

# Business Integrity Policy

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## INTRODUCTION

This Business Integrity Policy is intended to ensure that Franco-Nevada Corporation, including its subsidiaries, (the “Company”) does not receive an improper advantage in its business dealings and that all payments and expenses are properly recorded in its financial books and records. This Business Integrity Policy is intended to supplement the Company’s Code of Business Conduct and Ethics, in particular, its provisions on “Compliance with Laws, Rules and Regulations”, “Competition and Fair Dealing”, “Gifts and Entertainment”, “Payments to Government Personnel” and “Accuracy of Company Records and Reporting”.

## DEFINITIONS

“Agent” means a person, a corporation or other entity retained by the Company to represent its business interests or to act on its behalf in a particular country or to make payments on behalf of the Company.

“Bribe” means any payment, promise to pay, or authorization of the payment of any money, gift, reward, thing of value, advantage or benefit of any kind, that has been given or offered to a Public Official either directly or through an intermediary, in order to influence the making or not making or implementation of a decision or act by a Public Official, and also means all attempts to make such payments.

“Business Partner” means any corporation or other entity with which the Company enters into a partnership or joint venture agreement or other similar business relationship (including a royalty or a stream).

“Contractor” means a person, a corporation or other entity retained to supply services to the Company, and for greater certainty includes all consultants; provided however that for purposes of this Policy, anyone who acts on the Company’s behalf in a particular country or makes payments on behalf of the Company, shall be considered an Agent and not a Contractor.

“Franco-Nevada Personnel” means all directors, officers and employees of the Company.

“Facilitating Payment” means any small payment, promise to pay, or authorization of a modest one-off payment made solely to expedite or secure the performance of routine government actions that are part of a Public Official’s duties or functions such as:

- a) obtaining licences, permits and other official documents to qualify to do business in a foreign country;
- b) processing governmental papers, such as visas and work permits;
- c) providing or obtaining police protection, telephone service, utilities, and mail services; or
- d) actions of a similar nature.

“Improper Payment” means a Bribe, Kickback or Facilitating Payment.

“Kickback” means the payment, promise to pay, or the authorization of the payment of a portion of contract consideration to a Public Official. This includes the improper utilization of sub contracts, purchase orders, consulting agreements or gifts to channel payments to a Public Official, employees or other representatives of a Public Official, or to their relatives or business associates.

“Policy” means this Business Integrity Policy.

“Public Official” means:

- a) any person employed or appointed by a government, state, province, municipality, or public international organization;
- b) any owner, director, officer or employee of an organization that performs a governmental function;
- c) any person employed or appointed by an agency, department, corporation, board, commission or enterprise that is controlled by a government, state, province, municipality, or public international organization;
- d) any person acting in an official capacity for a government, state, province, municipality, or public international organization, or for an agency, department, corporation, board, commission or enterprise that is owned, in whole or in part, or controlled by a government, state, province, municipality, or public international organization;
- e) any person acting for or on behalf of a government, state, province, municipality, or public international organization, or for an agency, department, corporation, board, commission or enterprise that is owned, in whole or in part, or controlled by a government, state, province, municipality, or public international organization; or
- f) any elected officials, candidates for public office, political parties, and officers, employees, representatives and agents of political parties.

## COMPLIANCE

- ★ The Audit and Risk Committee of the Company’s Board of Directors (the “Committee”) shall review compliance with this Policy on an annual basis.
- ★ The Chief Legal Officer shall oversee this Policy and shall report directly to the Committee.

## RESPONSIBILITIES OF THE CHIEF LEGAL OFFICER

The Chief Legal Officer shall be responsible for:

- ★ establishing and maintaining the practices and procedures necessary to implement this Policy and monitor compliance with its provisions;
- ★ disseminating this Policy to all Franco-Nevada Personnel;
- ★ providing a training program on the substance of this Policy for all Franco-Nevada Personnel as the Chief Legal Officer deems appropriate and at least on an annual basis;
- ★ procuring from all Franco-Nevada Personnel on an annual basis certification of understanding of and compliance with this Policy;
- ★ establishing, maintaining and making accessible to all Franco-Nevada Personnel, a mechanism for the reporting, including anonymously if preferred, of actual or suspected violations of this Policy, including through the Company’s Whistleblower Policy or Employee Complaint Procedures for Accounting and Auditing Matters; and
- ★ providing the Committee with reports on the operation of and compliance with the Policy as necessary and at least once annually.

## IMPROPER PAYMENTS

The Company and Franco-Nevada Personnel shall not, either directly or through an intermediary, promise, offer or pay, or authorize the promise, payment or making of an offer to pay an Improper Payment.

In particular, the Company and Franco-Nevada Personnel shall not, either directly or through an intermediary pay or offer anything of value to a Public Official, in order to influence any act within the recipient's official capacity, or to induce the recipient to violate its, his or her lawful duty, or to induce the recipient to use its, his or her influence with any level of government to affect or influence any act or decision of such government for the purpose of obtaining, retaining or directing business, or any undue advantage.

The Company acknowledges that charitable donations, sponsorships and political donations carry certain risks and can be a conduit or subterfuge for bribery of a Public Official. Therefore, the Company and Franco-Nevada Personnel shall not make any charitable or political payment, donation or sponsorship in order to influence or induce a Public Official to violate their lawful duty or improperly use their influence to gain an undue advantage. On an annual basis, the Company shall publicly disclose details of political contributions or lobbying expenditures, if any, made by the Company or Franco-Nevada Personnel on behalf of the Company.

## EXCEPTION TO PROHIBITION ON FACILITATING PAYMENTS

Generally, the Company prohibits the making of Facilitating Payments. However, if Franco-Nevada Personnel reasonably believe his or her health or safety to be at risk and believes that the making of a payment in response to a demand is necessary to preserve his or her health or safety, such Personnel may make a payment which would otherwise be prohibited. The amount and purpose of the payment must be properly documented and reported forthwith to the Chief Legal Officer, who will in turn report such payments to the Committee at its next quarterly meeting. The Chief Legal Officer should be consulted if there is any doubt whether a payment constitutes a Facilitating Payment.

## DUE DILIGENCE

Prior to the Company retaining a Contractor or Agent or entering into a relationship with a Business Partner, the Company shall ensure that appropriate due diligence for the proportionate degree of risk presented by the nature and sensitivity of the role to be performed is carried out, either by the Company or by a reputable third party, and that the reputation and background of the prospective Contractor, Agent or Business Partner, as applicable, is confirmed in the following areas as appropriate in the particular circumstances: management information, ownership information, qualifications, financial information, reputation, references and compensation.

## CONTRACTORS AND AGENTS

In the ordinary course of business, from time to time, the Company retains persons, corporations and other entities to supply services to the Company, in particular, technical/due diligence services. They are considered "Contractors" within the meaning of the Policy. They do not and are not authorized to act on behalf of the Company and do not and are not authorized to make payments on behalf of the Company and, accordingly, it is expected that the Contractors should not be in a position to present risk to the integrity of the Company's business dealings.

In very limited circumstances, the Company may retain a person, corporation or other entity to represent its business interests or to act on its behalf in a particular country or to make payments on behalf of the Company. They are considered "Agents" within the meaning of this Policy. Given the potential role of Agents, Agents could present risk to the integrity of the Company's business dealings.

In order to protect the integrity of the Company's business dealings, the Company shall retain a Contractor or Agent using a written agreement, where necessary, that contains the provisions in Schedule "A" as appropriate and negotiable for the proportionate degree of risk presented by the nature and sensitivity of the role to be performed by the Contractor or Agent. Given the degree of risk typically presented by the role of Contractors, lesser inclusion, if at all, of the provisions in Schedule "A" would be expected. Given the degree of risk that could be presented by the role of Agents, greater inclusion, if not all, of the provisions in Schedule "A" would be expected. Any such agreement must be approved by the Chief Legal Officer or another executive officer of the Company before the Company can execute same. The specific pre-approval of the Chief Legal Officer is required if an agreement with a Contractor or Agent contemplates compensation that includes a bonus or success fee component.

## BUSINESS PARTNERS

Any partnership or joint venture agreement or agreement in connection with a similar business relationship (including a royalty or a stream) entered into by the Company shall include the following provisions as appropriate and negotiable in the circumstances:

- a) An acknowledgement by the Business Partner that it understands the provisions of Canadian, U.S. and applicable local laws pertaining to anti-corruption.
- b) The Business Partner shall provide representations and warranties and covenants to the Company relating to compliance with applicable Canadian, U.S. and local laws pertaining to anti-corruption.
- c) The Company has the right to audit the Business Partner's compliance with the agreement in relation to anti-corruption laws.

## ANTI-MONEY LAUNDERING LAWS

As the Company is not a financial institution nor a designated company under domestic or international anti-money laundering legislation ("AML Laws"), AML Laws do not apply to the Company and its business. Notwithstanding, the Company will continue to monitor AML Laws and, to the extent that AML Laws become applicable to the Company or its business, the Chief Legal Officer and Committee will establish and maintain practices, procedures and policies necessary to ensure compliance with such applicable AML Laws.

## GIFTS AND ENTERTAINMENT

The offer and acceptance of entertainment, gifts and favours must at all times be in compliance with the policies of the recipient's employer, with the Company's Code of Business Conduct and Ethics, this Policy and any Company specific procedures. Gifts and hospitality given to Public Officials must comply at all times with Canadian, U.S. and applicable local anti-corruption laws and must be reasonable, infrequent and appropriate such that they cannot be interpreted as an attempt to influence a decision or act by the Public Official.

Any gift, hospitality and/or reimbursement of travel or other expenses in excess of \$150 ultimately provided to a Public Official must be reported to the Chief Legal Officer so that it can be fully and accurately recorded in the Company's accounting records.

## EMPLOYMENT OF PUBLIC OFFICIALS

No Public Official shall be employed or retained as a consultant, agent or representative of the Company, unless:

- a) the Chief Legal Officer is satisfied that such employment or retainer is lawful in the country concerned;
- b) the Chief Legal Officer has determined that the services to be rendered to the Company do not conflict in any manner with the governmental duties of such person;
- c) where possible, an ethics opinion from the Public Official's government employer has been obtained; and
- d) the Chief Executive Officer of the Company approves such hiring.

## BOOKS AND RECORDS

Neither Franco-Nevada nor any Franco-Nevada Personnel shall do any of the following for the purpose of bribing a Public Official in order to obtain or retain an advantage in the course of business or for the purpose of hiding an Improper Payment:

- a) establish or maintain accounts which do not appear in any of the books and records that they are required to keep in accordance with applicable accounting and auditing standards;
- b) make transactions that are not recorded in those books and records or that are inadequately identified in them;
- c) record non-existent expenditures in those books and records;
- d) enter liabilities with incorrect identification of their object in those books and records;
- e) knowingly use false documents; or
- f) intentionally destroy accounting books and records earlier than permitted by law.

## VIOLATIONS

- a) Any Franco-Nevada Personnel who becomes aware of or suspects a violation of this policy must promptly report the matter to the Chief Legal Officer. To assist Franco-Nevada Personnel in being alert to potential violations, a list of "red flags" is set out in Schedule "B" to this Policy.
- b) Information communicated to any Franco-Nevada Personnel in a supervisory or advisory position in the Company regarding a violation of this Policy shall be reported to the Chief Legal Officer, who in turn shall investigate and report any violation of this Policy to the Company's Chief Financial Officer and the Committee.
- c) A determination of whether a particular past or proposed payment or action is in violation of this Policy shall be made by the Chief Legal Officer in consultation with the Chief Financial Officer and/or the Chair of the Committee.
- d) Retaliation by anyone as a consequence of Franco-Nevada Personnel making a good faith report of a possible violation of the law or this Policy is strictly prohibited.
- e) Violation of this Policy and/or applicable anti-bribery laws can result in severe civil penalties for both the individual Franco-Nevada Personnel and the Company, and in criminal penalties including fines and imprisonment for up to 5 years per violation for individuals. In addition, a violation may result in other legal and adverse consequences, including securities commission actions or investigations, shareholder lawsuits, disgorgement of profits, and long-term damage to the Company's reputation both in Canada and the U.S. and abroad. Violating this Policy therefore

will result in the Company taking appropriate corrective disciplinary action, including where appropriate dismissal or termination of contract, and immediately reporting same to the Company's Chief Executive Officer and the Committee.

## AUDIT

The Company's Controller shall promptly inform the Chief Legal Officer and the Committee of every potential or suspected Improper Payment or violation of this Policy that comes to his or her attention and shall recommend procedures to attempt to prevent the recurrence of any potential or suspected violations.

## DATE

Updated on March 10, 2021. This Policy supersedes any written or oral representations that are in any way inconsistent with it.

## SCHEDULE "A"

Suggested provisions for written agreements with Contractors and Agents:

- a) A precise definition of the scope of the Contractor's/Agent's duties, the territory in which the services will be performed (if applicable), and the compensation of the Contractor/Agent.
- b) An acknowledgement by the Contractor/Agent that it, he or she understands the provisions of Canadian, U.S. and applicable local laws pertaining to anti-corruption; representations, warranties and covenants by the Contractor/Agent relating to compliance with applicable Canadian, U.S. and local laws pertaining to anti-corruption; and a covenant by a Contractor/Agent whose agreement has a term (including renewal periods) in excess of one year to provide on an annual basis certification of compliance.
- c) A specific acknowledgement by the Contractor/Agent that it, he or she will not make an Improper Payment (based on the defined terms in this Policy).
- d) Representations and warranties by the Contractor/Agent that, except as disclosed in writing to the Company, neither it, he or she nor any of its, his or her family members, owners, directors, officers, principals or key employees are Public Officials, and that it, he or she will promptly inform the Company of any changes in that regard.
- e) A provision that the assignment of the entire agreement or any rights, duties or obligations under the agreement by the Contractor is prohibited without the Company's prior written consent and that if the Company permits any assignment of the agreement, the resulting agreement will contain similar anti-corruption provisions as in the original agreement, and the Contractor/Agent will not by that fact be discharged from its, his or her obligations.
- f) All requests by the Contractor/Agent for expense reimbursement must be supported by documentation acceptable to the Company. Detailed records for all approved expenses shall be kept for at least the minimum period required under the applicable laws.
- g) Provision for automatic termination, at the Company's sole discretion, in the event the Contractor/Agent has made, attempted to make, makes, attempts to make, or proposes to make, an Improper Payment.
- h) The Company has the right to audit the Contractor's/Agent's compliance with the agreement, including the expenses and invoices of the Contractor/Agent and otherwise in relation to anti-corruption laws.

## SCHEDULE “B”

### RED FLAGS

Franco-Nevada Personnel must be sufficiently well-informed about the risks of conducting Company business through Contractors/Agents to be able to identify and report red flags that appear in relation to existing or previous relationships, such as:

- ★ Country with reputation for widespread corruption;
- ★ Unusual or excessive commissions or fees;
- ★ Requests for cash payment or payment to offshore accounts or requests to alter or backdate invoices;
- ★ Public reports, rumours or inferences of improper payments;
- ★ Unwillingness to involve or inform superiors or to certify compliance;
- ★ Lack of facilities or qualified staff;
- ★ Lack of experience or track record in the field or industry;
- ★ Close relationships or family ties to government officials;
- ★ A potential government customer or authorizing agency is recommending the consultant or requiring the retention of that consultant as a condition of doing business;
- ★ Misrepresentations or inconsistencies in the due diligence process; or
- ★ Unwillingness of the consultant to provide information to support thorough due diligence by the Company.