



# COMPENSATION COMMITTEE CHARTER

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## I. PURPOSE

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The Compensation Committee (the “**Compensation Committee**”) of Star Royalties Ltd. (the “**Corporation**”) is responsible for assisting the Board in its oversight responsibilities relating to the compensation, nomination, objectives, evaluation and succession of the executive officers of the Corporation including the Chief Executive Officer (the “**CEO**”), the Chief Financial Officer (the “**CFO**”) and the Chief Investment Officer (the “**CIO**”, and together with the CEO and CFO, the “**Executive Officers**”).

## II. REPORTING

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The Compensation Committee will report to the Board.

## III. COMPOSITION OF COMMITTEE

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The Compensation Committee shall consist of such number of directors, in no event to be less than three, as the Board may from time to time by resolution determine. The majority of the members of the Compensation Committee shall be independent within the meaning of National Instrument 58-101 – *Corporate Governance* of the Canadian Securities Administrators, and under other applicable laws, rules and regulations and listing requirements as determined by the Board. Each member of the Compensation Committee shall continue to be a member until next annual meeting of the shareholders of the Corporation or a successor is appointed, unless the member resigns, is removed or ceases to be a director of the Corporation. The Board may fill a vacancy that occurs in the Compensation Committee at any time.

## IV. MEETINGS

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The Chair of the Compensation Committee, in consultation with the Compensation Committee members, shall determine the schedule and frequency of the Compensation Committee meetings provided that the Compensation Committee will meet at least two times in each fiscal year. The Compensation Committee shall have the authority to convene additional meetings as circumstances require.

Proceedings and meetings of the Compensation Committee are governed by the provisions of by-laws of the Corporation relating to the regulation of the meetings and proceedings of the Board as they are applicable and not inconsistent with this Charter and the other provisions adopted by the Board in regards to committee composition and organization.

All members of the Compensation Committee are expected to attend all meetings and review, in advance, the meeting materials.

## V. QUORUM AND VOTING

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Unless otherwise determined from time to time by resolution of the Board, the quorum at any meeting of the Compensation Committee is a majority of members in office. For any meeting(s)

at which the Compensation Committee Chair is absent, the Chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by members of the Compensation Committee, except where only two members are present, in which case any question shall be decided unanimously.

## **VI. MEETING AGENDA**

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Agendas for meetings of the Compensation Committee shall be developed by the Chair of the Compensation Committee in consultation with the management and the Corporate Secretary and shall be circulated to Compensation Committee members as far in advance of each Compensation Committee meeting as is reasonable.

## **VII. RECORDS**

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The Compensation Committee shall keep such records as it may deem necessary of its proceedings and shall report regularly its activities and recommendations to the Board as appropriate.

## **VIII. RESOURCES AND AUTHORITY**

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The Compensation Committee shall have the resources and the authority to discharge its responsibilities, including the authority, in its sole discretion, to engage, at the expense of the Corporation, outside consultants, independent legal counsel and other advisors and experts as it determines necessary to carry out its duties, without seeking approval of the Board or management. The Compensation Committee shall have the authority, without seeking approval of the Board or management, to set and pay the compensation for any such outside consultants, independent legal counsel and other advisors and experts employed by the Compensation Committee in connection with carry out its duties.

## **IX. DUTIES AND RESPONSIBILITIES**

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The Compensation Committee shall perform the functions customarily performed by compensation committees and any other functions assigned by the Board.

### Compensation

1. Oversee and recommend for approval by the Board the executive compensation principles, policies, programs, grants of equity-based incentives and processes based on the principles that compensation should, to a significant extent:
  - (i) Compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value;
  - (ii) Align management's interests with the long-term interests of shareholders;

- (iii) Provide a compensation package that is commensurate with other precious metal royalty and streaming companies in order to enable the Corporation to attract and retain talent; and
  - (iv) Ensure that the total compensation package is designed in a manner that takes into account the constraints in which the Corporation operates.
2. Consider and recommend annually or as required for approval by the independent directors of the Board all forms of compensation for the Executive Officers.
  3. annually review directors' compensation and recommend any changes to the Board for consideration.
  4. Review the "Compensation Discussion & Analysis" and related executive compensation disclosure for inclusion in the Corporation's public disclosure documents, in accordance with applicable rules and regulations.
  5. Review with the CEO any proposed major changes in organization or personnel.
  6. Review the annual overall performance of the CEO and report annually to the Board on this assessment.
  7. Oversee the implementation and administration of benefit plans and review any proposed major changes in benefit plans and recommend for approval any change requiring Board action.
  8. Review, monitor, report, and where appropriate, provide recommendations to the Board on the Corporation's exposure to risks related to executive compensation policies and practices, if any, and identify compensation policies and practices that mitigate any such risk.

#### **X. LIMITATION ON THE OVERSIGHT ROLE OF THE COMPENSATION COMMITTEE**

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Nothing in this Charter is intended, or may be construed, to impose on any member of the Compensation Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Compensation Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives financial and other information, and the accuracy of the information provided to the Corporation by such persons or organizations.

#### **XI. EVALUATION OF THE COMPENSATION COMMITTEE AND REPORT TO BOARD**

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The Compensation Committee shall evaluate and review with the Board, on an annual basis, the performance of the Compensation Committee as a whole as well as the performance of each

individual member while taking into account: (i) in the case of the Compensation Committee as a whole, the present Charter, and (ii) in the case of an individual member, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Compensation Committee.

The Compensation Committee shall report to the Board periodically on the Compensation Committee's activities.

## **XII. REVIEW OF CHARTER**

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The Compensation Committee will, from time to time, review and assess the adequacy of this Charter and recommend any proposed changes for consideration. The Board may amend this Charter, as required.

**This Charter was adopted by the Board of Directors on February 10, 2021.**