of the Board Diversity and Renewal Policy, the GNC Committee will review 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 and 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 will also review 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.

The GNC Committee is authorized under its charter to retain experts to assist them in "board searches" for qualified candidates and to the extent it does so the GNC Committee will provide direction to such experts to endeavour to bring forward women candidates for consideration as nominees to the Board.

There is presently one woman serving on the Board which represents approximately 11% of the number of directors on the Board.

Women Representation in Executive Officer Positions

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.

There are no women currently serving in an executive officer position at Freehold. Approximately 48% of Rife's staff are women.

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 long-term plan for 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 manage such risks. The business risks are reviewed at least annually with the Board at the Strategic Planning Session. In addition, both the Audit Committee and GNC Committee are tasked with regularly reviewing areas of risk with respect to their specific mandates and as appropriate, the Corporation as a whole.

Evaluation of the Manager

The GNC Committee is responsible for annually assessing the performance of the Manager through a yearly assessment process. A key component of the process is a questionnaire that is completed by the Independent Directors. The data is compiled, is reviewed by the Chair of the GNC Committee, and is presented in summary form to the GNC Committee for discussion and follow-up with the full Board and the Manager as required.

THE MANAGER

The Manager, at its head, principal and registered office located at Suite 400, 144 – 4th Avenue S.W., Calgary, Alberta, T2P 3N4, provides comprehensive oil and gas company management and operational services to Freehold pursuant to the terms of an amended and restated management agreement dated November 9, 2015 (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.

Management Agreement

Pursuant to the Management Agreement, the Manager provides the following services to Freehold and certain subsidiaries and partnerships of Freehold:

1. administer all matters relating to the securities of Freehold, including the Common Shares, and the royalties, working interest properties and other interests in oil, natural gas and potash resources held by Freehold and its subsidiaries and partnerships, including:
    a) determining the total amount owing to Freehold and its subsidiaries and partnerships from third parties and conducting joint venture audits as required;
    b) determining the total amounts owing to Shareholders and arranging for dividends to Shareholders, subject to the supervision of Freehold;
    c) providing Shareholders with periodic reports on the royalties, working interest properties and other interests in oil, natural gas and potash resources held by Freehold and its subsidiaries and partnerships; and
    d) providing Shareholders with financial reports and tax information relating to the royalties, working interest properties and other interests in oil, natural gas and potash resources held by Freehold and its subsidiaries and partnerships;
2. provide management services for the economic and efficient exploitation of oil and natural gas properties;
3. operate oil and natural gas properties that Freehold and its subsidiaries and partnerships are entitled to operate and monitor the activities of third party operators;
4. recommend, carry out and monitor property acquisitions and dispositions and exploitation and development programs for Freehold and its subsidiaries and partnerships;
5. negotiate on behalf of Freehold and its subsidiaries and partnerships all exploitation and development agreements, operating agreements, working interest agreements, farmin and farmout agreements, leases and other documents relating to the exploitation of the oil and natural gas properties as may be advisable;
6. recommend and, subject to the supervision of Freehold, negotiate banking arrangements for Freehold; and
7. provide office space, office furnishings and equipment and personnel necessary for the proper administration of the assets of Freehold and its subsidiaries and partnerships.

In exercising its power and discharging its duties under the Management Agreement, the Manager will be required to exercise that degree of care, diligence and skill that a reasonably prudent advisor and manager in respect of oil and gas properties in western Canada would exercise in comparable circumstances.

The Management Agreement will continue in force until terminated by either the Manager or Freehold in accordance with the terms of the Management Agreement. The Manager can terminate the Management Agreement by providing six months written notice prior to the date of such termination. Freehold can terminate the Management Agreement at any time after May 26, 2020 by providing six months written notice prior to the date of such termination. Alternatively, Freehold can terminate the Management Agreement at any time if the Manager and its affiliates cease to beneficially own or exercise control or direction over (in aggregate) 5% or more of the issued and outstanding Common Shares for a period of more than 90 consecutive days. In addition, if a "Change of Control" (as defined in the Management Agreement) of Freehold occurs, Freehold will have the right to terminate the Management Agreement by providing written notice to the Manager within 90 days of such Change of Control together with making a payment to the Manager of $2,000,000. If Freehold terminates the Management Agreement Freehold will be liable for actual termination costs of employees terminated by the Manager whom Freehold does not elect to employ.

The Management Agreement may also be terminated by Freehold at any time without the payment of compensation to the Manager if the Manager institutes bankruptcy proceedings, seeks relief under bankruptcy law, consents to the appointment of a receiver, voluntarily suspends transaction of its usual business, is declared bankrupt or insolvent, if a receiver is appointed in respect of the Manager, or if the Manager fails to carry out its material obligations under the Management Agreement and does not commence to cure such failure within 30 days of notice being given.

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.

As discussed below, the Manager will be paid management fees for providing all of the management services. The Manager will be indemnified by Freehold in respect of certain damages that it may suffer in discharging its obligations under the Management Agreement provided that such damages do not arise from the fraud, wilful default, gross negligence or bad faith of the Manager.

The full text of the Management Agreement has been filed on SEDAR at www.sedar.com.

Conflicts of Interest

There may be circumstances in which the interests of the Manager and Rife will conflict with those of Shareholders. Rife also manages its own business and affairs and the business and affairs of Canpar. Rife or the Manager may also provide similar management services to others in the future. Rife or the Manager may acquire oil and gas properties on its own behalf or on behalf of persons other than the Shareholders. Rife or the Manager may manage and administer such additional properties, as well as enter into other types of energy-related management and advisory activities.

In resolving such conflicts, decisions will be made by the Manager on a basis consistent with the objectives and financial resources of each group of interested parties, the time limitations on investment of such financial resources, and on the basis of operating efficiencies having regard to the then current holdings of properties of each group of interested parties all consistent with the duties of the Manager to each such group of persons. The Manager will use all reasonable efforts to resolve such conflicts of interest in a manner which will treat Freehold and the other interested party fairly, taking into account all of the circumstances of Freehold and such interested party and will act honestly and in good faith in resolving such matters. In addition, the Manager ensures that the Board is made aware of any material acquisitions undertaken by Rife and Canpar.

Proceeds relating to subscription offerings, royalty income and other revenues generated from or associated with any interest of Freehold may not be commingled with the funds of any other entity that is managed by the Manager.

The Board has 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.

Compensation and Reimbursement of the Manager

The officers of Freehold, including the CEO and CFO, are employees of Rife and receive their remuneration from Rife. These officers do not receive any compensation directly from Freehold for their services. 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 follows for providing services to Freehold and certain subsidiaries and partnerships of Freehold.

Management Fee

Prior to the amendment and restatement of the Management Agreement in November 2015 the number of Common Shares payable quarterly to the Manager as management fee was adjusted quarterly based on the number of issued and outstanding Common Shares such that as the number of issued and outstanding Common Shares increased (excluding increases attributable to the issuance of Common Shares to the Manager as payment of the management fee) the Common Shares issuable to the Manager as payment of the management fee increased. In 2014, 2015 and 2016 an aggregate of 206,280, 269,978 and 287,648 Common Shares, respectively, were issued to the Manager as payment of the management fee. As at December 31, 2016, the quarterly management fee was 71,912 Common Shares, and as at January 1, 2017 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 2016 the Common Shares issuable on payment of the management fee were capped at 71,912 Common Shares paid quarterly;
- from 2017 through 2019 the Common Shares issuable on payment of the Management fee will be capped at 55,000 Common Shares paid quarterly;
- 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 general and administrative ("**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 was 42% in 2016. In 2016, G&A costs, excluding share based and retirement benefit totaled $10.2 million, including $9.0 million charged by the Manager for time and direct costs incurred by Rife on behalf of Freehold. Commencing in 2017, the allocation of costs based on time spent will be adjusted quarterly based on the actual percentage for the allocation of time spent by Rife's staff in the prior quarter (previously, the adjustment was only made once annually).

Share Based Compensation

Freehold accrues for its proportionate share of awards under the long-term incentive plan ("**Rife Employees LTIP**") for employees of Rife. The liability is estimated at the end of each quarter based on the quarter-end Common Share price and performance factors; the related compensation charges are recognized over the three-year vesting period. At December 31, 2016, Freehold had accrued $0.9 million as a long-term liability and $0.1 million as a current liability. The current liability related to 2014 grants under the Rife Employees LTIP, which vested and were paid out in the first quarter of 2017. See "*Incentive Compensation Plans*" on page 46.

In March 2017, Rife and Freehold adopted new long-term compensation plans to replace the Rife Employees LTIP. As a result, the 2016 grants of awards under the Rife Employees LTIP were the last grants made under the Rife Employees LTIP. In 2017 and in future years, Freehold's proportionate share of long-term incentive compensation will consist of grants of performance share unit awards ("**Performance Awards**") and restricted share unit awards ("**Restricted Awards**") under Freehold's new incentive award plan ("**Freehold Award Plan**"). Rife has also adopted a new incentive award plan ("**Rife Award Plan**") providing for the grant of Performance Awards and Restricted Awards. For details on the new Freehold Award Plan and Rife Award Plan see the information under the headings "*2017 Changes to Compensation Program*" on page 43 and "*New Freehold Award Plan and Rife Award Plan*" on page 48.

All plans are administered by the Manager.

Retirement Benefit Plan

Freehold participates in its proportionate share of a retirement benefit for certain former employees of Rife. The retirement benefit is payable in four equal installments upon retirement. Service costs are amortized on a straight-line basis over the expected average remaining service lifetime. See "*Pension Plan Benefits*" on page 51.

Short Term Incentive Plan

Freehold pays its proportionate share of an annual short-term incentive plan (cash bonus) ("**Rife Employees STIP**") for employees of Rife. See "*Incentive Compensation Plans*" on page 46.

EXECUTIVE COMPENSATION

Report to Shareholders

March 23, 2017

Dear 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. 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 of this Executive Compensation section of the Information Circular.

2016 Business Overview

Operationally, Freehold had a very strong year in 2016. Production increased by 12% to an average of 12,219 boe per day, an all-time high. In addition, the proportion of royalty production increased from 76% to 81% year over year. In May, the acquisition of a new high quality royalty portfolio nearly doubled our royalty land base.

In light of the volatile commodity price environment, management and the Board reviewed and adjusted Freehold's dividend and debt policies in order to ensure continued sustainability of our Shareholder dividend and balance sheet health. Reduction of overall debt, aided by free cash flow and the continued trending down of cash costs, strengthened the balance sheet and improved cash margins. Freehold ended 2016 with net debt of $73.2 million, implying net debt to funds from operations ratio of 0.8 times.

Freehold's total shareholder return was 35% in 2016, in-line with the returns of the TSX Oil & Gas Energy Index (35%) and outpacing the TSX Composite Index (21%).

2016 Compensation Decisions

In light of the macro-environment and significantly lower commodity prices, base salaries, short term incentive payouts and long term incentive grants for the majority of Rife's staff, and for all executives were reduced in 2016.

- Freehold’s allocation of Rife's G&A costs increased from 37% in 2015 to 42% in 2016, reflecting the increased proportion of the Manager’s work distribution allocated to Freehold due to its growth through acquisitions.
- Effective March 1, 2016, executives' salaries were reduced by 7.5% and employees' salaries were reduced by 5%.
- Rife Employees LTIP grants were awarded in February 2016 and were reduced in aggregate value by approximately 7% versus 2015.
- The 2016 Rife Employees STIP reflected 2016 corporate performance against defined metrics and a reduction due to sustained weakness in the commodity price environment. This resulted in a 14% increase from bonuses earned in 2015; however it is a 48% decrease from bonuses earned in 2014.

CEO Compensation

The CEO's compensation in 2016 was directly tied to performance of Freehold, Rife and Canpar with approximately 53% of Mr. Mullane's total direct compensation at risk. As determined by Rife, in 2016 Mr. Mullane's base salary was reduced by 7.5%, he received a below target STIP payout per the Rife Employees STIP reduced pool, and an LTIP grant per the Rife Employees LTIP equal to approximately 82% of Mr. Mullane's base salary.

2017 Compensation Decisions

In 2016, the Rife Board of Directors engaged Hugessen Consulting to assist in the review and redesign of Rife's incentive plans. As a result, a Freehold-specific scorecard was introduced for 2017 to measure corporate performance for the purposes of the Rife Employees STIP, and effective March 2, 2017, each of Rife and Freehold adopted the new Rife Award Plan and the Freehold Award Plan, respectively, providing for the grant of Performance Awards and Restricted Awards to replace the existing Rife Employees LTIP. See *"2017 Changes to Compensation Program"* on page 43 and "*New Freehold Award Plan and Rife Award Plan*" on page 48.

- Freehold's allocation of G&A costs increased from 42% in 2016 to 48% in the first quarter of 2017, reflecting the increased proportion of the Manager's work distribution allocated to Freehold due to its growth through acquisitions.
- Executive share ownership guidelines were implemented. See *"Executive Share Ownership Guidelines"* on page 42.
- Grants were awarded in March 2017 under the new Rife Award Plan and Freehold Award Plan at an aggregate value consistent with 2016 grants under the Rife Employees LTIP.
- Introduced an annual cap on the DSU grants. See *"Director Incentive Plan Awards"* on page 20.

Advisory Vote on Executive Compensation

The GNC Committee monitors the use of Say on Pay votes – where shareholders are given an opportunity to provide non-binding approval of the executive compensation program.

As a result of the amendment and restatement of the Management Agreement in November 2015, Rife has agreed 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 with respect to Freehold's executives; however, all elements of compensation are ultimately determined by the Manager and Rife and Freehold is obligated to pay an agreed portion of these amounts according to the Management Agreement. As a result of these factors, Freehold has decided not to implement a Say on Pay vote this year.

In conclusion, we are 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 at any time of the year to your Board c/o Freehold's Corporate Secretary: 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

The named executive officers (**"Named Executive Officers"** or **"NEOs"**) who are the focus of the Compensation Discussion & Analysis and who appear in the compensation tables are:

NAMED EXECUTIVE OFFICERS

Name	Title	Level
Thomas J. Mullane	President and Chief Executive Officer	CEO
Darren G. Gunderson	Vice President, Finance and Chief Financial Officer	CFO
David M. Spyker[1]	Vice President, Production	VP
Michael J. Stone	Vice President, Land	VP

(1) Mr. Spyker joined Rife on November 28, 2016 as an executive of both Rife and Freehold in the position of Vice-President Production.

Other than the NEOs, 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, 2016.

Compensation Governance

Governance, Nominating and Compensation Committee Mandate

The Board has adopted a mandate for the GNC Committee, pursuant to which the Board has delegated certain responsibilities relating to Board compensation, compensation of the Manager, review of compensation of the CEO and other officers of Freehold by the Manager, and Freehold's participation in the incentive compensation programs for employees of the Manager. In carrying out its responsibilities under its mandate, the GNC Committee undertakes the following tasks, amongst others:

- Assessment of CEO Performance;
- Report to the Board on base salary, annual bonus and long-term incentive recommendations for CEO and other NEOs;
- Review the Manager's overall compensation programs to ensure competitiveness, reasonableness and employee retention; and
- Review the Manager's succession plans for executive positions.

In accordance with the terms of the Management Agreement, the GNC Committee cooperates with the Rife Board of Directors 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 with respect to Freehold's executives.

The full text of the GNC Committee Mandate is attached to this Information Circular in Appendix C.

Composition of the GNC Committee

The GNC Committee Mandate requires the GNC Committee to be comprised of at least three directors, all of whom are independent, as such term is defined for purposes of NI 58-101. The GNC Committee is comprised of Susan M. MacKenzie (Chair), Gary Bugeaud, and Arthur N. Korpach, all of whom are independent directors. For details of the relevant education and experience of each member of the GNC Committee that enables such member to make decisions on the suitability of Freehold's compensation policies and practice, see the nominee profiles starting on page 13.

Compensation Advisor

In 2015, a compensation consultant or advisor was not formally retained to assist the Board or the GNC Committee to determine the compensation of the directors or executive offers of Freehold. In 2016, the Rife Board of Directors engaged Hugessen Consulting Inc. ("**Hugessen**") to assist in the redesign of Rife's incentive plans, to ensure programs align with shareholder interests and are affordable and sustainable. The process included review of pay philosophy, desired pay positioning, pay mix, and high-level incentive pay design, review of current compensation peer group, and review and refinement of both the short term incentive plan and long term incentive paln design and performance framework.

The following are the fees paid to Hugessen (no other compensation consultant or advisor was retained) in the last two financial years:

COMPENSATION CONSULTANT FEES

	December 31, 2016	December 31, 2015
Executive Compensation Related Fees	58,206	-
All Other Fees	-	-
Total	58,206	-

Aligning Executive Compensation and Shareholder Interest

Compensation Philosophy and Program

All of the Named Executive Officers receive compensation directly from Rife. As a result, all elements of compensation are ultimately determined by the Manager and Rife and Freehold is obligated to pay an agreed portion of these amounts according to the Management Agreement; however, pursuant to the terms of the Management Agreement, Rife has agreed 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 with respect to Freehold's executives.

Rife's approach to compensation for the Freehold executives is driven by a commitment to deliver sustainable and solid returns to Shareholders. Rife's compensation philosophy is to align pay with performance in an affordable and sustainable manner, and to attract, motivate and retain executives in order to achieve its business objectives

In determining compensation levels for the Named Executive Officers, including assessing the competitiveness of Rife's executive compensation practices, the Board of Directors of Rife utilizes compensation survey information provided by Mercer Human Resource Consulting Ltd. ("**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. Although Rife is unique in that its employees don't only manage the business and affairs of Freehold but also manage the business and affairs of Rife and Canpar, Rife has 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 100,000 barrels of oil equivalent per day as reported in the Mercer survey.

In 2016, the following elements of compensation were paid to the NEOs:

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	• 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	• Cash-based performance incentive under Rife Employees STIP • Payout based on corporate performance measures as approved by the Rife Board of Directors as well as individual performance
Long term incentive compensation	Variable (at risk)	Rewards based on long-term corporate performance	Three years	• Annual grant under Rife Employees LTIP • 3 year cliff vesting

For additional details on the Rife Employees STIP and Rife Employees LTIP see "*Incentive Compensation Plans*" on page 46.

Executives participate in the pension and benefits plans on the same basis as all employees. Perquisites are limited in nature and value. Neither Rife nor Freehold have a savings or option plan.

Compensation Risk

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 21.5% 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 with respect to the Named Executive Officers, as well as the fact that the Management Agreement may be terminated by Freehold in certain circumstances (see "M*anagement Agreement*" on page 32).

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 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 the CEO at three times Freehold's proportionate share of base salary and for the vice-presidents at one time Freehold's proportionate share of base salary. Both Common Shares and Restricted Awards held by the officers count toward the executive share ownership guidelines. Named Executive Officers will have a period of five years from the date of the implementation of this policy, or from the date of their appointment as an officer of the Corporation; whichever is later, 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 ownership holdings at March 23, 2017.

EXECUTIVE SHARE OWNERSHIP[1]

Name	Share Ownership Guideline (multiple of base salary)[2]	Common Shares Held (#)	Restricted Awards (#)	Total Number of Common Shares and Restricted Awards Owned (#)	Market Value of Common Shares and Restricted Awards Owned[3] ($)	Total Value of Share Ownership Required[2] ($)	Meets Share Ownership Requirements
Thomas J. Mullane	3x	10,965	2,611	13,576	178,796	459,540	has until March 2022
Darren G. Gunderson	1x	0	1,523	1,523	20,058	121,878	has until March 2022
David M. Spyker	1x	0	1,479	1,479	19,478	115,200	has until March 2022
Michael J. Stone	1x	26,000	1,392	27,392	360,753	113,886	Yes

(1) Executive Share Ownership Guidelines implemented March 2, 2017.
(2) Based on Freehold's proportionate share of 48% in 2017.
(3) Market value has been determined by multiplying the number of Common Shares and Restricted Awards by the closing price of the Common Shares on the TSX on March 22, 2017 of $13.17.

Claw Back

The Manager does not have a claw back policy in place.

Succession Planning

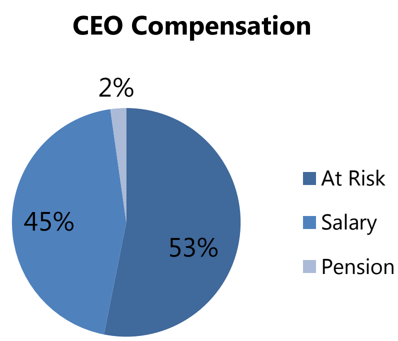
Succession and development of talent are important initiatives at Rife and Freehold. In 2016, Management initiated the development of a formal succession planning process for each executive role. This process includes an annual review and identification of potential timing of succession and possible internal successors as well as an annual review of internal diversity demographics. Management also introduced a competency matrix to evaluate and to assist with determining development plans of potential successors. This process and its progress is reviewed annually by the GNC Committee.

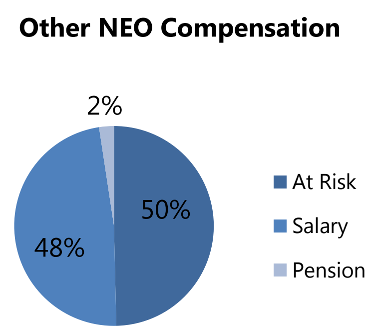
Employment Agreements

Freehold is not a party to any employment agreement or other agreement with any of the executive officers of Freehold.

Pay at Risk

Freehold's compensation program is designed to align compensation with corporate performance and therefore approximately 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 53% of the CEO's compensation and on average 50% of other NEOs compensation is "at risk" (bonus, long term incentives).





2017 Changes to Compensation Program

In 2016, the Rife Board of Directors engaged Hugessen to assist in the review and redesign of Rife's incentive plans. As a result of the advice received from Hugessen and cooperation between the Rife Board of Directors and the GNC Committee, the incentive programs for Rife employees were revamped in 2017.

Changes to Rife Employees STIP

In respect of the Rife Employees STIP, a Freehold-specific scorecard was introduced to measure corporate performance for determining annual cash bonuses to be paid to Named Executive Officers and other employees of Rife that work on the business of Freehold. The intent of the changes to the Rife Employee STIP is to more closely align the interests of the employees of Rife who work on the business of Freehold with the performance of Freehold. The 2017 Freehold-specific scorecard measures corporate performance in the categories of operational excellence, balance sheet stewardship and strategic initiatives.

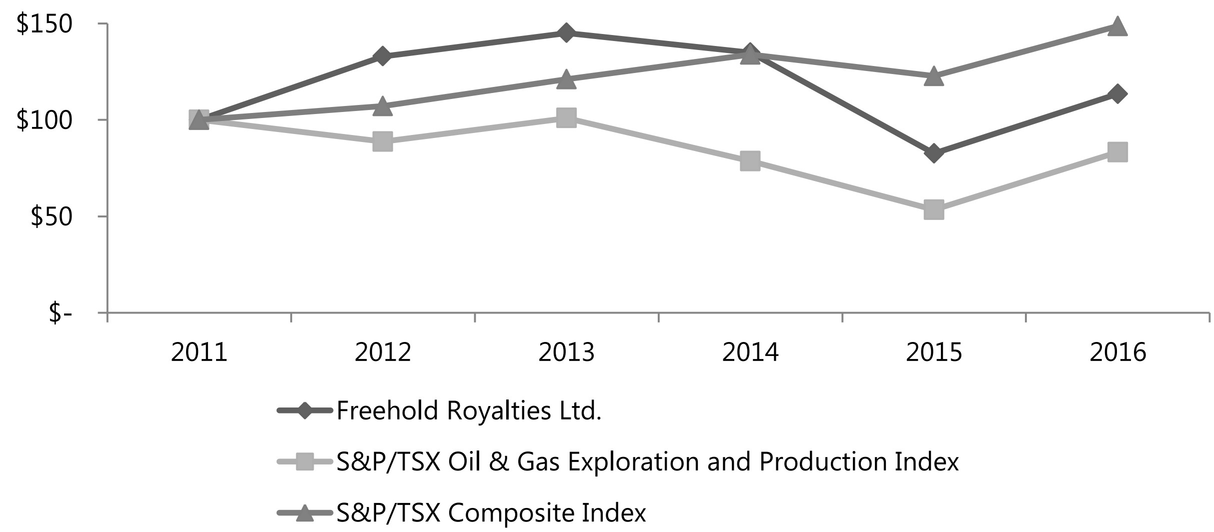
Adoption of New Freehold Award Plan and Rife Award Plan

In March 2017, Freehold and Rife adopted the new Freehold Award Plan and Rife Award Plan to replace the Rife Employees LTIP. As a result, the 2016 grants of awards under the Rife Employees LTIP were the last grants made under the Rife Employees LTIP. In 2017 and in future years, Freehold's proportionate share of long-term incentive compensation will consist of grants of Performance Awards and Restricted Awards under the Freehold

Award Plan. Rife's proportionate share of long-term incentive compensation will consist of grants of Performance Awards and Restricted Awards under the Rife Award Plan. See "*New Freehold Award Plan and Rife Award Plan*" on page 48 for a detailed description of the Freehold Award Plan and the Rife Award Plan.

Performance Chart

The following graph and table illustrate changes during the last five years in the value of $100 invested on December 31, 2011, 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.



	2011	2012	2013	2014	2015	2016
Freehold Royalties Ltd.	$100.00	$132.95	$145.09	$134.85	$82.59	$113.48
S&P/TSX Oil & Gas Exploration & Production Index	$100.00	$88.73	$100.99	$78.64	$53.40	$83.26
S&P/TSX Composite Index	$100.00	$107.19	$121.11	$133.90	$122.76	$148.64

The Named Executive Officers are employees of Rife, which manages the oil and gas operations of Rife and Canpar in addition to Freehold. In previous periods, compensation of Named Executive Officers was at the sole discretion of Rife, only a portion of which relates to activities performed on behalf of Freehold. Compensation relating to services rendered to Freehold is allocated based on the ratio of hours expended by staff of Rife on Freehold versus Rife and Canpar. For these reasons, the trend of compensation levels for the Named Executive Officers applicable to Freehold over the period from 2012 to 2016 has little correlation to the trend of total return on investment for Freehold charted in the performance chart. Over the period from 2012 to 2016, the total return performance of Freehold increased approximately 13%, while the total compensation levels of Named Executive Officers paid by Freehold during the same period decreased by approximately 2%.

Summary Executive Compensation

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 34. The Named Executive Officers also perform functions for Rife and Canpar.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary[1] ($)	Option-based awards ($)	Share-based awards[1,2] ($)	Non-equity incentive plan compensation[1]: Annual incentive plans[1,3] ($)	Non-equity incentive plan compensation[1]: Long-term incentive plans ($)	Pension value[1] ($)	All other compensation ($)	Total compensation[1] ($)
Thomas J. Mullane	2016	135,844	-	109,200	52,500	-	6,792	-	304,336
President and Chief Executive Officer	2015	127,650	-	99,900	40,700	-	4,619	-	272,869
	2014	113,900	-	71,400	78,200	-	4,238	-	267,738
Darren G. Gunderson	2016	108,084	-	75,600	42,000	-	5,404	-	231,088
Vice-President, Finance and Chief Financial Officer	2015	101,565	-	64,750	25,900	-	4,619	-	196,834
	2014	89,590	-	45,900	51,000	-	4,238	-	190,728
David M. Spyker Vice-President, Production[4]	2016	9,559	-	127,000	5,040	-	478	-	142,077
Michael J. Stone	2016	100,997	-	69,300	29,400	-	5,050	-	204,747
Vice-President, Land	2015	94,905	-	61,050	22,940	-	4,619	-	183,514
	2014	85,000	-	44,200	45,900	-	4,238	-	179,338

(1) Freehold's proportionate share (2014 – 34%, 2015 – 37%, 2016 – 42%).

(2) Based on Freehold's proportionate share of the value of awards under the Rife Employees LTIP 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 Employees LTIP 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, 2016, which are available on SEDAR at www.sedar.com).

(3) Rife Employees STIP in the period earned, paid the following year.

(4) Mr. Spyker was appointed Vice-President, Production on November 28, 2016. Upon his appointment, Mr. Spyker was granted awards under the Rife Employees LTIP in part to compensate him for long-term incentive forfeited as a result of resigning from his former employment with another company. As a result, Mr. Spyker's grant of awards under the Rife Employees LTIP was higher than an annual grant of awards awarded in the ordinary course of business.

Incentive Plan Awards

The following table sets forth Freehold's proportionate share of outstanding awards under Rife Employees LTIP held by the Named Executive Officers as at December 31, 2016. The Named Executive Officers do not receive any option-based awards.

SHARE-BASED AWARDS

Name	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested[1] ($)
Thomas J. Mullane	20,595	101,536
Darren G. Gunderson	13,794	68,997
David M. Spyker	10,103	55,794
Michael J. Stone	12,866	63,895

(1) Estimated based on the closing price of the Common Shares on the TSX on December 30, 2016, which was $14.17, plus certain adjustments made for dividends since the date of grant and performance factors.

The following table sets forth the value of Freehold's proportionate share of (i) awards under Rife Employees LTIP held by the Named Executive Officers that vested, and (ii) bonuses earned pursuant to Rife's Annual Bonus Plan, in the year ended December 31, 2016. The Named Executive Officers do not receive any option-based awards.

VALUE VESTED OR EARNED

Name	Share-based awards Value vested during 2016[1,2] ($)	Non-equity incentive plan compensation – value earned during 2016[3] ($)
Thomas J. Mullane	10,176	52,500
Darren G. Gunderson	4,927	42,000
David M. Spyker	-	5,040
Michael J. Stone	6,427	29,400

(1) Freehold's proportionate share of the 2013 grant under the Rife Employees LTIP that vested in 2016.
(2) 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.
(3) Freehold's proportionate share (2016 - 42%).

Incentive Compensation Plans

Rife Employees STIP

The Rife Employees STIP is an annual short-term incentive plan (cash bonus), of which Freehold pays its proportionate share. The total short-term incentive available to each Named Executive Officer is based on the short-term incentive paid to executive officers at a similar level based on the benchmarking group in the Mercer report. The actual amount of the total available Rife Employees STIP paid is determined based on production, operating costs, G&A costs of Freehold, Rife and Canpar, industry survey data, market conditions, and individual performance.

The following table shows the applicable performance targets for the annual bonus plan relating to Freehold's performance, the weighting of the performance targets and whether such performance targets were achieved in 2016.

2016 FREEHOLD SHORT TERM INCENTIVE TARGETS

2016 STIP Criterion	Weighting (%)	Targets	Actuals	Assessment
Production (boe/d)[1]	33.33	9,800	11,625	Exceeded
Operating Costs ($/boe)	33.33	4.75	3.95	Exceeded
G&A, before capitalized and overhead recoveries ($000s)[2]	33.33	23,646	23,867	Met

(1) Per the terms of the STIP plan, actual production removes 50% of volumes from acquisitions made during the year.
(2) Per the terms of the STIP plan, G&A is based on the Manager's total G&A, including Freehold, Rife and Canpar.

As noted under "*2017 Changes to Compensation Program*" on page 43, in 2017, a Freehold-specific scorecard was introduced to measure corporate performance for determining annual cash bonuses to be paid to Named Executive Officers and other employees of Rife that work on the business of Freehold under the Rife Employees STIP.

Rife Employees LTIP

The Rife Employees LTIP uses a combination of the value of phantom shares of Rife and Canpar and phantom Common Shares, which are granted annually to employees of Rife at the discretion of the Board of Directors of Rife. The proportion of a grant under the Rife Employees LTIP in phantom Common Shares and phantom shares of Rife and Canpar is equivalent to the ratio of time expended by Rife's staff on Freehold versus Rife and Canpar. Freehold is only responsible for funding the cost of the phantom Common Shares.

The Rife Employees LTIP is designed to reward employees of Rife based on long-term performance of Freehold and Rife and Canpar. The basic features of the Rife Employees LTIP are:

- participants are allocated a grant amount by the Board of Directors of Rife, for which Freehold's share is converted into a number of phantom Common Shares determined by dividing the grant amount by the weighted average trading price of the Common Shares for the five trading days prior to the date of grant;
- phantom Common Shares vest at the end of a three-year period from the date of grant;
- dividends to Shareholders declared by Freehold during the vesting period are assumed to be reinvested in phantom Common Shares on the dividend payment date;
- the awards under Rife Employees LTIP do not vest upon a change of control of Freehold; however, the awards do vest upon a change of control of Rife and/or Canpar; and

- for the Freehold component, participants receive a cash payment on the fixed vesting date based on the intrinsic value of the phantom Common Shares, including phantom Common Shares received on dividend reinvestment, using the weighted average trading price of the Common Shares on the TSX on the five days prior to the vesting date, multiplied by a factor based on the annual average compounded return on the intrinsic value of the phantom Common Shares from the date of grant to the vesting date. The factor for the Freehold component is determined based on the following annual average compounded return:

Annual Average Percentage Return	Factor
<5%	0.25
5% – 10%	0.25 – 1.0
10% – 15%	1.0 – 1.5
>15%	1.5

As noted under "*2017 Changes to Compensation Program*" on page 43, in 2017 the Freehold Award Plan and the Rife Award Plan were adopted by the Board and Rife Board of Directors to replace the Rife Employees LTIP and as such the 2016 grants will be the last long-term incentive grants under the Rife Employees LTIP.

New Freehold Award Plan and Rife Award Plan

Underlying each Performance Award and Restricted Award under the Freehold Award Plan is one notional Common Share. Underlying each Performance Award and Restricted Award under 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.

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 PLAN[1]

Name	Accumulated value at start of year ($)	Compensatory change ($)	Accumulated value at year end ($)
Thomas J. Mullane	39,815	6,792	62,353
Darren G. Gunderson	184,194	5,404	208,867
David M. Spyker	–	478	478
Michael J. Stone	74,393	5,050	84,139

(1) Calculated based on Freehold's proportionate share of 42% for 2016.

Termination and Change of Control Benefits

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. See "*Management Agreement*" on page 32.

In addition, 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 a description of these provisions see "*2017 Changes to Compensation Program*" on page 43.

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, 2016.

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	148,499	N/A	363,237
Management Agreement[1]	N/A	N/A	678,467
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
Total	148,499	N/A	1,041,704

(1) Pursuant to the Management Agreement, Freehold engaged the Manager to provide certain management services as more fully described under the heading "*Management Agreement*" on page 32. 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 34.

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 25,353,264 Common Shares as at March 23, 2017, representing approximately 21.5% 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 34. All transactions during 2016 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.

Concurrent with a bought deal offering completed by Freehold on May 25, 2016, CN Pension Trust Funds purchased 1,732,000 Common Shares of Freehold at a price of $11.55 per Common Share on a non-brokered private placement basis for gross proceeds of approximately $20 million.

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, 2016 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 400, 144 – 4th Avenue S.W., Calgary, Alberta, T2P 3N4, 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. A director's manual containing Board and committee mandates, position descriptions, policies, and other information 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 the Manager's compensation strategy and approve Freehold's annual commitment and funding contribution to the Manager's incentive compensation programs; and
3. 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; and
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.

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's, 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.

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.

Appendix B - Audit Committee Mandate

Role and Objective

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Freehold Royalties Ltd. ("**Freehold**") to which the Board has delegated certain responsibilities for 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 recommending, for Board approval, the audited financial statements and other mandatory disclosure releases containing financial information. The objectives of the Committee are as follows:

1. to assist directors in meeting their responsibilities especially for accountability, in respect of the preparation and disclosure of the financial statements of Freehold and related matters;
2. to provide better communication between directors and the external auditors;
3. to enhance the external auditors' independence;
4. to increase the transparency, credibility and objectivity of financial reporting; and
5. to strengthen the role of the independent directors by facilitating in-depth discussions between directors on the Committee, management and the external auditors.

Membership of Committee

The Committee will be comprised of at least three directors, all of whom are independent (as such term is used in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**")).

The Board will have the power to appoint the Committee Chair.

All of the members of the Committee will be financially literate. The Board has adopted the definition for financial literacy used in NI 52-110.

Meetings

1. At all meetings of the Committee, every question will be decided by a majority of the votes cast. In case of an equality of votes, the Committee Chair is not entitled to a second or deciding vote.
2. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board.
3. Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee will be taken. The Chief Financial Officer ("**CFO**") will attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Committee Chair.
4. The Committee will forthwith report the results of meetings and reviews undertaken and any associated recommendations to the Board.
5. The Committee will meet in-camera with the external auditors at least quarterly (in connection with the preparation of the annual and quarterly financial statements) and at such other times as the external auditors and the Committee consider appropriate.
6. The Committee will hold an in-camera session, without members of management or management directors, at each meeting. The Committee may invite other directors, members of management, and advisors to attend all or part of any in-camera session, as it deems advisable.

Mandate and Responsibilities

The mandate and responsibilities of the Committee will be as set forth below:

1. Oversee the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting;
2. Satisfy itself on behalf of the Board with respect to Freehold's internal control systems, which include:
   (a) identifying, monitoring and mitigating business risks; and
   (b) ensuring compliance with legal, ethical and regulatory requirements;
3. Review the annual and quarterly financial statements of Freehold prior to their submission to the Board for approval. The process should include but not be limited to:
   (b) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
   (c) reviewing significant accruals, reserves or other estimates such as impairment testing;
   (d) reviewing accounting treatment of unusual or non-recurring transactions;
   (e) ascertaining compliance with covenants under loan agreements;
   (f) reviewing adequacy of reclamation provisions;
   (g) reviewing disclosure requirements for commitments and contingencies;
   (h) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;

(i) reviewing unresolved differences between management and the external auditors; and
(j) obtaining explanations of significant variances with comparative reporting periods;

4. Review the financial statements, prospectuses, management discussion and analysis, annual information forms, earnings news releases, and all public disclosure containing audited or unaudited financial information before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of Freehold's disclosure of all other financial information and will periodically assess the accuracy of those procedures;
5. Recommend to the Board the annual appointment of external auditors, and in so doing:
   a) annually review the performance and independence of the external auditors;
   b) review the terms of engagement of the auditor, including the compensation of the auditors;
   c) confirm that the auditors will report directly to the Committee;
   d) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and
   e) review and approve any non-audit services to be provided by the auditors' firm and consider the impact on the independence of the auditors;
6. Review with external auditors, and the internal auditor if one is appointed by Freehold, their assessment of the internal controls of Freehold, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee will also review annually with the external auditors their audit plan and, upon completion of the audit, their reports upon the financial statements of Freehold and its subsidiaries;
7. Pre-approve all non-audit services to be provided to Freehold or its subsidiaries by the external auditors. The Committee may delegate to one or more members the authority to pre-approve non-audit services, provided that the member report to the Committee at the next scheduled meeting such pre-approval and the member comply with such other procedures as may be established by the Committee from time to time;
8. Review, on an annual basis, the risk management policies and procedures of Freehold, including hedging, litigation and insurance, other than directors and officers liability insurance;
9. Review and approve management's hiring policies regarding current and former partners and employees of the present and former external auditor;
10. Establish procedures for:
   (a) the receipt, retention and treatment of complaints received by Freehold regarding accounting, internal accounting controls or auditing matters; and
   (b) the confidential, anonymous submission by employees of Rife Resources Management Ltd. (the "**Manager**") of concerns regarding questionable accounting or auditing matters;
11. To review and report to the Board on the procedures in place for reporting and certification under the *Extractive Transparency Measures Act* (Canada) ("**ESTMA**") at such time as Freehold is required to comply with ESTMA.
12. The Committee will have the authority to investigate any financial activity of Freehold. All employees of the Manager are to cooperate as requested by the Committee; and
13. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling their responsibilities at the expense of Freehold without any further approval of the Board.

Freehold
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Appendix C - Governance, Nominating and Compensation Committee Mandate

Role and Objective

The Governance, Nominating and Compensation Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Freehold Royalties Ltd. ("**Freehold**"), which has been constituted to assist the Board in respect of the development and monitoring of Freehold's approach to corporate governance, the nomination of directors for appointment to the Board, the appointment of directors to committees of the Board, and to which the board has delegated certain responsibilities relating to Board compensation; compensation of Rife Resources Management Ltd. (the "**Manager**"); review of compensation of the Manager's Chief Executive Officer ("**CEO**") and executive officers and employees; Freehold's participation in the incentive compensation programs for employees of the Manager; and the other matters described below.

Membership of Committee

1. The Committee will be comprised of at least three directors, all of whom are "independent" (as such term is used in National Instrument 58-101 – *Corporate Governance Practices* ("**NI 58-101**")).
2. The Board will have the power to appoint the Committee Chair.

Meetings

1. At all meetings of the Committee, every question will be decided by a majority of the votes cast. In case of an equality of votes, the Committee Chair is not entitled to a second or deciding vote.
2. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board.
3. Meetings of the Committee should be scheduled to take place at least twice per year. Minutes of all meetings of the Committee will be taken.
4. The Committee will forthwith report the results of meetings and reviews undertaken and any associated recommendations to the Board.
5. The Committee will hold an in-camera session, without members of management or management directors, at each meeting. The Committee may invite other directors, members of management, and advisors to attend all or part of any in-camera session, as it deems advisable.

Mandate and Responsibilities of Committee

The mandate and responsibilities of the Committee will be as set forth below:

<u>Governance matters:</u>

1. Develop for approval by the Board and periodically review Freehold's approach to corporate governance matters;
2. Review and recommend to the Board for approval disclosure and reports concerning Freehold's corporate governance practices as required by regulatory authorities;
3. Make recommendations to the Board as to which directors should be classified as independent directors pursuant to any such report;
4. Act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a Board meeting, including the performance of Rife Resources Management Ltd. (the "**Manager**") or the performance of the Board or individual directors. The Chair of the Committee will be responsible for developing a response to any such concerns;
5. Develop and recommend to the Board for approval and periodically review structures and procedures designed to ensure that the Board can function independently of management;
6. Consider, subject to the Articles or By-Laws of Freehold and the governance agreement dated December 31, 2010 (the "**Governance Agreement**") between the Manager and Freehold, and from time to time make recommendations to the Board as to the appropriate size of the Board;
7. Develop for approval by the Board and periodically review orientation programs for new directors and ongoing education programs for all directors;
8. Develop for approval by the Board and periodically review evaluation procedures for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual director. Based on the evaluation procedures approved by the Board, assess the performance and effectiveness of the Board as a whole, the Board committees and the individual directors
9. Review annually and recommend to the Board the appointments to each committee of the Board and any changes to the mandates of the committees;
10. Review, and report to the Board on matters relating to the nomination of directors, other than nominees of the Manager;

11. Develop for approval by the Board and periodically review evaluation procedures for assessing the performance and effectiveness of the Manager. Based on the evaluation procedures approved by the Board, assess the performance and effectiveness of the Manager;
12. Together with the Board of Directors of Rife Resources Ltd. ("**Rife**"), assess the performance and effectiveness of the CEO;
13. Maintain, through outside counsel, a summary of the duties and liabilities of directors and periodically update and provide such summary to the directors;
14. Review annually and recommend to the Board for approval, Freehold's directors and officers liability insurance;
15. Review periodically and monitor Freehold's disclosure policy with a view to determining whether Freehold is communicating effectively with shareholders, other stakeholders, the investment community and the public generally; and
16. Review such other matters of a corporate governance nature as may be directed by the Board from time to time.

Compensation matters:

1. Review annually and recommend to the Board for approval the remuneration of the directors (including remuneration for chairing or serving on a committee of the Board) and any other arrangements pursuant to which monies are payable to a director or a party related to a director;
2. Review the adequacy and form of directors' compensation, including compensation of the Chair and Committee Chairs, to ensure that it is competitive with companies that are similarly situated and realistically reflects the responsibilities and risks involved in being a director. Directors who are employees of the Manager will not be compensated for their services as directors;
3. Propose the terms and awards of equity compensation for directors;
4. Review the management fee (when applicable) under the amended and restated management agreement dated November 9, 2015 (the "**Management Agreement**") between the Manager and Freehold, and review the Manager's stated compensation strategy periodically to ensure that management is compensated appropriately and that the Manager's executive compensation program is related to Freehold's financial performance and returns, as well as the performance of the individual executives;
5. Review and recommend to the Board for approval Freehold's annual commitment and funding contribution to the Manager's incentive compensation programs;
6. Take reasonable steps to ensure that compensation plans and employee benefit programs of the Manager are administered in accordance with applicable laws, stock exchange policies and stated compensation objectives;
7. In accordance with the terms of the Management Agreement, cooperate with the Board of Directors of 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 or its subsidiaries;
8. In addition, in accordance with the terms of the Management Agreement, cooperate with the Board of Directors of Rife in the development and review of all key human resources matters with respect to the CEO and the other executive officers of Freehold;
9. Consider the implications of the risks associated with Freehold's and Rife's compensation policies and practices, including the Management Agreement, and take any steps it determines appropriate to identify, assess and mitigate such risks; and
10. Review and approve, prior to publication, the CD&A (compensation discussion and analysis) in Freehold's annual management information circular.

General matters:

1. Review the Committee mandate annually and recommend changes when necessary;
2. Review and consider the engagement, at the expense of Freehold, of professional and other advisors to an individual director(s) when so requested by such directors(s); and
3. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling their responsibilities at the expense of Freehold without any further approval of the Board.

Appendix D - Reserves Committee Mandate

Role and Objective

The Reserves Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Freehold Royalties Ltd. ("**Freehold**"), which has been constituted to assist the Board in discharging its responsibilities with respect to reporting on oil and natural gas activities, including compliance with National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**").

Membership of Committee

1. The Committee will be comprised of at least three directors, none of whom are members of management of Freehold and a majority of whom are independent (as such term is used in National Instrument 51-101 ("**NI 51-101**")).
2. The Board will have the power to appoint the Committee Chair, who must be an independent director.

Meetings

1. At all meetings of the Committee, every question will be decided by a majority of the votes cast. In case of an equality of votes, the Committee Chair is not entitled to a second or deciding vote.
2. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board.
3. Meetings of the Committee should be scheduled to take place at least two times per year. Minutes of all meetings of the Committee will be taken. The Vice-President, Production will attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Committee Chair.
4. The Committee will forthwith report the results of meetings and reviews undertaken and any associated recommendations to the Board.
5. The Committee will meet with the external reserves evaluator (the "**Evaluator**") at least once per year, in connection with the preparation of the year-end reserves evaluation, and at such other times as the Evaluator and the Committee consider appropriate.
6. The Committee will hold an in-camera session, without members of management or management directors, at each meeting. The Committee may invite other directors, members of management, and advisors to attend all or part of any in-camera session, as it deems advisable.

Mandate and Responsibilities

The mandate and responsibilities of the Committee will be as set forth below:

1. Review the annual reserves report of Freehold prior to its submission to the Board for approval. The process should include but not be limited to:
   a) ensuring that management and the Evaluator's processes for estimating and reporting reserves are conducted in compliance with NI 51-101;
   b) reviewing management's reporting on internal reserves standards and practices, including the procedures for assembling and reporting other information associated with oil and natural gas activities;
   c) reviewing management's procedures for providing information to the Evaluator;
   d) meeting with management and the Evaluator to review the reserves data and the report of the Evaluator, including the reserves estimates methodology, available tax pools and future price/cost assumptions utilized in the analysis, and the reconciliation of changes in reserves and future net revenue;
   e) meeting independently with the Evaluator to determine the ability of the Evaluator to report, without reservation, on the reserves of Freehold;
   f) recommending to the Board the filing of the Evaluator's report;
   g) obtaining a signed report and NI 51-101 certificate from the Evaluator and a certificate of compliance from management; and
   h) reviewing public disclosure of reserves;
2. Recommend to the Board the annual appointment of the Evaluator and in so doing:
   a) annually review the performance and independence of the Evaluator;
   b) review the terms of engagement of the Evaluator, including the appropriateness and reasonableness of the Evaluator's fees; and
   c) when there is to be a change in Evaluator, review the reasons for the proposed change and whether there have been disputes between the Evaluator and management;
3. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling their responsibilities at the expense of Freehold without any further approval of the Board.

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