

PEYTO EXPLORATION & DEVELOPMENT CORP.

MAJORITY VOTING POLICY

In the event of any "uncontested" shareholders' meeting of Peyto Exploration & Development Corp. (the "**Corporation**"), where the shareholders of the Corporation are asked to consider the election of directors whom are nominated by only management, the following majority voting policy ("**Voting Policy**") be and is hereby adopted and approved:

- A. the shareholders of the Corporation shall vote for the election of directors of the Corporation on an individual basis, as opposed to a slate;
- B. in the event a nominee for director receives more "withhold" votes than "for" votes at any meeting of shareholders in respect of which the number of nominees for director is equal to the number of directors to be elected, such nominee shall forthwith tender his/her resignation to the Board of Directors (the "**Board**") of the Corporation;
- C. the Compensation and Nominating Committee of the Board shall consider such resignation and will make a recommendation to the Board as to whether or not to accept the resignation, having regard to all matters it deems relevant (including, without limitation, the stated reasons why shareholders "withheld" votes from the election of that nominee, the existing Board composition, the length of service and the qualifications of the director whose resignation has been tendered, the director's contributions to the Corporation and attendance at previous meetings, the Corporation's compensation and nominating policies and such other skills and qualities as the Compensation and Nominating Committee deems to be relevant), and shall accept such resignation absent exceptional circumstances;
- D. the Board shall consider the Compensation and Nominating Committee's recommendation and make a decision within 90 days of the date of the meeting as to whether or not to accept the resignation, having regard to all matters it deems relevant (including the factors considered by the Compensation and Nominating Committee and such additional factors as it considers to be relevant), and shall accept such resignation absent exceptional circumstances;
- E. a news release shall be issued announcing whether or not the Board has accepted such resignation, a copy of which will be provided by the Corporation to the Toronto Stock Exchange, and if the Board determines not to accept such resignation, such press release will include the reasons for such determination;
- F. a director who tenders his/her resignation pursuant to this Voting Policy shall not participate in the applicable portion of any meetings to consider whether such resignation shall be accepted;
- G. a resignation pursuant to this Voting Policy will be effective upon acceptance by the Board; and
- H. the Board may fill any vacancy resulting from a resignation pursuant to this Voting Policy in accordance with the Corporation's by-laws and articles and applicable laws.

Once a determination has been made that an election of directors is "contested", "slate or plurality" voting shall take place and the plurality standard shall remain in place even if there is no competing slate at the time of the shareholders' meeting.