

MAJORITY VOTING POLICY

(as adopted by the Board of Directors on March 7, 2013
with revisions up to and including November 5, 2014)

This policy has been unanimously adopted by the board of directors (the "Board") of Paramount Resources Ltd. ("Paramount"). Future nominees for election to the Board will be asked to confirm that they will abide by this policy before their names are put forward.

Forms of proxy for shareholders' meeting where directors are to be elected will provide for a separate vote for each individual director nominee with the Corporation's shareholders being entitled to either vote their shares in favour of, or to withhold their shares from voting with respect to, each director nominee. At each such meeting, the chairperson will call for the election of directors to be conducted by way of a vote by ballot, and the scrutineers will record for each director nominee the number of shares voted in her or his favour and the number of shares withheld from voting.

If a director nominee does not receive a majority (50% + 1) of "for" as opposed to "withhold" votes at a shareholders' meeting where directors are to be elected, he or she must immediately tender his or her resignation to the Board. The Board will determine whether or not to accept the resignation within 90 days after the date of the shareholders' meeting. The Board will accept the resignation absent exceptional circumstances. Factors to be considered in making such determination will include the Board's understanding of the rationale for the withhold votes, whether the director in question possesses particular skills or experience that would be difficult to replace within a reasonable period of time, any management positions held by such director and such director's equity holdings in Paramount. A director who tenders a resignation pursuant to this Policy will not participate in any meeting of the Board or any sub-committee of the Board at which the resignation is considered. The decision of the remaining directors will be disclosed to the public by way of news release, a copy of which will be provided to the Toronto Stock Exchange. If the Board determines not to accept a resignation, the news release will fully state the reasons for that decision. Any resignation will be effective when accepted by the Board.

Subject to any corporate law restrictions, if a resignation is accepted, the Board may:

- (1) leave the resultant vacancy unfilled until the next annual general meeting,
- (2) fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or
- (3) call a special meeting of shareholders at which meeting the proposed nominees to fill the vacant position or positions will be presented to the shareholders for election.

For clarity, the provisions of this policy requiring director nominees to tender their resignations if they do not receive a majority of "for" votes only apply to uncontested elections, meaning elections where the number of nominees for director is equal to the number of nominees to be elected.