



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

An annual general meeting (the "Meeting") of the shareholders of Paramount Resources Ltd. (the "Corporation") will be held on Thursday, May 2, 2024 at 10:30 a.m. (Mountain Time) in the Bankers Hall Auditorium located at Level P3, 315 - 8th Avenue S.W., Calgary, Alberta. The purpose of the Meeting is to:

1. receive the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2023 and the independent auditors' report thereon;
2. elect the directors of the Corporation;
3. appoint the auditors of the Corporation;
4. approve the Corporation's Cash Bonus and Restricted Share Unit Plan;
5. approve unallocated options under the Corporation's Stock Option Plan; and
6. transact any other business as may properly come before the Meeting and any adjournment(s) of the Meeting.

By order of the Board of Directors

(*signed*) "Mark Franko"
Corporate Secretary

Calgary, Alberta, Canada
March 18, 2024

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MANAGEMENT INFORMATION CIRCULAR

GENERAL INFORMATION

Meeting Date and Time

Paramount Resources Ltd. (the "**Corporation**" or "**Paramount**") will be holding an annual general meeting (the "**Meeting**") of holders ("**Shareholders**") of its class A common shares ("**Common Shares**") on Thursday, May 2, 2024 at 10:30 a.m. (Mountain Time). The Meeting will be held in the Bankers Hall Auditorium located at Level P3, 315 - 8th Avenue S.W., Calgary, Alberta.

Date of Information

Information in this management information circular ("**Information Circular**") is given as of March 18, 2024 unless otherwise noted.

Voting Shares and Principal Holders

On March 18, 2024, Paramount had 144,963,807 issued and outstanding Common Shares. The Common Shares trade under the symbol "POU" on the Toronto Stock Exchange ("**TSX**").

To the knowledge of Paramount's directors and executive officers, the only persons that beneficially owned or controlled or directed 10% or more of the outstanding Common Shares as at March 18, 2024 were: (i) Mr. James H.T. Riddell, Paramount's President and Chief Executive Officer and Chairman of the Board of Directors, who beneficially owned or controlled or directed 35,972,278 Common Shares, representing approximately 24.8% of the outstanding Common Shares as of such date; (ii) Ms. Susan Riddell Rose, a director of Paramount, who beneficially owned or controlled or directed 14,945,455 Common Shares, representing approximately 10.3% of the outstanding Common Shares as of such date; and (iii) Ms. Brenda Riddell, who beneficially owned or controlled or directed 14,778,988 Common Shares, representing approximately 10.2% of the outstanding Common Shares as of such date.

Meeting Materials – Use of Notice and Access

Paramount has elected to use the notice-and-access provisions under *National Instrument 54-101 – Communication 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 the register of Shareholders). The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that are intended to reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post online an information circular and related materials in respect of a meeting of its shareholders.

While registered Shareholders will receive a paper copy of the notice of meeting, this Information Circular and a form of proxy, beneficial Shareholders will receive a notice containing information prescribed by the Notice-and-Access Provisions and a voting instruction form. In addition, a paper copy of the notice of meeting, this Information Circular, and a voting instruction form will be mailed to those beneficial Shareholders who have previously requested to receive paper copies of these materials. Paramount's financial statements in respect of its most recently completed financial year along with the related management's discussion and analysis will be mailed to registered Shareholders and to those beneficial Shareholders who previously requested to receive such information.

Paramount does not intend to pay for intermediaries to forward to objecting beneficial owners, as defined under *National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer*, the notice containing the information prescribed by the Notice-and-Access Provisions or a voting instruction form. Accordingly, an objecting beneficial owner will not receive these materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

Additional Information

Additional information concerning Paramount, including consolidated comparative interim and annual financial statements, related management's discussion and analysis and the 2023 annual information form, is available through the internet on SEDAR+ which may be accessed at www.sedarplus.ca. This information may also be accessed on the Corporation's website at www.paramountres.com. Financial information in respect of Paramount's most recently completed financial year is contained in Paramount's comparative annual financial statements and related management's discussion and analysis.

Upon request by a Shareholder to Paramount's Corporate Secretary at the address set out below, Paramount will provide, without charge, copies of Paramount's 2023 annual information form, Paramount's consolidated comparative financial statements for fiscal 2023 together with the independent auditors' report thereon and related management's discussion and analysis, interim financial statements for subsequent periods and related management's discussion and analysis and this Information Circular.

Contact Information

Head Office: 4700, 888 – 3rd Street S.W.
Calgary, Alberta, Canada
T2P 5C5
Attention: Corporate Secretary
Telephone: 403-290-3600
Website: www.paramountres.com

VOTING AND PARTICIPATION INFORMATION

General Voting Information

Proxy Solicitation

Proxies are being solicited by management of Paramount to be used at the Meeting, or any adjournment(s) of the Meeting. Solicitations will be primarily by mail but may also be by newspaper publication, in person or by telephone, electronic transmission or communication by directors, officers, employees or agents of Paramount. All costs of the solicitation will be paid by Paramount.

Who is Entitled to Vote

If you are a registered holder of Common Shares at the close of business on March 18, 2024 (the "**Record Date**"), you are entitled to receive notice of and vote at the Meeting in person or by proxy. You will be entitled to vote all of the Common Shares that you held on the Record Date at the Meeting except to the extent that:

- a. you have transferred ownership of any such Common Shares after the Record Date; and
- b. not later than ten days before the Meeting, the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes that they own such Common Shares and demands that their name be included on the list of Shareholders entitled to vote at the Meeting, in which case the transferee will be entitled to vote those Common Shares at the Meeting.

When Common Shares are held jointly by two or more persons, those shares may be voted at the Meeting by any one of those holders, or, alternatively, by all holders jointly. Each Common Share is entitled to one vote. A simple majority of votes cast (50% plus one vote) is required to approve all of the known matters to come before the Meeting.

Quorum

Quorum for the Meeting will be at least two individuals present in person, each being a Shareholder or proxyholder entitled to vote at the Meeting, who together own or represent Common Shares having at least 25% of the votes entitled to be cast at the Meeting.

Amendments or Other Matters

At the time of printing this Information Circular, Paramount's management does not know of any matter that may come before the Meeting other than the matters referred to below under the heading "*Business of the Meeting*" or of any potential amendment to, or variation of, these matters. If any other matters or any amendments to, or variations of, the above matters do properly come before the Meeting, your proxyholder will vote on them using his or her best judgment.

Registered Shareholder Voting

If your Common Shares are held in your name and you have a share certificate or direct registration statement you are a registered Shareholder.

How to Vote by Proxy

Registered Shareholders can submit a proxy that appoints a proxyholder to participate in and vote at the Meeting on behalf of the Registered Shareholder. You can indicate on your proxy how you want your proxyholder to vote your Common Shares or you can let your proxyholder decide for you. If you specify how you want your Common Shares voted, then your proxyholder must vote in accordance with your instructions. In the absence of specific instructions, your proxyholder can vote your Common Shares as he or she sees fit. **If you appoint Mr. James H.T. Riddell of Calgary, Alberta, or failing him, Mr. Paul R. Kinvig also of Calgary, Alberta, and do not specify how you want your Common Shares to be voted, your Common Shares will be voted as follows:**

Election of each management nominee as a director	FOR
Appointment of auditors	FOR
Approval of the Cash Bonus and Restricted Share Unit Plan	FOR
Approval of unallocated options under the Stock Option Plan	FOR

Registered Shareholders may vote their Common Shares by proxy delivered by mail or online in accordance with the instructions contained in the enclosed proxy.

If you choose to vote by proxy delivered by mail, you may use the enclosed proxy or complete another proper instrument of proxy. In either case, you must deliver the completed and executed proxy to either:

- a. the registered office of the Corporation at 4700, 888 – 3rd Street S.W, Calgary, Alberta T2P 5C5, Attention: Corporate Secretary; or
- b. the Corporation's transfer agent, Odyssey Trust Company, Trader's Bank Building, 702, 67 Yonge Street, Toronto, Ontario M5E 1J8, Attention: Proxy Department;

no later than 10:30 a.m. (Mountain Time) on April 30, 2024 or, if the Meeting is adjourned, at least 48 hours (excluding weekends and holidays) before the time set for the Meeting to resume (the "**Proxy Deposit Deadline**").

You may revoke a proxy delivered by mail at any time before it is acted upon by:

- a. signing a new proxy bearing a later date and delivering it to Paramount's registered office or to Paramount's transfer agent, Odyssey Trust Company, at either of the above addresses at least 48 hours (excluding weekends and holidays) prior to the commencement of the Meeting or any adjournment of the Meeting; or
- b. depositing written notice of revocation at Paramount's registered office or to Paramount's transfer agent, Odyssey Trust Company, at either of the above addresses at any time prior to the Meeting or any adjournment thereof.

If you choose to vote by proxy delivered online, you must do so by the Proxy Deposit Deadline.

The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his or her discretion without notice.

The persons named in the enclosed proxy are senior officers of Paramount. **You may appoint some other person to be your proxyholder at the Meeting by inserting that person's name in the blank space provided in the enclosed form of proxy or by completing another proper instrument of proxy.**

How to Vote in Person

Registered Shareholders can participate in and vote at the Meeting by attending in person. If you plan to do so, do not submit a proxy. When you arrive at the Meeting, register with Paramount's transfer agent, Odyssey Trust Company, and your vote at the Meeting will be counted.

Beneficial Shareholder Voting and Participation

If your Common Shares are held in the name of a nominee or intermediary (i.e. deposited with a securities broker, bank or other institution) you are a beneficial Shareholder.

How to Vote by Providing Voting Instructions

Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the registrar and transfer agent for Paramount as the registered holders of Common Shares can be recognized and acted upon at the Meeting. Beneficial Shareholders may vote by providing voting instructions to the registered holder of the Common Shares via mail, telephone or internet. For further instructions, see the voting instruction form provided to you by your nominee or intermediary.

Applicable regulatory policies require registered shareholders who hold their shares as nominees to seek (or have an intermediary seek on their behalf) voting instructions from their respective beneficial shareholders in advance of shareholders' meetings. Every nominee and intermediary has its own mailing procedures and provides its own voting and return instructions. The voting and return instructions for your applicable nominee or intermediary are set out in the voting instruction form that they have provided to you. You must carefully follow the instructions on this form in order to ensure your Common Shares are voted at the Meeting. The vast majority of nominees delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). If your nominee has appointed Broadridge, you should have received a scannable voting instruction form from Broadridge, and you will need to either complete and return this form to Broadridge by mail, or alternatively, convey your voting instructions to them via the internet or by calling a toll-free telephone number as set out in the form. Broadridge will tabulate the results of all instructions that it receives and provide appropriate voting instructions to Odyssey Trust Company for use at the Meeting. **A beneficial Shareholder must comply with the instructions on the voting instruction or proxy form provided to it well in advance of the Meeting in order to ensure their Common Shares can be voted at the Meeting.**

How to Vote in Person

If you are a beneficial Shareholder and wish to participate in and vote at the Meeting by attending in person, you must instruct your nominee or intermediary to appoint you or your appointee, as applicable, as proxyholder by inserting your own name or the name of your appointee in the space provided on the voting instruction form sent to you by your nominee or intermediary and following all of the applicable instructions provided by your nominee or intermediary.

Attending the Meeting as a Guest and Webcast

If you are not a registered Shareholder or duly appointed proxyholder and wish to attend the Meeting in person, you may do so as a guest. As a guest, you will not be permitted to vote or otherwise participate in the formal business of the Meeting. A webcast of the Meeting will also be available on Paramount's website at www.paramountres.com.

BUSINESS OF THE MEETING

Financial Statements

Paramount's consolidated financial statements as at and for the year ended December 31, 2023 and the auditors' report thereon have been mailed to registered Shareholders and will be placed before the Shareholders at the Meeting.

Election of Directors

Paramount's articles provide that the Board of Directors (the "**Board**") shall consist of a minimum of three and a maximum of twelve directors. The Board has fixed the number of directors to be elected at the Meeting at eight, each of whom will serve until the next annual meeting of Shareholders or until their respective successors are elected or appointed. The eight nominees are:

- James Riddell
- James Bell
- Wilfred Gobert
- Dirk Jungé
- Kim Lynch Proctor
- Keith MacLeod
- Jill McAuley
- Susan Riddell Rose

All director nominees have consented to being named in this Information Circular and to serve as directors if elected. Paramount's management does not contemplate that any of the director nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, your proxyholder has the right to use his or her discretion in voting for another nominee unless you have specified in your voting instruction or proxy form that he or she does not have such authority. The Corporation's articles permit the Board, between annual meetings of Shareholders, to appoint one or more additional directors up to a maximum of one-third of the number of directors who held office at the expiration of the last annual meeting of Shareholders.

Your proxyholder will vote FOR the election of each of these nominees as a director of Paramount unless you indicate in your voting instruction or proxy form that authority to do so is withheld in respect of one or more of the nominees.

Appointment of Auditors

Unless you indicate in the enclosed voting instruction or proxy form that authority to vote for the re-appointment of the Corporation's current auditors is withheld, your proxyholder will vote FOR the re-appointment of Ernst & Young LLP, Chartered Professional Accountants, Calgary City Centre, 2200, 215 – 2nd Street S.W., Calgary, Alberta T2P 1M4, as auditors of the Corporation to hold office until the next annual meeting of Shareholders. Ernst & Young LLP have been Paramount's auditors since its inception in 1978.

The information regarding Paramount's audit committee as required by section 5.1 of *National Instrument 52-110 – Audit Committees* is set forth in Paramount's 2023 annual information form under the heading "Audit Committee Information" and in Appendix C thereto. Below is a summary of the fees billed to Paramount for professional services rendered by Ernst & Young LLP in respect of the financial years ended December 31, 2023 and 2022:

(\$ thousands)	2023	2022
Audit Fees ⁽¹⁾	337	409
Audit-Related Fees ⁽²⁾	-	5
All Other Fees ⁽³⁾	11	12
Total	348	426

(1) Represents the aggregate fees of the Company's auditors for audit services in respect of the financial year.

(2) Represents the aggregate fees billed for assurance and related services by the Company's auditors that are reasonably related to the performance of the audit or review of the Company's financial statements and are not included under "Audit Fees". Fees in 2022 related to a limited scope audit required by contract.

(3) Represents the aggregate fees billed for products and services provided by the Company's auditors other than those services reported under "Audit Fees" and "Audit Related Fees".

Approval of Cash Bonus and Restricted Share Unit Plan

Paramount has a Cash Bonus and Restricted Share Unit Plan ("**CBRSUP**") under which restricted share units ("**RSUs**") may be granted to officers, employees and non-employee directors of the Corporation. Upon vesting, each RSU is exchanged for one Common Share and an amount, payable in cash or Common Shares at the discretion of the Corporation, equal to any cash dividends paid on the Common Shares with a record date following the date of grant of the RSU and prior to the date of vesting.

The Corporation initially implemented the CBRSUP effective November 8, 2017. Since implementation, all Common Shares delivered upon the vesting of RSUs have been purchased through the facilities of the TSX. On March 5, 2024, the Board unanimously approved amendments to the CBRSUP that would, among other changes, permit the Corporation the flexibility to issue Common Shares from treasury upon the vesting of RSUs. As a result of these amendments, the CBRSUP would be considered a security-based compensation arrangement of the Corporation as defined in the TSX Company Manual. Accordingly, the TSX requires that the Shareholders approve the CBRSUP before any Common Shares can be issued from treasury thereunder. The effectiveness of the amendments permitting the issuance of Common Shares from treasury is conditional upon the Shareholders approving the CBRSUP at the Meeting. The CBRSUP has been conditionally approved by the TSX, subject to Shareholder approval.

Under the amendments to the CBRSUP, the maximum number of Common Shares that may be subject to issuance from treasury upon the vesting of outstanding RSUs shall not exceed 3% of the issued and outstanding Common Shares from time to time. In addition, the number of Common Shares (i) issued to the Corporation's "insiders" (as defined in the TSX's Company Manual) in any one year period or (ii) issuable to insiders at any time under the CBRSUP, or under the CBRSUP when combined with the Corporation's other security based compensation arrangements, shall not, in either case, exceed 10% of the issued and outstanding Common Shares from time to time. As of March 18, 2024, there were 363,234 RSUs outstanding, representing 0.25% of the 144,963,807 outstanding Common Shares at that date. If the CBRSUP is approved, 3,985,680 RSUs would be available for grant based on the number of outstanding Common Shares on March 18, 2024, representing 2.75% of those outstanding Common Shares. The number of RSUs available for grant at any time may effectively be limited to a lesser number due to the provisions of the Corporation's stock option plan, which provide that the aggregate number of Common Shares issuable pursuant to outstanding stock options together with the aggregate number of Common Shares issuable under any other security-based compensation arrangement (which would include the CBRSUP) shall not exceed 10% of the issued and outstanding Common Shares from time to time. See "*Business of the Meeting – Approval of Unallocated Options Under the Corporation's Stock Option Plan*".

Pursuant to TSX rules, Paramount is required to calculate and disclose the annual "burn rate" of the CBRSUP for the three most recently completed financial years. The annual burn rate is equal to the number of RSUs granted under the CBRSUP in the applicable year, divided by the weighted average number of securities outstanding in that year, expressed as a percentage. The average burn rate over the last 3 years is 0.5%.

Financial Year Ending December 31	Burn Rate (%)
2023	0.41
2022	0.35
2021	0.74

At the Meeting, the Shareholders will be asked to consider an ordinary resolution approving the CBRSUP. If the resolution approving the CBRSUP is not passed at the Meeting, Paramount will retain the CBRSUP and the currently outstanding RSUs will remain outstanding, but the Corporation will not have the ability to issue Common Shares from treasury upon the vesting of RSUs and the limits on Common Shares issued or reserved for issuance under the CBRSUP will not apply.

The CBRSUP is considered a "rolling" plan as it does not have a fixed maximum number of Common Shares that may be issued pursuant to RSUs. The TSX rules require that any unallocated options, rights or entitlements under a security-based compensation arrangement that does not have a fixed maximum number of securities issuable under it, such as the CBRSUP, must be approved by a majority of the issuer's directors and shareholders every three years. In the case of the CBRSUP, RSUs available for grant from time to time but not yet granted will be considered unallocated. If the resolution is passed, Paramount will not be required to seek approval of the unallocated RSUs under the CBRSUP until May 2, 2027.

A detailed description of the CBRSUP, including a summary of the two types of awards (Bonus Awards and Incentive Awards) that may be made under the plan following its amendment, the vesting periods that may be applicable to RSUs and the ability of the Corporation to provide for immediate or accelerated vesting of RSUs, is provided under the heading "*Incentive Plans – Cash Bonus and Restricted Share Unit Plan*".

As discussed in this Information Circular under the heading "*Compensation Discussion and Analysis*", bonuses under the CBRSUP are a primary element of Paramount's compensation program. Having the ability to issue Common Shares from treasury upon the vesting of RSUs will give the Corporation the flexibility to manage the cash versus equity costs of the CBRSUP as circumstances require.

At the Meeting, Shareholders will be asked to consider, and if thought advisable, pass the following ordinary resolution to approve the CBRSUP:

Be it resolved as an ordinary resolution that:

1. the CBRSUP be and is hereby approved;
2. the outstanding RSUs be and are hereby ratified;
3. the Corporation shall have the ability to continue granting RSUs under the CBRSUP until May 2, 2027; and
4. any officer or director of the Corporation is authorized, in the name and on behalf of the Corporation, to do all such things and execute all such documents as may be necessary or advisable to implement this resolution.

In order for this resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders in person or represented by proxy at the Meeting. Management recommends voting FOR the resolution.

Approval of Unallocated Options Under the Corporation's Stock Option Plan

The Corporation has a stock option plan (the "**Option Plan**") under which options to acquire Common Shares ("**Options**") may be granted to employees, officers and non-employee directors of the Corporation. A detailed description of the Option Plan is provided under the heading "*Incentive Plans – Option Plan*".

Under the Option Plan, the aggregate number of Common Shares issuable pursuant to outstanding Options together with the aggregate number of Common Shares issuable under any other security-based compensation arrangement of the Corporation (as defined in the TSX Company Manual), shall not exceed 10% of the issued and outstanding Common Shares from time to time. In addition, the number of Common Shares (i) issued to the Corporation's insiders (as defined in the TSX Company Manual) in any one year period or (ii) issuable to insiders, at any time, under the Option Plan together with any other security-based compensation arrangement cannot, in either case, exceed 10% of the issued and outstanding Common Shares from time to time.

The Option Plan is currently the only security-based compensation arrangement of the Corporation as defined in the TSX Company Manual. The Corporation is seeking approval of the CBRSUP at the Meeting. If such approval is received, the CBRSUP will also be a security-based compensation arrangement of the Corporation as defined in the TSX Company Manual and the Common Shares issuable pursuant to outstanding RSUs granted under the CBRSUP will be included in calculating the limits on outstanding Options and issuances of Common Shares under the Option Plan described above.

As of March 18, 2024, there were 144,963,807 Common Shares, 11,278,526 Options and 363,234 RSUs outstanding. The table below provides additional details of the outstanding Options and the Options remaining available for grant as of that date.

Outstanding Options	Options available for grant	Options available for grant if CBRSUP approved
11,278,526 (7.78% of outstanding Common Shares)	3,217,855 (2.22% of outstanding Common Shares)	2,854,621 (1.97% of outstanding Common Shares)

Pursuant to TSX rules, Paramount is required to calculate and disclose the annual "burn rate" of the Option Plan for the three most recently completed financial years. The annual burn rate is equal to the number of Options granted under the Option Plan in the applicable year, divided by the weighted average number of securities outstanding in that year, expressed as a percentage. The average burn rate over the last 3 years is 2.0%.

Financial Year Ending December 31	Burn Rate (%)
2023	1.8
2022	1.8
2021	2.4

The Option Plan is considered a "rolling" plan as it does not have a fixed maximum number of Common Shares that may be issued pursuant to Options. The TSX rules require that any unallocated options, rights or entitlements under a security-based compensation arrangement that does not have a fixed maximum number of securities issuable under it, such as the Option Plan, must be approved by a majority of the issuer's directors and shareholders every three years. In the case of the Option Plan, Options available for grant from time to time but not yet granted are considered unallocated.

The unallocated Options under the Option Plan were last approved by the Shareholders at the annual general meeting held on May 5, 2021. At the Meeting, the Shareholders will be asked to consider an ordinary resolution approving the unallocated Options under the Option Plan. If this resolution is passed, Paramount will not be required to seek further approval of the unallocated Options until May 2, 2027. If this resolution is not passed, outstanding Options will not be affected but all unallocated Options will be cancelled and the Corporation will not be permitted to make any further Option grants under the Option Plan until Shareholder approval has been obtained.

The Board has unanimously approved the unallocated options under the Option Plan. As discussed in this Information Circular under the heading "*Compensation Discussion and Analysis*", Options granted under the Option Plan are one of the primary elements of Paramount's compensation program and are the primary long-term compensation awarded to Paramount's officers and employees who are responsible for the management and growth of the Corporation. The purpose of the Option Plan is to recognize the contributions of these officers and employees and advance the interests of the Corporation by encouraging and enabling their acquisition of Common Shares, thereby directly aligning their interests with those of Paramount's Shareholders. Paramount views the continuing ability to grant Options under the Option Plan as being key to attracting, retaining and motivating the personnel necessary for the Corporation's future success.

At the Meeting, Shareholders will be asked to consider, and if thought advisable, pass the following ordinary resolution to approve the unallocated Options under the Option Plan:

Be it resolved as an ordinary resolution that:

1. all unallocated Options under the Option Plan be and are hereby approved;
2. the Corporation shall have the ability to continue granting Options under the Option Plan until May 2, 2027; and
3. any officer or director of the Corporation is authorized, in the name and on behalf of the Corporation, to do all such things and execute all such documents as may be necessary or advisable to implement this resolution.

In order for this resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders in person or represented by proxy at the Meeting. Management recommends voting FOR the resolution.

Other Matters to Be Acted Upon

Management knows of no matters to come before the Meeting other than the matters referred to in the enclosed Notice of Annual General Meeting of Shareholders to which this Information Circular is attached. If any matters which are not known at the time of the Information Circular should properly come before the Meeting, proxies will be voted on such matters in accordance with the best judgment of the person holding such proxy.

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

The following table provides information with respect to the eight director nominees.

Shareholders are entitled to vote for or withhold their vote for each nominee on an individual basis. The Board has adopted a majority voting policy which provides that if a director receives more "withhold" votes than "for" votes in an uncontested election of directors that director must immediately tender his or her resignation, and the remaining Board members must determine whether or not to accept such resignation within 90 days (and will be required to accept the resignation absent exceptional circumstances).

Any Shareholder who wishes to nominate one or more other directors can do so by submitting to Paramount's Corporate Secretary the information required by Paramount's bylaws, including the nominees' names, background, qualifications and experience. Paramount's bylaws require that a Shareholder give the Corporation advance notice of any proposal to nominate directors for election to the Board when nominations are not made through the shareholder proposal procedures set out in the *Business Corporations Act* (Alberta). If the nomination is to be presented at an annual meeting of Shareholders, the notice must be given 30 to 65 days in advance of the meeting; provided that if the annual meeting is to be held less than 50 days after Paramount announces the meeting date, the notice must, in those circumstances, be given within 10 days of the meeting announcement. If the nomination is to be presented at a special meeting of Shareholders (that is not also an annual meeting) where one of the items of business is the election of directors, then the notice must be given within 15 days of the meeting announcement. All nominations received will be forwarded to the Chair of the Corporate Governance Committee who will present them to the committee for consideration.

James Riddell (2)



Calgary, Alberta, Canada
Non-Independent Director
Director Since: 2000
Age: 57

Mr. Riddell has been the President and Chief Executive Officer of Paramount since May 2015 and Chairman of the Board since November 2018. Mr. Riddell served as President and Chief Operating Officer from June 2002 to May 2015 and in various positions at Paramount from May 1991 until June 2002.

Mr. Riddell graduated from Arizona State University with a Bachelor of Science degree in Geology and from the University of Alberta with a Master of Science degree in Geology. He is a member of the Canadian Society of Petroleum Geologists and the American Association of Petroleum Geologists.

Mr. Riddell is not currently a member of any committees of the Board. He previously served as a member of the Environmental, Health and Safety Committee until May 2023.

2023 AGM Voting Results:	Votes For	107,985,057 (96.40%)
	Votes Withheld	4,031,853 (3.60%)

Paramount Board / Committee Participation	2023 Meeting Attendance
Board of Directors	4/4 (100%)
Environmental, Health and Safety Committee	1/1 (100%)

Paramount Holdings ⁽¹⁾	Other Public Board Directorships
Common Shares: 35,972,278	None
Options: 1,008,233	

James Bell ⁽³⁾



Calgary, Alberta, Canada
Independent Director
Director Since: 2011
Age: 49

Mr. Bell is the Executive Vice President, Corporate and Chief Legal Officer of Dominion Lending Centres Inc., a TSX listed mortgage brokerage company, and served in various positions, including President and Chief Executive Officer, with its predecessor company Founders Advantage Capital Corp. since 2016. Previously, Mr. Bell was General Counsel for Olympia Financial Group Inc., a TSX listed financial services company, and its wholly-owned subsidiary Olympia Trust Company, a non-deposit taking trust company, and practiced securities and corporate commercial law as a partner at an international law firm.

Mr. Bell graduated from the University of Saskatchewan with a Bachelor of Laws degree and is a member of the Law Society of Alberta. He has completed the Canadian Securities Course and the Partners, Directors and Senior Officers Course of the Canadian Securities Institute and The Path – Indigenous Cultural Awareness Course.

Mr. Bell is the Chair of the Corporate Governance Committee and a member of the Audit Committee and Compensation Committee.

2023 AGM Voting Results:

Votes For	110,641,545 (98.77%)
Votes Withheld	1,375,365 (1.23%)

Paramount Board / Committee Participation	2023 Meeting Attendance
Board of Directors	4/4 (100%)
Audit Committee	4/4 (100%)
Compensation Committee	2/2 (100%)
Corporate Governance Committee (Chair)	2/2 (100%)

Paramount Holdings ⁽¹⁾	Other Public Board Directorships
Common Shares: 42,059	Dominion Lending Centres Inc.
Restricted Share Units: 3,000	
Options: 90,000	
Minimum Share Ownership: Attained	

Wilfred Gobert



Calgary, Alberta, Canada
Independent Director
Director Since: 2017
Age: 75

Mr. Gobert is an independent businessman. Until his retirement in 2006, he was Vice-Chair of Peters & Co. Limited (an investment firm specializing in the Canadian oil and gas industry), a position he held since 2002, and was a member of its board of directors and its executive committee. Mr. Gobert joined Peters & Co. Limited in 1979 as Managing Director, Research. Mr. Gobert is also a director of Canadian Natural Resources Limited, a TSX and NYSE listed energy producer. Mr. Gobert is a Senior Fellow, Energy Studies, Centre for Energy Policy Studies with The Fraser Institute.

Mr. Gobert holds a Master of Business Administration (Finance) from McMaster University, a Bachelor of Science degree (Mathematics) from the University of Windsor and a Chartered Financial Analyst designation.

Mr. Gobert is the Chair of the Compensation Committee and a member of the Audit Committee and Corporate Governance Committee. Mr. Gobert also previously served as a member of the Reserves Committee until May 2023.

2023 AGM Voting Results:

Votes For	110,867,147 (98.97%)
Votes Withheld	1,149,763 (1.03%)

Paramount Board / Committee Participation	2023 Meeting Attendance
Board of Directors	4/4 (100%)
Audit Committee	2/2 (100%)
Compensation Committee (Chair)	2/2 (100%)
Corporate Governance Committee	2/2 (100%)
Reserves Committee	2/2 (100%)

Paramount Holdings ⁽¹⁾	Other Public Board Directorships
Common Shares: 61,864	Canadian Natural Resources Limited
Restricted Share Units: 3,000	
Options: 60,000	
Minimum Share Ownership: Attained	

Dirk Jungé



Bryn Athyn, Pennsylvania, U.S.A.
Independent Director
Director Since: 2000
Age: 75

Mr. Jungé is an independent businessman. He was Chairman of the Board of the Pitcairn Trust Company (a private trust company) from 1991 to 2019 and its CEO from 1993 to 1996 and from 2006 to 2012. He served as President of Pitcairn Trust Company from 2006 to 2008. Mr. Jungé holds a number of director and trustee positions with philanthropic organizations. Mr. Jungé is also a director of L.B. Foster Co., a NASDAQ listed company that is a manufacturer, fabricator and distributor of products and services for the rail, construction, energy and utility markets.

Mr. Jungé obtained a Bachelor of Science degree in Economics and Finance from Lehigh University, was designated a Chartered Financial Analyst by the Institute of Chartered Financial Analysts in 1978 and is a member of the Financial Planning Association, the Association for Investment Management and Research and the National Association of Corporate Directors.

Mr. Jungé is the Chair of the Environmental Health & Safety Committee and a member of the Corporate Governance Committee.

2023 AGM Voting Results:	Votes For	105,620,527 (94.29%)
	Votes Withheld	6,396,383 (5.71%)

Paramount Board / Committee Participation	2023 Meeting Attendance
Board of Directors	4/4 (100%)
Corporate Governance Committee	2/2 (100%)
Environmental Health & Safety Committee (Chair)	2/2 (100%)

Paramount Holdings ⁽¹⁾	Other Public Board Directorships
Common Shares: 47,190	L.B. Foster Co.
Restricted Share Units: 3,000	
Options: 81,000	
Minimum Share Ownership: Attained	

Kim Lynch Proctor



Calgary, Alberta, Canada
Independent Director
Director Since: 2021
Age: 48

Ms. Lynch Proctor is an independent businesswoman. She is an experienced lawyer, accountant and private equity executive with over 20 years of experience. Ms. Lynch Proctor was the Chief Financial Officer and General Counsel of KERN Partners, an energy focused private equity firm, from 2009 to 2016 and prior thereto a practicing lawyer and chartered professional accountant with Felesky Flynn LLP, Bennett Jones LLP and Deloitte, respectively, advising corporate clients on domestic and international transactions. Ms. Lynch Proctor is a trustee of Alaris Equity Partners Income Trust, a TSX listed income trust that provides alternative financing to private companies, and a director of MEG Energy Corp., a TSX listed energy producer. She also serves on the board of several non-profit organizations.

Ms. Lynch Proctor obtained both a Bachelor of Commerce and a Bachelor of Laws degree from the University of Calgary and a Master of Laws degree from New York University, is a Chartered Professional Accountant and holds an ICD.D designation from the Institute of Corporate Directors.

Ms. Lynch Proctor is the Chair of the Audit Committee and a member of the Corporate Governance Committee and Reserves Committee.

2023 AGM Voting Results:	Votes For	110,925,373 (99.03%)
	Votes Withheld	1,091,537 (0.97%)

Paramount Board / Committee Participation	2023 Meeting Attendance
Board of Directors	4/4 (100%)
Audit Committee (Chair)	4/4 (100%)
Corporate Governance Committee	2/2 (100%)
Reserves Committee	3/3 (100%)

Paramount Holdings ⁽¹⁾	Other Public Board Directorships
Common Shares: 29,350	Alaris Equity Partners Income Trust
Restricted Share Units: 3,000	MEG Energy Corp.
Options: 45,000	
Minimum Share Ownership: Attained	

Keith MacLeod ⁽⁴⁾

Calgary, Alberta, Canada
Independent and Lead Director
Director Since: 2017
Age: 65

Mr. MacLeod is an independent businessman. Until June 2014, he was a director, partner and CEO of Sproule Associates Ltd. (a worldwide petroleum consulting firm), which he first joined in 1979. Mr. MacLeod is the Chair of the Verschuren Centre for Sustainability in Energy and the Environment.

Mr. MacLeod is a professional engineer with more than 30 years of experience in the oil and gas industry in Alberta. Mr. MacLeod holds a B.S. (Honors) in Mining Engineering from the Montana College of Mineral Science and Technology and a diploma in Technology in Mineral Science from the College of Cape Breton. He has completed the Director Education Program of the Institute of Corporate Directors. Mr. MacLeod is a member of the Association of Professional Engineers and Geoscientists of Alberta, the Society of Petroleum Evaluation Engineers and the Society of Petroleum Engineers and has participated in numerous committees of those organizations.

Mr. MacLeod is the Lead Director of Paramount, Chair of the Reserves Committee and a member of the Corporate Governance Committee and Environmental, Health and Safety Committee.

2023 AGM Voting Results:	Votes For	110,938,230 (99.04%)
	Votes Withheld	1,078,680 (0.96%)

Paramount Board / Committee Participation	2023 Meeting Attendance
Board of Directors	4/4 (100%)
Corporate Governance Committee	2/2 (100%)
Environmental, Health and Safety Committee	2/2 (100%)
Reserves Committee (Chair)	3/3 (100%)

Paramount Holdings ⁽¹⁾	Other Public Board Directorships
Common Shares: 82,945	None
Restricted Share Units: 3,000	
Options: 48,000	
Minimum Share Ownership: Attained	

Jill McAuley

Calgary, Alberta, Canada
Independent Director
Director Since: 2023
Age: 42

Ms. McAuley is an independent businesswoman who was appointed to the Board on May 31, 2023. Ms. McAuley has 19 years of operational and technical experience in the oil and natural gas sector, including senior executive responsibility for corporate strategy, asset development, reservoir management, marketing and forecasting. She was a founder and Senior Vice President of Deltastream Energy Corporation from 2014 until its successful sale in 2022. From 2004 to 2014, Ms. McAuley was an exploitation engineer with an intermediate exploration and production company based in Calgary, Alberta.

Ms. McAuley is a professional engineer and holds a Bachelor of Science in Biological and Chemical Engineering from the University of British Columbia.

Ms. McAuley is a member of the Reserves Committee, Environmental Health and Safety Committee and Corporate Governance Committee.

Paramount Board / Committee Participation	2023 Meeting Attendance
Board of Directors	2/2 (100%)
Corporate Governance Committee	1/1 (100%)
Environmental, Health and Safety Committee	1/1 (100%)
Reserves Committee	1/1 (100%)

Paramount Holdings ⁽¹⁾	Other Public Board Directorships
Common Shares: 8,500	None
Restricted Share Units: 3,000	
Options: 30,000	
Minimum Share Ownership: In transition period for new directors	

Susan Riddell Rose



Calgary, Alberta, Canada
Non-independent Director
Director Since: 2000
Age: 59

Ms. Riddell Rose has been the President and a director of Perpetual Energy Inc., a TSX listed energy producer, and its predecessor Paramount Energy Trust since 2002 and its CEO since 2005. Ms. Riddell Rose has also been the President and Chief Executive Officer and a director of Rubellite Energy Inc., a TSX listed energy producer, since its formation in 2021. Ms. Riddell Rose was previously Corporate Operating Officer of Paramount and began her career as a geological engineer with Shell Canada Limited. Ms. Riddell Rose is also a director of Secure Energy Services Inc., a TSX listed company offering midstream infrastructure and environmental solutions, and a director of Altalink LP, a reporting issuer whose shares are not publicly traded.

Ms. Riddell Rose graduated from Queen's University with a Bachelor of Science degree in Geological Engineering. Ms. Riddell Rose is a member of the Association of Professional Engineers and Geoscientists of Alberta, the Canadian Society of Petroleum Geologists, and the American Association of Petroleum Geologists and a governor of the Canadian Association of Petroleum Producers.

2023 AGM Voting Results:

Votes For	102,390,237 (91.41%)
Votes Withheld	9,626,673 (8.59%)

Paramount Board / Committee Participation

Board of Directors	2023 Meeting Attendance
	4/4 (100%)

Paramount Holdings ⁽¹⁾

Common Shares:	14,945,455	Other Public Board Directorships
Restricted Share Units:	3,000	Perpetual Energy Inc.
Options:	90,000	Rubellite Energy Inc.
Minimum Share Ownership:	Attained	Secure Energy Services Inc.

Notes:

- (1) See "Nominees for Election to the Board of Directors – Director Shareholdings".
- (2) Mr. Riddell was a director of Sonde Resources Corp. ("Sonde") and Great Prairie Energy Services Inc. ("Great Prairie"), both public oil and gas companies, within one year of Sonde becoming bankrupt and Great Prairie having a receiver-manager appointed to manage its assets, undertakings and properties. Mr. Riddell was a director of Strategic Oil & Gas Ltd., a public oil and gas company, when it filed for creditor protection under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA") and when it became subject to a cease trade order for failing to file its annual financial statements and management's discussion and analysis, which order remains in effect.
- (3) Mr. Bell was a director of Just Energy Group Inc. ("Just Energy"), a public retail energy provider. While Mr. Bell was a director, Just Energy sought and received creditor protection under the CCAA and similar protection under Chapter 15 of the Bankruptcy Code in the United States.
- (4) Mr. MacLeod was a director of Manito Energy Inc. ("Manitok"), a public oil and gas company, within one year of Manito filing a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada).

Independence of Director Nominees

Of the eight director nominees, six are independent. All members of each committee of the Board are independent. See under "*Corporate Governance – Independence of Board Members*" and "*Corporate Governance – Committee Membership*" for more information.

Director Nominee	Independent	Non-Independent	Reason for Non-Independence
James Riddell		✓	President & CEO of the Corporation
James Bell	✓		
Wilfred Gobert	✓		
Dirk Jungé	✓		
Kim Lynch Proctor	✓		
Jill McAuley	✓		
Keith MacLeod	✓		
Susan Riddell Rose		✓	Familial relationship with President & CEO of the Corporation

Mr. Keith MacLeod, an independent director, is the Board's Lead Director. His duties include, among other things, ensuring that differences between the responsibilities of the Board and management are understood by all, ensuring that independent directors have adequate opportunities to meet to discuss issues without management present and acting as a liaison between the independent directors and management. The position description for the Lead Director is available on the Corporation's website at www.paramountres.com.

The Board has a policy requiring that an *in camera* meeting of independent directors without management present be held in connection with all Board and committee meetings.

Board Interlocks

None of the director nominees: (i) serve together as directors of any company other than the Corporation or (ii) are employed by a company of which any director nominee or executive officer of the Corporation is a director.

Director Shareholdings

Under Paramount's share ownership guidelines, each non-management director is expected to own Common Shares equal in value to at least 3.0x: (i) the annual base cash retainer paid to the director (excluding additional fees for serving as Lead Director or Chair of a Committee of the Board) plus (ii) the grant date fair value of the annual share-based compensation paid to the director in the form of RSUs. Common Shares owned directly or owned jointly or indirectly with or by a spouse and/or children that share the director's household are included in determining a director's share ownership for the purposes of the guidelines.

Compliance with the share ownership guidelines is assessed annually as of December 31 each year. Each non-management director that is elected or appointed after the November 2, 2022 effective date of the share ownership guidelines has a period of five years following their election or appointment to meet the guidelines. Common Shares owned by a director are valued based on the greater of: (i) the last closing price of the Common Shares on the TSX on the last trading day of the year and (ii) the adjusted cost base of the Common Shares. If a non-management director is not in compliance with the share ownership guidelines as of December 31, the Corporate Governance Committee will review the reasons for the non-compliance with the director and the Corporate Governance Committee and director will agree upon a course of action to achieve compliance with the share ownership guidelines.

As set out in the table below, each non-management director of the Corporation was in compliance with the share ownership guidelines as of December 31, 2023 based on the closing price of the Common Shares on the TSX on December 29, 2023 of \$25.93. As a newly appointed director, Jill McAuley has until December 31, 2028 to achieve the required level of share ownership.

Director	Shares Owned	Value Owned	Guideline Value	Multiple
James Bell	42,059	\$ 1,090,590	\$ 426,750	7.7x
Wilfred Gobert	61,864	1,604,134	426,750	11.3x
Dirk Jungé	47,190	1,223,637	426,750	8.6x
Kim Lynch Proctor	29,350	761,046	426,750	5.4x
Keith MacLeod	82,945	2,150,764	426,750	15.1x
Jill McAuley	8,500	220,405	353,870	1.9x
Susan Riddell Rose	14,945,455	\$ 387,535,648	\$ 426,750	2,724.3x

James Riddell is not subject to the share ownership guidelines as he is not a non-management director. For comparison purposes, as at December 31, 2023, Mr. Riddell held 35,972,278 Common Shares with a value of \$932.76 million. The multiple of the value of his shareholdings to total compensation in 2023 from all sources was 228.8x and to base salary was 2,228.1x. See under "*Executive Compensation*" and "*Director Compensation*" for a complete description of compensation paid to Mr. Riddell and the non-management directors, respectively, in the last three financial years.

The table below sets out the number and market value of Common Shares and RSUs beneficially owned or controlled or directed by each director as of March 18, 2024, valued based on the closing price of the Common Shares on the TSX on that date of \$26.50. All RSUs are unvested.

Director	Common Shares	RSUs	Total Value
James Riddell	35,972,278	-	\$ 953,265,367
James Bell	42,059	3,000	1,194,064
Wilfred Gobert	61,864	3,000	1,718,896
Dirk Jungé	47,190	3,000	1,330,035
Kim Lynch Proctor	29,350	3,000	857,275
Keith MacLeod	82,945	3,000	2,277,543
Jill McAuley	8,500	3,000	304,750
Susan Riddell Rose	14,945,455	3,000	\$ 396,134,058

See under "*Director Compensation - Outstanding Options and RSUs Held by Directors*" for a description of the Options held by each non-management director as of December 31, 2023 and the value of such incentives as of that date.

Competency Matrix for Director Nominees

The Board, through the Corporate Governance Committee, has developed a competency matrix to ensure that the members of the Board, through their collective knowledge, business expertise and experience, meet the needs of the Board. The following table sets out some of the relevant knowledge, expertise and experience of the director nominees:

	James Riddell	James Bell	Wilfred Gobert	Dirk Jungé	Kim Lynch Proctor	Keith MacLeod	Jill McAuley	Susan Riddell Rose
Board Experience <i>Experience as a director of a public company other than Paramount</i>	✓	✓	✓	✓	✓	✓		✓
CEO Experience <i>Experience as the leader of a public company or complex organization</i>	✓	✓		✓		✓		✓
Strategic Planning <i>Experience in the development and execution of corporate strategy</i>	✓	✓	✓	✓	✓	✓	✓	✓
Operations <i>Experience in oil and natural gas operations</i>	✓		✓	✓			✓	✓
Project Management <i>Experience in significant project planning and execution</i>	✓		✓	✓		✓	✓	✓
Corporate Governance <i>Understanding of the principles and practices of good governance of public companies</i>	✓	✓	✓	✓	✓	✓		✓
Accounting / Finance <i>Professional accountant or significant accounting or finance experience</i>	✓	✓	✓	✓	✓	✓	✓	✓
Executive Compensation <i>Experience with the oversight of public company executive compensation</i>	✓	✓	✓	✓	✓	✓		✓
Government / Public Policy <i>Experience with government relations or the development of public policy</i>	✓	✓	✓		✓	✓		✓
Human Resources <i>Experience with human resources policy and management</i>	✓	✓	✓	✓	✓	✓		✓
Legal and Regulatory <i>Lawyer or significant experience with regulatory matters</i>		✓			✓			✓
Environment / Health / Safety <i>Experience with environmental compliance and the oversight of workplace health and safety</i>	✓			✓		✓	✓	✓
Information / Cyber Security <i>Experience with the development and application of policies and systems to ensure information security and address cyber threats</i>		✓	✓	✓	✓			
Sustainability <i>Experience with sustainability oversight, including climate-related risks, emissions management, social governance and water and land use</i>	✓			✓	✓	✓		✓

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

Compensation Philosophy

Paramount's compensation philosophy is to be competitive with other Canadian oil and gas companies of similar size in order to attract, retain and motivate a highly qualified workforce. Paramount's compensation program for its officers and employees is built around base salaries and reward systems that recognize the Corporation's financial and operational results and individual and business unit performance. Compensation of the Corporation's named executive officers ("NEOs") is weighted towards variable and at-risk pay to ensure Shareholder alignment.

Elements of Compensation

The primary elements of Paramount's compensation program consist of base salary and variable and at-risk pay comprised of bonuses of RSUs and/or cash under the CBRSUP and grants of Options under the Option Plan. In addition, the Compensation Committee of the Board retains the discretion to grant extraordinary cash bonuses to officers and employees when deemed appropriate.

Each element of compensation is summarized below and discussed in more detail under "2023 Compensation Determinations". Detailed descriptions of the CBRSUP and the Option Plan are provided under the heading "Incentive Plans".

	Variable or At-risk			
	Base Salary	Bonuses under CBRSUP	Options	Extraordinary Bonuses
Description	Fixed level of cash compensation for performing day-to-day responsibilities	Bonuses of RSUs and/or cash under the CBRSUP	Grants of Options under the Option Plan	Discretionary cash bonuses
Purpose	Compensate executives and employees for providing the services within their job description in a competent, professional manner	Reward the meeting and exceeding of corporate, business unit and individual goals and targets and the achievement of high standards of operating and financial performance Align compensation with share performance	Recognize and promote contributions to Paramount's long-term success Retain key personnel Align compensation with share performance	Reward significant achievements, including the successful completion of major projects or transactions
Vesting	N/A	Some RSUs subject to vesting over two years	Over five years	N/A
Time Horizon	Short	Short to Medium	Long	Short
Determination Factors	Peer and market data Individual responsibilities and performance	Performance measured against individual, business unit or corporate goals, objectives and factors	Individual contributions and responsibilities Alignment of total compensation payable with peers Overall level of Option holdings necessary to incentivize long-term performance	Individual and corporate achievements

Compensation Process

The Compensation Committee of the Board determines the compensation of the CEO and, after considering the recommendations of the CEO, approves the compensation of the other NEOs. The Compensation Committee meets at least twice annually. See below under "*Compensation Governance*" for more information about the role of the Compensation Committee and its members.

In determining the overall compensation of the NEOs, the Compensation Committee considers a range of factors including general industry and market conditions, the Corporation's total shareholder return ("**TSR**"), the compensation practices and performance of its peer group and Paramount's corporate financial and operating results, including its progress in advancing its overall corporate strategy. The individual performance of each of the NEOs is also assessed. Specific factors that the Compensation Committee considered in determining 2023 compensation for the NEOs are set out below under "*2023 Compensation Determinations*". A description of the Corporation's peer group as well as its historical annual average TSR compared to its peer group is set out below under "*Peer Group*".

Named Executive Officers

Under applicable securities laws, a company's NEOs are: (i) the Chief Executive Officer, (ii) the Chief Financial Officer, (iii) the next three most highly compensated executive officers serving at the end of the most recent financial year and (iv) any officer who would have been among the next three most highly compensated executive officers if they had been serving at the end of the most recent financial year. The Corporation's NEOs for the purpose of this Information Circular are listed below.

James Riddell, President and Chief Executive Officer and Chairman ("**CEO**")
Paul Kinvig, Chief Financial Officer ("**CFO**")
Blake Reid, Executive Vice President, Operations
Rodrigo Sousa, Executive Vice President, Corporate Development and Planning
Garth Stotts, Executive Vice President, Development and Reserves

2023 Corporate Performance and Market Conditions

Operating conditions for Canadian energy producers in 2023 were characterized by a softer commodity price environment and the continuation of inflationary cost pressures. Despite these challenges, Paramount delivered the following financial and operating highlights in 2023:

- Achieved record annual sales volumes of 96,393 Boe/d (46% liquids), an increase of 9% from 2022, despite production being impacted by 3,700 Boe/d from dispositions completed in early 2023 and 3,300 Boe/d from the Alberta wildfires.
- Increased Grande Prairie Region annual sales volumes by 21% to an average of 70,943 Boe/d (51% liquids), representing 74% of total sales volumes.
- Increased sales volumes in the fourth quarter to an average of 101,348 Boe/d (46% liquids).
- Paid \$2.50 per Common Share in cash dividends to shareholders, including a special cash dividend of \$1.00 per Common Share in January 2023.
- Repaid all outstanding balances on its \$1.0 billion revolving credit facility and reduced net debt to \$60 million as of December 31, 2023. ⁽¹⁾
- Directed \$55 million toward the settlement of asset retirement obligations, including the abandonment of 82 wells and reclamation of 113 sites.

(1) "Net debt" is a capital management measure used by Paramount. This not a standardized measure and might not be comparable to similar measures presented by other issuers. See Note 18 of the audited consolidated financial statements of Paramount for the year ended December 31, 2023, which are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca, for additional information concerning this measure.

2023 Compensation Determinations

Overall

The Compensation Committee approved compensation payable to the NEOs in 2023 consisting of a combination of base salary, bonuses under the CBRSUP, Option grants and an extraordinary cash bonus. The factors considered by the Compensation Committee in determining each specific component of compensation are described below.

As shown in the table under the heading "*Executive Compensation – Summary Compensation Table*", the total value of the compensation package paid to the CEO in 2023 declined by approximately 11% on a year-over-year basis and the total value of the compensation packages paid to each of the other NEOs increased by an average of approximately 27% on a year-over-year basis. As discussed further below, the year-over-year decrease in the case of the CEO was driven by a decrease in the value of Options granted in 2023 and the fact that the CEO received no discretionary cash bonus in 2023. The year-over-year average increase in the case of the other NEOs was primarily driven by an increase in the value of bonuses under the CBRSUP and an increase in the amounts of discretionary cash bonuses received in 2023 compared to 2022.

Base Salary

The objective of a NEO's base salary is to provide a fixed level of cash compensation for performing day-to-day responsibilities. It is designed to reward executives for providing the services within their job description in a competent, professional manner. Paramount strives to pay base salaries that are competitive with its peer group and the Canadian oil and gas industry generally as salary is believed to be an important factor in attracting and retaining high-caliber people capable of achieving the Corporation's business objectives.

The following base salaries were paid to the NEOs in 2023 and 2022:

Base Salaries		
NEO	2023	2022
James Riddell	\$418,640	\$403,640
Paul Kinvig	\$318,500	\$303,500
Blake Reid	\$341,500	\$329,500
Rodrigo Sousa	\$344,500	\$329,500
Garth Stotts	\$312,710	\$300,710

The Compensation Committee approved increases to the base salaries of each of the NEOs for 2023 as compared to 2022 based on its consideration of corporate and individual performance in 2022, the approach of the Corporation's peer group and available data respecting forecasted salary budget changes with the energy sector, including the Canada MTCS – Mercer Total Compensation Survey for the Energy Sector.

Bonuses under the CBRSUP

The CBRSUP has served as Paramount's bonus program since its implementation in 2017. The primary objective of the CBRSUP is to reward officers and employees for meeting and exceeding corporate, business unit and individual goals and targets and achieving high standards of operating and financial performance. See "*Incentive Plans - Cash Bonus and Restricted Share Unit Plan – Goals and Objectives for Bonus Awards to Officers and Employees*" for a description of the goals and objectives that may be considered.

Bonuses under the CBRSUP may be comprised of RSUs, cash or a combination thereof. The payment of bonuses through RSUs is intended to encourage Paramount's officers and employees to have an ongoing investment in the Common Shares and to further align them with the goal of creating long-term Shareholder value. Upon vesting, each RSU is exchanged for one Common Share and an amount, payable in cash or Common Shares at the discretion of the Corporation, equal to any cash dividends paid with respect to such Common Shares from the date of grant of the RSU. As the value of the Common Shares increase and dividends are paid to the Shareholders, the value of the RSUs also increases, thereby further aligning the interests of Paramount's officers and employees with those of its Shareholders.

The Compensation Committee determines the vesting schedule that will apply to any RSUs granted under the CBRSUP. Although the application of vesting periods to bonuses is unique among the Corporation's peers, the delayed vesting of RSUs is intended to motivate sustained value creation for Shareholders. In the case of the CEO, RSUs vest immediately upon grant. Given the substantial shareholdings of the CEO (see "*NEO Shareholdings*" below), it is not necessary for there to be a delayed vesting of his RSU awards to ensure that his interests are aligned with Paramount's other Shareholders. In 2023 and 2022, a portion of the RSUs granted to each of the NEOs other than the CEO vested immediately while others were subject to vesting periods of one to two years from the date of grant. See "*Executive Compensation - Outstanding Options and RSUs*" and "*Executive Compensation - Incentive Plan Awards – Value Vested or Earned During the Year*" for more information about the outstanding unvested RSUs held by each NEO and the value of RSUs held by each NEO that vested in 2023.

The table below provides details of the CBR SUP awards made to the NEOs in 2023 and 2022:

CBRSUP Awards				
NEO	2023		2022	
	Cash Bonus (\$)	RSUs ⁽¹⁾	Cash Bonus (\$)	RSUs ⁽¹⁾
James Riddell	-	100,000 / \$3,149,000	-	100,000 / \$3,127,000
Paul Kinvig	-	11,929 / \$352,904	-	5,204 / \$162,729
Blake Reid	-	11,249 / \$335,281	-	5,690 / \$177,926
Rodrigo Sousa	-	21,864 / \$654,387	-	6,611 / \$206,726
Garth Stotts	185,240	9,929 / \$297,504	6,580	5,055 / \$158,070

Notes:

(1) Dollar amounts represent the grant date fair value of RSUs granted calculated by multiplying the number of RSUs by the weighted average price of the Common Shares over the five trading days preceding the grant date.

In determining the bonuses payable to the NEOs in 2023, the Compensation Committee made a subjective assessment of individual, business unit and corporate performance during 2022. Corporate performance was assessed on a non-formulaic, qualitative basis with reference to overall financial and operating results and goals and objectives related to production, capital program costs and execution, abandonment and reclamation program costs and execution, cash flows, net debt, dividends paid, operating costs, finding and development costs, general and administrative costs, safety, share price performance and the execution of strategic and corporate initiatives. In addition, the following corporate achievements in 2022 were considered:

- The delivery of a one-year TSR of 21%.
- Record annual average sales volumes of 88,672 Boe/d, an 8% increase compared to 2021.
- The exceeding of targeted sales volumes of 30,000 Boe/d at Wapiti for the first time.
- Record cash from operating activities of \$1,050 million, a 118% increase compared to 2021.
- Record adjusted funds flow of \$1,171 million, a 134% increase compared to 2021. ⁽¹⁾
- Record free cash flow of \$471 million, a 146% increase compared to 2021.
- Substantial year-over-year reserves additions, with total proved reserves increasing 31% and proved plus probable reserves increasing 15%.
- A more than doubling of the monthly dividend to \$0.125 per share in November from \$0.06 per share at the beginning of the year.
- A \$296 million year-over-year reduction in net debt to \$161 million at December 31, 2022.
- The more than tripling of the Corporation's Willesden Green Duvernay land position through two transactions at a total cost of \$98 million.
- The realization of compelling value for the Corporation's Kaybob Smoky and Kaybob South Duvernay properties and a portion of its road infrastructure through dispositions that generated aggregate proceeds of \$434 million.

Compared to 2022, the grant date value of the CBR SUP award made to the CEO in 2023, as set out in the table above, increased by 1% and the grant date fair value of the awards to each of the other NEOs increased by an average of 157%.

(1) "Adjusted funds flow", "free cash flow" and "net debt" are capital management measures used by Paramount. These are not standardized measures and might not be comparable to similar measures presented by other issuers. See Note 18 of the audited consolidated financial statements of Paramount for the year ended December 31, 2023, which are available under the Corporation's profile on SEDAR+ at www.sedarplus.ca, for additional information concerning these measures.

Option Plan

The intent of the Option Plan is to recognize the contributions of Paramount's officers and employees who are responsible for Paramount's management and growth by granting them Options to acquire Common Shares, serving to directly align their interests with those of the Shareholders. Option grants under the Option Plan are the primary long-term compensation awarded to Paramount's executives.

NEOs are eligible for annual Option grants. Options generally vest in equal tranches each successive year over a five-year period and expire approximately six months after their last vesting date. Paramount believes that the five-year vesting schedule encourages retention and incentivizes Paramount's NEOs, as well as its other officers and eligible employees, to manage Paramount's assets and operations with a view to long-term value creation for the Shareholders.

The following Option grants were made to the NEOs in 2023 and 2022:

Options Granted		
NEO	2023 ⁽¹⁾	2022 ⁽¹⁾
James Riddell	100,000 / \$484,000	100,000 / \$702,000
Paul Kinvig	70,000 / \$338,800	60,000 / \$421,200
Blake Reid	60,000 / \$290,400	60,000 / \$421,200
Rodrigo Sousa	75,000 / \$363,000	75,000 / \$526,500
Garth Stotts	45,000 / \$217,800	35,000 / \$245,700

Notes:

(1) Dollar amounts represent the grant date fair value of the Options granted to each NEO determined in accordance with the Black-Scholes model, the applicable inputs of which are described in the notes to the table under the heading "Executive Compensation – Summary Compensation Table".

In making Option grants to NEOs in 2023, the Compensation Committee considered individual contributions and responsibilities and the corporate performance described under "2023 Corporate Performance and Market Conditions". The grant date fair value of the Option grants and the resulting alignment of total compensation payable to the NEOs with the Corporation's selected peer group and the overall level of Option holdings necessary to incentivize long-term performance by each NEO were also considered.

Compared to 2022, the grant date value of the Options granted to the CEO in 2023 decreased by 31% due to a decrease in the grant date fair value of each Option under the Black-Scholes model. The average grant date value of Options granted to the remaining NEOs in 2023 compared to 2022 decreased by 23%. In the case of these NEOs, increases to the number of Options granted to two of the NEOs were offset by a decrease in the grant date fair value of each Option under the Black-Scholes model.

Extraordinary Cash Bonuses

The Compensation Committee awarded the following extraordinary cash bonuses to the NEOs in 2023 and 2022:

Extraordinary Cash Bonus		
NEO	2023	2022
James Riddell	-	\$300,000
Paul Kinvig	\$200,000	\$125,000
Blake Reid	\$150,000	\$125,000
Rodrigo Sousa	\$350,000	\$150,000
Garth Stotts	\$50,000	\$50,000

The Compensation Committee determined to award the extraordinary cash bonuses in 2023 in recognition of the significant contributions of the applicable NEOs to the outstanding operational and financial performance of the Corporation in the preceding financial year.

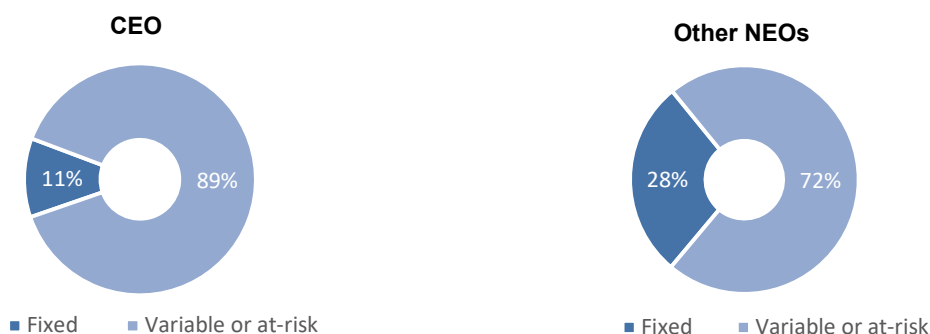
Retirement Plans

Paramount does not maintain any pension plans for the NEOs or any other employees of the Company. In 2023, Paramount made an RRSP contribution on behalf of each employee, including each NEO, equal to 6% of base salary. In addition, the Corporation made an RRSP contribution of up to 3% of base salary to match any contributions that the employee elected to make with their own funds.

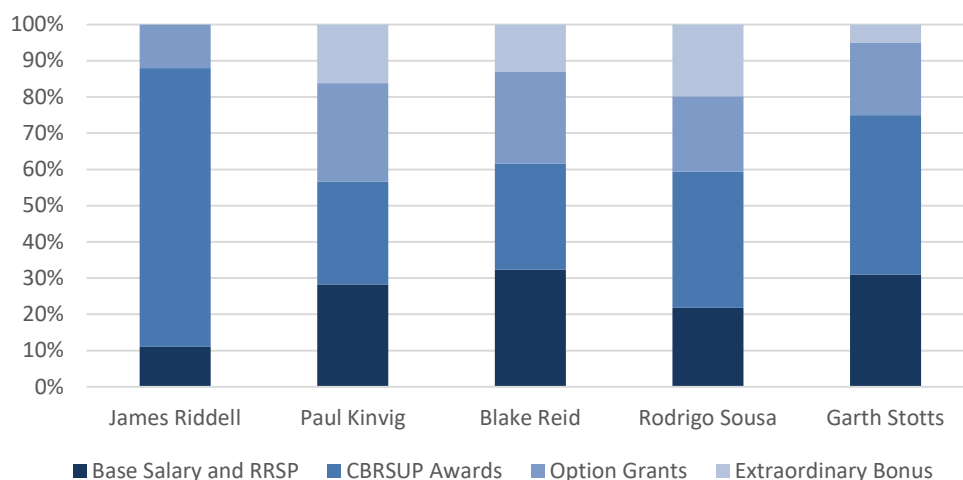
Compensation Mix

In determining compensation awards to be made to the Corporation's NEOs, consideration is given to all forms of compensation paid or payable so that an appropriate mix is attained between fixed compensation (consisting of base salary and RRSP contributions) versus variable or at-risk pay (consisting of bonuses under the CBRSUP, Option grants and, when awarded, extraordinary cash bonuses), with the majority of such compensation intended to be variable or at-risk.

The following graphs show the percentages of fixed compensation versus variable or at-risk compensation for the CEO in 2023 and the average percentages of fixed versus variable or at-risk compensation for the other NEOs in 2023. For comparison, in 2022 the CEO's variable or at-risk pay comprised 91% of his total compensation and the variable or at-risk pay of the other NEOs comprised an average of 67% of their total compensation.



The following chart shows the relative percentage of overall compensation paid to each NEO in 2023 that was comprised of each element of compensation.



Reported vs. Realizable Compensation

The following table compares the aggregate total reported compensation paid by the Corporation to the current NEOs in each of the last three financial years, as set out under the heading "*Executive Compensation – Summary Compensation Table*", to the realizable compensation of such officers over such period. Realizable compensation differs from reported compensation as the value of Options granted in the applicable year is calculated based on the "in-the-money" amount as at December 31, 2023, as opposed to grant date fair value calculated using a Black-Scholes model, and the value of RSUs is calculated based on the market price of the Common Shares as at December 31, 2023, as opposed to grant date fair value. The closing price of the Common Shares on December 29, 2023, the last trading day of the year, of \$25.93 was used in calculating realizable value for Options and RSUs in each year in the table below.

Compensation Type	2023		2022		2021	
	Reported	Realizable	Reported	Realizable	Reported	Realizable
Salary	\$ 1,735,850	\$ 1,735,850	\$ 1,666,850	1,666,850	\$ 1,534,850	\$ 1,534,850
Options	1,694,000	-	2,316,600	-	2,378,200	4,462,000
RSUs	4,789,077	4,018,398	3,832,451	3,177,981	1,512,300	3,921,394
Cash Bonuses	935,240	935,240	756,580	756,580	-	-
RRSP Contribution	143,667	143,667	100,011	100,011	46,046	46,046
Total	\$ 9,297,834	\$ 6,833,155	\$ 8,672,492	\$ 5,701,422	\$ 5,471,396	\$ 9,964,289

Cost of Management

The below table compares the total reported compensation for the Corporation's then named executive officers in the last three financial years to the revenue and adjusted funds flow of the Corporation in those years.

	2023	2022	2021
NEO Compensation (\$ millions)	9.3	8.8	5.6
Revenue (\$ millions)	1,799	2,189	1,332
Compensation as % of Revenue	0.52	0.40	0.42
Adjusted Funds Flow (\$ millions)	965	1,171	500
Compensation as % of Adjusted Funds Flow	0.96	0.75	1.12

NEO Shareholdings

The table below sets out the number of Common Shares and RSUs beneficially owned or controlled or directed by each NEO as of December 31, 2023, the aggregate market value of those Common Shares and RSUs based on the closing price of the Common Shares on the TSX on December 29, 2023 of \$25.93 and the multiple of the value of the Common Shares and RSUs held to the 2023 base salary of each NEO.

NEO	Shares Owned	RSUs Held	Market Value	Multiple of 2023 Base Salary
James Riddell	35,972,278	-	\$ 932,761,169	2,228.1x
Paul Kinvig	68,901	5,686	1,934,041	6.1x
Blake Reid	26,491	5,734	835,594	2.4x
Rodrigo Sousa	254,009	7,142	6,771,645	19.7x
Garth Stotts	21,096	5,556	\$ 691,086	2.2x

See under "*Executive Compensation - Outstanding Options and RSUs*" for a description of the Options held by each NEO as of December 31, 2023 and the value of such incentives as of that date.

Peer Group

Paramount competes for executive talent with a wide range of Canadian exploration and development companies, but in particular with other intermediate-sized entities. Each year Paramount's Compensation Committee conducts a review of Paramount's competitors to determine which companies it believes are most appropriate to benchmark the Corporation against for performance and compensation purposes. The 2023 peer group consisted of the following companies:

Advantage Energy Ltd.	Baytex Energy Corp.	Birchcliff Energy Ltd.
Crescent Point Energy Corp.	Enerplus Corporation	NuVista Energy Ltd.
Peyto Exploration & Development Corp.	Tamarack Valley Energy Ltd.	Whitecap Resources Inc.

For 2023, the peer group was adjusted from the group utilized in 2022 to remove Spartan Delta Corp. given the significant decrease in the scope of its operations as a result of dispositions and to add Enerplus Corporation and Tamarack Valley Energy Ltd. to balance and broaden the group. In selecting the 2023 peer group, primary emphasis was given to companies with comparable production and asset levels as they generally represent direct competitors to Paramount with similar complexity in operational and financial profiles. Secondary emphasis was given to market capitalization and enterprise value given that these measures, while indicative of the relative public market positioning of the entities compared to Paramount, can fluctuate significantly at any given time as a result of volatility in share prices.

The below table shows Paramount's production, assets, market capitalization and enterprise value as at December 31, 2023 compared against its peer group by percentile rank. Market capitalization and enterprise value amounts shown in the table below are based on values reported by Standard & Poor's Capital IQ and calculated in accordance with its methodologies.

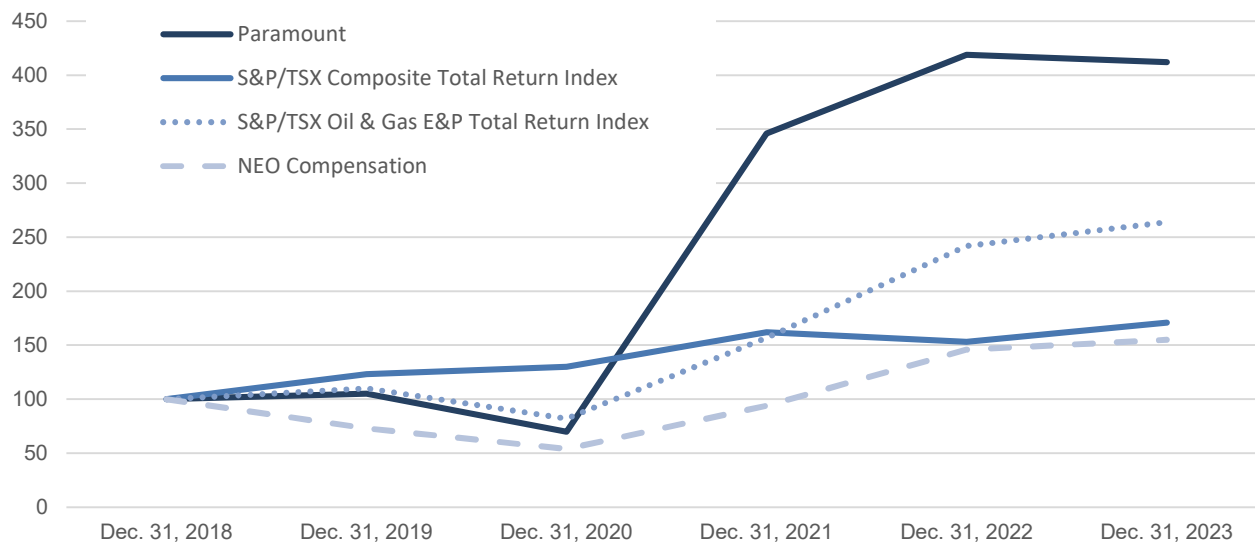
Paramount's Production, Assets, Market Capitalization and Enterprise Value vs. Peer Group				
	Production (Boe/d)	Assets (Millions \$)	Market Capitalization (Millions \$)	Enterprise Value (Millions \$)
Peer Group 25 th Percentile	71,367	2,922	1,625	2,245
Peer Group Median	100,015	4,208	2,326	3,233
Peer Group 75 th Percentile	130,240	8,532	5,448	6,354
Paramount	96,393	4,389	3,747	3,733
Percentile Rank December 2023	48th Percentile	51st Percentile	61st Percentile	52nd Percentile

As part of its annual process of setting executive compensation, Paramount considers the compensation paid to the NEOs of its peer group as well as a range of other factors, including general trends affecting executive compensation in the Canadian oil and gas industry, the relative complexity of Paramount's business versus the peer group and the Corporation's growth prospects and performance as compared to its peers. The Corporation's 1, 3 and 5-year annual average TSR compared to the peer group's average are set forth in the table below.

Paramount's Annual Average TSR vs. Peer Group Average		
	Paramount	Peer Group
1-Year	-2%	-15%
3-Year	81%	67%
5-Year	33%	19%

Total Return Performance Graph

The following graph compares the cumulative TSR for Paramount on the TSX of \$100 invested in Common Shares on December 31, 2018 with the total returns over the same five-year period of the S&P/TSX Composite Total Return Index and S&P/TSX Oil & Gas Exploration & Production Total Return Index. Returns in each case reflect the reinvestment of dividends. The graph also shows the percentage change in the total reported compensation of those individuals comprising the Corporation's named executive officers during this same five-period.



TOTAL RETURN	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Paramount	100	105	70	346	419	412
S&P/ TSX Composite Total Return Index	100	123	130	162	153	171
S&P/TSX Oil & Gas E&P Total Return Index	100	110	82	157	242	264
NEO Compensation	100	73	54	94	146	155

The above graph and accompanying table demonstrate that NEO compensation has been generally aligned with Paramount's TSR during the past five years. On a yearly basis, increases and decreases in NEO compensation have tracked increases and decreases in Paramount's TSR, with the exception of 2019 when compensation decreased and TSR increased slightly and 2023 when compensation increased and TSR decreased slightly. The increase in NEO compensation in 2021 and 2022 coincided with a significant increase in TSR. It should be noted that the NEOs for 2020 included a total of six executive officers, as compared to five executive officers in each of the other financial years, resulting in an increase in the total NEO compensation over that which would have otherwise been reported for that year.

Compensation Governance

Role of the Compensation Committee

The Compensation Committee determines the compensation of the NEOs. The Compensation Committee is composed entirely of independent directors. The written charter of the Compensation Committee, which is available on the Corporation's website at www.paramountres.com, sets out its composition, procedure and organization as well as its primary duties and responsibilities, which include:

- recommending to the Board compensation policies and general human resources policies and guidelines concerning employee compensation and benefits;
- ensuring that the Corporation has in place programs to attract and develop management of the highest caliber and a process to provide for the orderly succession of management;
- considering and, after reasonable consultation by the Chair of the Committee with all other independent directors of the Corporation, approving the annual salary, bonus and other benefits, direct and indirect, of the CEO and approving compensation for all other designated officers of the Corporation (in the latter case after considering the recommendations of the CEO), all in accordance with the Corporation's compensation policies and general human resources policies and guidelines concerning employee compensation and benefits, and with such compensation to realistically reflect the responsibilities and risks of such positions;
- implementing and administering policies and guidelines relating to the following:
 - executive compensation, contracts, stock plans or other incentive plans; and
 - proposed personnel changes involving officers reporting to the CEO;
- reviewing, from time to time, the Corporation's broad policies and programs in relation to benefits;
- annually receiving from the CEO recommendations concerning annual compensation policies and budgets for all employees;
- reviewing, from time to time, with the CEO the Corporation's broad policies on compensation for all employees and overall labour relations strategy for employees; and
- reporting regularly to the Board on all of the Committee's activities and findings.

Members of the Compensation Committee

The members of the Compensation Committee as at the date of this Information Circular are Mr. Wilfred Gobert (Chair), Mr. James Bell and Mr. Keith MacLeod. Messrs. Gobert, Bell and MacLeod are all independent directors. A brief biography for each member of the Compensation Committee, setting out their relevant skills and experience, is provided below. When making decisions with respect to compensation, the Committee has the benefit of peer information obtained from public and third-party sources as well as information from Paramount's People Operations department. Given their wealth of experience and the resources available to them, the members of the Compensation Committee are well positioned to make decisions with respect to Paramount's compensation policies and practices.

Wilfred Gobert (Chair)

Mr. Gobert is an independent businessman who has been involved in the oil and gas industry in Calgary since 1976, working with Peters & Co. Limited since 1979. When he retired from Peters & Co. Limited in 2006, Mr. Gobert was its Vice Chairman and through this role had significant involvement in compensation programs and practices for staff and executives. Mr. Gobert holds a Master of Business Administration (Finance) from McMaster University, a Bachelor of Science degree (Mathematics) from the University of Windsor, Ontario and a Chartered Financial Analyst designation. He is also a member of the compensation committee of Canadian Natural Resources Limited, a major Canadian energy producer listed on both the TSX and the NYSE.

James Bell

Mr. Bell is currently Executive Vice President, Corporate and Chief Legal Officer of Dominion Lending Centres Inc., a TSX listed mortgage brokerage company, and served in various executive officer positions prior thereto, including President and Chief Executive Officer of its predecessor company Founders Advantage Capital Corp. From 2010 to 2016, Mr. Bell was General Counsel for Olympia Financial Group Inc. (a TSX listed company) and its wholly-owned subsidiary Olympia Trust Company (a non-deposit taking trust company). Prior thereto, Mr. Bell practiced securities and corporate commercial law as a partner at an international law firm until December 31, 2009. Mr. Bell has been involved in the negotiation and preparation of various executive compensation packages for both his current and former employers and has worked closely with the compensation committee at both entities as well. Further, Mr. Bell has

experience with compensation principles and assessing risk factors relating to executive compensation. Finally, in his role as a private practitioner, Mr. Bell advised numerous clients with respect to executive compensation matters.

Keith MacLeod

Mr. MacLeod is an independent businessman and is currently the Lead Director of Paramount and the Chair of the Verschuren Centre for Sustainability in Energy and the Environment. He is a professional engineer with more than 30 years' experience in the oil and gas industry in Alberta. Until June 2014, he was a director, partner and CEO of Sproule Associates Ltd. (a worldwide petroleum consulting firm), which he first joined in 1979. Mr. MacLeod has significant experience in the development and administration of compensation programs for staff and executives through his experience as CEO of Sproule Associates Ltd. from 2007 to 2014, as a director of various publicly traded oil and gas companies over the last 10 years and as Chair of the Board of the Verschuren Centre, where he is responsible for establishing the CEO's compensation.

Compensation Consultants and Advisors

In 2023 and 2022, Mercer (Canada) Limited ("**Mercer**") provided advisory services to the Compensation Committee as independent consultants. The services consisted of the compilation of peer data and analysis of Paramount's executive compensation structure and compensation levels compared to its peer group. The table below sets out the fees paid by Paramount to Mercer in connection with such engagements under the heading "Executive Compensation Related Fees". In 2023 and 2022, Paramount also paid Mercer for survey compensation data associated with benchmarking Paramount's broader employee groups, the fees for which are set in the table below under the heading "All Other Fees" and did not require pre-approval from the Board or the Compensation Committee.

	Executive Compensation Related Fees	All Other Fees
2023	\$15,309	\$14,081
2022	\$18,018	\$13,125

Risk Oversight in Relation to Compensation Policies and Practices

The Compensation Committee has discussed and assessed the risks related to Paramount's compensation policies and practices and is of the view that, when considered in their totality, Paramount's compensation policies and practices do not incentivize excessive risk taking.

Base Salary

Paramount's Compensation Committee believes that Paramount's salary program does not encourage inappropriate or excessive risk taking for the following reasons:

- Base salaries provide a steady income regardless of share price performance. This allows executives and employees to focus on both Paramount's near-term business plans and long-term goals and objectives without undue reliance on share price performance or short-term market fluctuations.
- Base salaries are competitive to attract high performing employees but are not excessive.
- Increases to base salaries are generally moderate and determined with reference to external benchmarks.
- Severance is based on common law principles and there are no arrangements in place that would provide for a payment on change of control. Accordingly, management is focused on long-term value creation versus short-term growth with a view to a corporate sale that would trigger payout arrangements.

Bonuses under the CBR SUP

The Compensation Committee believes that bonuses under CBR SUP do not encourage inappropriate or excessive risk taking for the following reasons:

- Paramount's CBR SUP awards are variable, at-risk components of compensation. The RSU component of the CBR SUP, which typically comprises all or a majority of the value of awards under the program, encourages an ownership mentality among all recipients.
- Delayed vesting of RSUs encourage the prioritization of sustained value creation for Shareholders over short-term results.

Option Grants

Paramount's Compensation Committee believes that the Option Plan does not encourage inappropriate or excessive risk taking for the following reasons:

- The quantum of any Option grant is tied to past performance as well as the perceived future value of the recipient to Paramount. Grants of Options generally vest over five years, with the first tranche vesting only after the first year. This motivates the achievement of long-term objectives and aligns recipients' interests with Shareholders.
- Paramount generally does not award off-cycle grants of Options, except in the case of new employees.
- There is no automatic vesting upon a change of control and, with limited exceptions, upon resignation or termination all unvested Options terminate.

Extraordinary Cash Bonuses

Paramount's Compensation Committee believes that the ability to award extraordinary cash bonuses does not encourage inappropriate or excessive risk taking for the following reasons:

- They are awarded to recognize exceptional achievements that have will have a long-term positive impact on Paramount.
- They are awarded on a discretionary basis.

Insider Shareholdings

The alignment of interests between Paramount's executives and its Shareholders is further strengthened by the fact that Paramount's CEO owns, controls or directs, directly or indirectly, approximately 24.8% of the Common Shares.

Retirement Plans and Perquisites

Paramount does not award any large perquisites and does not have any pension plans or other post-retirement obligations.

Anti-Hedging Policy

The Corporation has a policy prohibiting its directors and officers from purchasing financial instruments including put and call options, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation to them or held or controlled, directly or indirectly, by them.

Prohibition on Loans

No loans can be made to Paramount's executives for any purpose, including the purchase of Paramount's securities.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table provides a summary of compensation earned by Paramount's NEOs in the three most recently completed financial years.

Name and Principal Position	Year	Salary (\$)	Share-based awards ⁽¹⁾ (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation ⁽³⁾ (\$)	All other compensation ⁽⁴⁾ (\$)	Total compensation (\$)
James Riddell ⁽⁵⁾ President and CEO and Chairman	2023	418,640	3,149,000	484,000	-	25,118	4,076,758
	2022	403,604	3,127,000	702,000	300,000	24,218	4,556,858
	2021	368,640	1,000,000	775,500	-	11,059	2,155,199
Paul Kinvig Chief Financial Officer	2023	318,500	352,904	338,800	200,000	28,665	1,238,869
	2022	303,500	162,729	421,200	125,000	18,210	1,030,639
	2021	278,500	117,500	387,750	-	8,355	792,105
Blake Reid Executive Vice President, Operations	2023	341,500	335,281	290,400	150,000	30,735	1,147,916
	2022	329,500	177,926	421,200	125,000	19,770	1,073,396
	2021	304,500	120,000	387,750	-	9,135	821,385
Rodrigo Sousa Executive Vice President, Corporate Development and Planning	2023	344,500	654,387	363,000	350,000	31,005	1,742,892
	2022	329,500	206,726	526,500	150,000	19,770	1,232,496
	2021	304,500	170,800	517,000	-	9,135	1,001,435
Garth Stotts Executive Vice President, Development and Reserves	2023	312,710	297,504	217,800	235,240	28,144	1,091,398
	2022	300,710	158,070	245,700	56,580	18,043	779,102
	2021	278,710	104,000	310,200	-	8,361	701,271

Notes:

- (1) Amounts represent the grant date fair value of RSU awards, calculated by multiplying the number of RSUs by the weighted average price of the Common Shares over the five trading days preceding the grant date. See "Incentive Plans – Cash Bonus and Restricted Share Unit Plan".
- (2) Amounts represent the grant date fair value of Options granted, calculated using a Black-Scholes model. This methodology is consistent with the method used to estimate the fair value of Options in Paramount's financial statements. For the 2023 grants, the inputs were: expected life 3.9 years, volatility 34%, interest rate 3.7% and dividend yield 5.8%. For the 2022 grants, the inputs were: expected life 3.9 years, volatility 45%, interest rate 3.2% and dividend yield 5.6%. For the 2021 grants, the inputs were: expected life 4.3 years, volatility 44%, interest rate 0.8% and dividend yield 1.5%. See "Incentive Plans – Option Plan".
- (3) Amounts represent extraordinary cash bonuses in the case of all NEOs excluding Garth Stotts. The amounts for Mr. Stotts represent extraordinary cash bonuses as well as the cash component of CBRSUP awards made during the applicable year.
- (4) Amounts represent contributions made by the Corporation in respect of RRSPs of the NEOs. Paramount does not have any defined benefit or defined contribution pension plan for its employees, including the NEOs. No amounts are reflected for perquisites, such as parking. No NEO received perquisites not generally available to all employees of the Corporation in any financial year with an aggregate value in excess of 10% of the salary of the NEO.
- (5) The CEO did not receive compensation in his capacity as a director of Paramount.

Outstanding Options and RSUs

The following table summarizes the outstanding Options and RSUs held by the NEOs as at December 31, 2023.

NEO	Options				RSUs		
	Number of securities underlying unexercised Options (#)	Option Exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of unvested RSUs (#)	Market or payout value of unvested RSUs ⁽¹⁾ (\$)	Market or payout value of vested RSUs not paid out or distributed (\$)
James Riddell	100,000	26.88	April 30, 2029	14,179,234	-	-	-
	100,000	28.45	April 30, 2028				
	150,000	16.23	April 30, 2027				
	150,000	3.84	April 30, 2026				
	308,233	7.50	April 30, 2025				
	200,000	7.28	April 30, 2024				
Paul Kinvig	70,000	26.88	April 30, 2029	4,162,330	5,686	147,438	-
	60,000	28.45	April 30, 2028				
	75,000	16.23	April 30, 2027				
	75,000	3.84	April 30, 2026				
	56,000	7.50	April 30, 2025				
	40,000	7.28	April 30, 2024				
Blake Reid	60,000	26.88	April 30, 2029	3,879,940	5,734	148,683	-
	60,000	28.45	April 30, 2028				
	75,000	16.23	April 30, 2027				
	75,000	3.84	April 30, 2026				
	68,000	7.50	April 30, 2025				
	13,000	7.28	April 30, 2024				
Rodrigo Sousa	75,000	26.88	April 30, 2029	3,256,140	7,142	185,192	-
	75,000	28.45	April 30, 2028				
	100,000	16.23	April 30, 2027				
	70,000	3.84	April 30, 2026				
	28,000	7.50	April 30, 2025				
	12,000	7.28	April 30, 2024				
Garth Stotts	45,000	26.88	April 30, 2029	1,837,253	5,556	144,067	-
	35,000	28.45	April 30, 2028				
	60,000	16.23	April 30, 2027				
	36,000	3.84	April 30, 2026				
	24,960	7.50	April 30, 2025				

Note:

(1) The amounts set out in the "Value of unexercised in-the-money options" and "Market or payout value of unvested RSUs" columns are aggregate amounts in respect of all vested and unvested Options and all unvested RSUs, respectively, held by the NEOs as at December 31, 2023. The value of Options vested was determined by multiplying the number of Options by the difference between \$25.93, the closing price of the Common Shares on December 29, 2023, and the applicable exercise price of the Options. The value of unvested RSUs was determined by multiplying the number of RSUs by \$25.93, the closing price of the Common Shares on December 29, 2023.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table shows the value of Options and RSUs held by NEOs that vested during 2023 as well as cash bonuses paid in 2023.

NEO	Options – Value vested during the year (\$) ⁽¹⁾	RSUs – Value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
James Riddell	4,380,832	3,311,000	-
Paul Kinvig	1,197,247	421,812	200,000
Blake Reid	1,328,082	419,336	150,000
Rodrigo Sousa	1,689,552	776,233	350,000
Garth Stotts	915,598	349,712	235,240

Notes:

(1) The value of Options vested was determined by multiplying the number of Options that vested by the difference between \$33.33, the closing price of the Common Shares on the vesting date of October 19, 2023, and the applicable exercise price of the Options.
(2) The value of RSUs vested was determined by multiplying the number of RSUs vested by the closing prices of the Common Shares on the applicable vesting dates or last trading date prior thereto of January 3, 2023 (\$25.62), April 13, 2023 (\$33.11) and April 14, 2023 (\$33.11). The value of RSUs vested includes an amount equal to the value of accumulated dividends, if applicable, paid on the Common Shares issued upon vesting of the RSUs, which amount was also paid in Common Shares.

Termination and Change of Control Benefits

None of the NEOs have an agreement with the Corporation providing for a payment upon termination, retirement, resignation or a change of control. As discussed below under "*Incentive Plans*", Paramount's CBRSUP and Option Plan provide that the vesting of all unvested RSUs and Options may be accelerated in certain circumstances at the discretion of the Board, including upon a change of control. See above under "*Executive Compensation - Outstanding Options and RSUs*" for a summary of the value of Options and RSUs held by each NEO as at December 31, 2023, which value would have been fully realizable by each NEO at such date if the vesting of all Options and RSUs in connection with a change of control had occurred on such date.

DIRECTOR COMPENSATION

Director Compensation Table

The following table provides a summary of compensation earned by the non-management directors of Paramount in each of the last three financial years.

Director	Year	Fees earned (\$)	Share-based Awards ⁽¹⁾ (\$)	Option-based Awards ⁽²⁾ (\$)	Total Compensation (\$)
James Bell	2023	60,000	92,250	72,600	224,850
	2022	56,667	95,490	105,300	257,457
	2021	46,667	84,375	77,550	208,592
Wilfred Gobert	2023	56,616	92,250	72,600	221,466
	2022	46,667	95,490	105,300	247,457
	2021	37,333	84,375	77,550	199,258
Dirk Jungé	2023	65,000	92,250	72,600	224,850
	2022	56,667	95,490	105,300	257,457
	2021	47,133	84,375	77,550	209,058
Kim Lynch Proctor ⁽³⁾	2023	60,000	92,250	72,600	224,850
	2022	56,667	95,490	105,300	257,457
	2021	32,671	84,375	77,550	194,596
Robert MacDonald ⁽⁴⁾	2023	20,424	-	-	20,424
	2022	56,667	95,490	105,300	257,457
	2021	46,667	84,375	77,550	208,592
R. Keith MacLeod	2023	75,000	92,250	72,600	239,850
	2022	71,667	95,490	105,300	272,457
	2021	60,667	84,375	77,550	222,592
Jill McAuley ⁽⁵⁾	2023	29,247	88,710	183,000	300,957
Susan Riddell Rose	2023	50,000	92,250	72,600	214,850
	2022	46,667	95,490	105,300	247,457
	2021	37,333	84,375	77,550	199,258

Notes:

- (1) Amounts represent the grant date fair value of the RSU awards, calculated by multiplying the number of RSUs by the weighted average price of the Common Shares over the five trading days preceding the grant date. See "*Incentive Plans – Cash Bonus and Restricted Share Unit Plan*".
- (2) Amounts represent the grant date fair value of Options granted calculated using a Black-Scholes model. This methodology is consistent with the method used to estimate the fair value of Options in Paramount's financial statements. For the 2023 grants, with the exception of a grant of 15,000 options made to Ms. McAuley only upon joining the Board on May 31, 2023 (the "McAuley Initial Grant"), the inputs were: expected life 3.9 years, volatility 34%, interest rate 3.7% and dividend yield 5.8%. The inputs for the McAuley Initial Grant were: expected life 3.4 years, volatility 45%, interest rate 3.8% and dividend yield 5.3%. For the 2022 grants, the inputs were: expected life 3.9 years, volatility 45%, interest rate 3.2% and dividend yield 5.6%. For the 2021 grants, the inputs were: expected life 4.3 years, volatility 44%, interest rate 0.8% and dividend yield 1.5%.
- (3) Ms. Lynch Proctor was elected as a director on May 5, 2021.
- (4) Mr. MacDonald ceased to be a director on May 3, 2023.
- (5) Ms. McAuley was appointed as a director on May 31, 2023.

Narrative Discussion of Director Compensation

Fees Earned

Fees are reviewed and set by the Corporate Governance Committee. Fees for each non-management director consist of an annual base honorarium, an additional \$10,000 annual honorarium for chairing a committee of the Board and an additional \$15,000 annual honorarium for acting as Lead Director. No fees are payable for attending meetings or signing written resolutions. The base honorarium was increased in May 2022 from \$40,000 to \$50,000 while the annual honorarium for chairing a committee of the Board and annual honorarium for acting as Lead Director were not changed. In 2023, Mr. Jungé received an additional honorarium of \$5,000 for serving as a director of certain subsidiaries of the Corporation.

Share-based Awards

The Board, on the recommendation of the Corporate Governance Committee, approved an award effective May 4, 2023 of 3,000 RSUs under the CBRSUP to each then serving non-management director. One third of the RSUs awarded vested on grant and a further one third will vest on each of April 15, 2024 and April 15, 2025. The award was deemed appropriate after a review of the total compensation paid to the directors of the Corporation's peer group companies. Ms. McAuley was awarded 3,000 RSUs upon joining the Board on May 31, 2023, half of which will vest on each of April 15, 2024 and April 15, 2025.

Option-based Awards

Option grants to the non-management directors are considered annually by the Compensation Committee in December of each year. Option grants are intended to align the interests of the non-management directors with those of the Shareholders by providing a long-term incentive that tracks share price performance. 15,000 Options have been granted to each of the non-management directors in each of the last three financial years. Ms. McAuley also received an initial grant of 15,000 Options upon joining the Board on May 31, 2023.

Pension Plans

The Corporation does not have any defined benefit or defined contribution pension plan for any director, officer or employee.

Outstanding Options and RSUs Held by Directors

The following table summarizes the outstanding Options and RSUs held by non-management directors as at December 31, 2023.

Director	Options				RSUs		
	Number of securities underlying unexercised Options (#)	Option Exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of unvested RSUs (#)	Market or payout value of unvested RSUs ⁽¹⁾ (\$)	Market or payout value of vested RSUs not paid out or distributed (\$)
James Bell	15,000	26.88	April 30, 2029	1,056,600	3,000	77,790	-
	15,000	28.45	April 30, 2028				
	15,000	16.23	April 30, 2027				
	15,000	3.84	April 30, 2026				
	15,000	5.93	April 30, 2025				
	15,000	7.28	April 30, 2024				
Wilfred Gobert	15,000	26.88	April 30, 2029	491,160	3,000	77,790	-
	15,000	28.45	April 30, 2028				
	12,000	16.23	April 20, 2027				
	9,000	3.84	April 30, 2026				
	6,000	5.93	April 30, 2025				
	3,000	7.28	April 30, 2024				
Dirk Jungé	15,000	26.88	April 30, 2029	884,700	3,000	77,790	-
	15,000	28.45	April 30, 2028				
	15,000	16.23	April 30, 2027				
	15,000	3.84	April 30, 2026				
	12,000	5.93	April 30, 2025				
	9,000	7.28	April 30, 2024				
Kim Lynch Proctor	15,000	26.88	April 30, 2029	145,500	3,000	77,790	-
	15,000	28.45	April 30, 2028				
	15,000	16.23	April 30, 2027				
R. Keith MacLeod	15,000	26.88	April 30, 2029	279,840	3,000	77,790	-
	15,000	28.45	April 30, 2028				
	9,000	16.23	April 30, 2027				
	6,000	3.84	April 30, 2026				
	3,000	5.93	April 30, 2025				
Jill McAuley	15,000	26.88	April 30, 2029	-	3,000	77,790	-
	15,000	29.57	April 30, 2028				
Susan Riddell Rose	15,000	26.88	April 30, 2029	1,056,600	3,000	77,790	-
	15,000	28.45	April 30, 2028				
	15,000	16.23	April 30, 2027				
	15,000	3.84	April 30, 2026				
	15,000	5.93	April 30, 2025				
	15,000	7.28	April 30, 2024				

Note:

(1) The amounts set out in the "Value of unexercised in-the-money options" and "Market or payout value of unvested RSUs" columns are aggregate amounts in respect of all vested and unvested Options, and all unvested RSUs, respectively, held by the directors as at December 31, 2023. The value of Options vested was determined by multiplying the number of Options by the difference between \$25.93, the closing price of the Common Shares on December 29, 2023, and the applicable exercise price of the Options. The value of RSUs vested was determined by multiplying the number of RSUs by \$25.93, the closing price of the Common Shares on December 29, 2023.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table shows the value of Options and RSUs held by non-management directors that vested during 2023.

Director	Options – Value vested during the year (\$) ⁽¹⁾	RSUs – Value vested during the year (\$) ⁽²⁾
James Bell	314,760	155,673
Wilfred Gobert	314,760	155,673
Dirk Jungé	314,760	155,673
Kim Lynch Proctor	65,940	155,673
Robert MacDonald	-	115,885
R. Keith MacLeod	314,760	155,673
Jill McAuley	11,280	-
Susan Riddell Rose	314,760	155,673

Notes:

- (1) The value of Options vested is determined by multiplying the number of Options that vested by the difference between \$33.33, the closing price of the Common Shares on the vesting date of October 19, 2023, and the applicable exercise price of the Options.
- (2) 3,500 RSUs held by each then serving non-management director vested on April 15, 2023. The value of these RSUs was determined by multiplying the number of RSUs that vested by \$33.11, the closing price of the Common Shares on April 14, 2023, the last trading day prior to the vesting date. 1,000 of the RSUs awarded to each then serving non-management director on May 4, 2023 vested on grant. The value of these was determined by multiplying the number of RSUs that vested by the closing price of the Common Shares on May 4, 2023 of \$30.12. The value of RSUs vested includes an amount equal to the value of accumulated dividends, if applicable, paid on the Common Shares issued upon vesting of the RSUs, which amount was also paid in Common Shares.

INCENTIVE PLANS

Cash Bonus and Restricted Share Unit Plan

Purposes, Eligible Participants and Plan Limits

The purposes of the CBRSUP are to: (i) attract and retain qualified officers, employees and non-employee directors, (ii) provide for the award of bonuses of RSUs and/or cash to reward officers and employees for meeting and exceeding corporate, business unit and individual goals and targets and achieving high standards of operating and financial performance ("**Bonus Awards**"); (iii) provide for the award of incentives in the form of RSUs to encourage the creation of long-term shareholder value ("**Incentive Awards**"); and (iv) encourage, through the grant of RSUs, the acquisition of Common Shares by participants, thereby aligning their interests with the interests of the Corporation's shareholders.

Bonus Awards may be granted to officers and employees of the Corporation or of any partnership or subsidiary directly or indirectly controlled by the Corporation. Bonus Awards may consist of RSUs, cash or a combination of both, as determined by the Compensation Committee. Bonus Awards may be granted to officers and employees to reward performance, achievements or milestones in the current or preceding financial year. In determining the officers and employees to whom Bonus Awards may be granted and the RSUs and/or cash to be awarded to each individual, the Compensation Committee may take into account: (i) the title/level, job family, position, duties, seniority and annual salary of the officer or employee; (ii) whether the Corporation, applicable business unit and/or individual attained its performance targets or goals for the most recently completed fiscal year (or other applicable period); (iii) individual and/or business unit contributions to the success of the Corporation; (iv) compensation data in respect of the Corporation's peers and competitors; and (v) such other factors as the Committee deems relevant in furthering and accomplishing the purposes of the CBRSUP.

Incentive Awards may be granted to non-management directors, officers and employees of the Corporation or of any partnership or subsidiary directly or indirectly controlled by the Corporation. Incentive Awards may be granted to incentivize the creation of long-term shareholder value through future services. In determining the non-management directors, officers and employees to whom Incentive Awards may be granted and the RSUs to be awarded to each individual, the Committee may take the following into account: (i) the position, duties and level of responsibility of the Participant, including potential contributions to the success of the Corporation; (ii) retention considerations; (iii) other long term incentives, including stock options, granted to the individual; (iv) compensation data in respect of the Corporation's peers and competitors; and (v) such other factors as the Committee deems relevant in furthering and accomplishing the purposes of the CBRSUP.

The Compensation Committee determines the terms and conditions of vesting of each RSU awarded under the CBRSUP, provided that: (i) RSUs awarded pursuant to a Bonus Award shall vest by no later than December 31 of the second year following the year of grant of the Bonus Award and (ii) RSUs awarded pursuant to an Incentive Award shall vest by no later than December 31 of the third year following the year of grant of the Incentive Award. The Compensation Committee may provide for the immediate vesting of RSUs or the acceleration of the vesting periods of outstanding RSUs.

Unless the Compensation Committee determines otherwise, upon vesting each RSU is exchanged for one Common Share and an amount, payable in cash or Common Shares, equal to any cash dividends paid on the Common Shares with a record date following the date of grant of the RSU and prior to the date of vesting. At the discretion of the Compensation Committee, a cash payment equivalent to the five-day volume weighted average trading price of the Common Shares prior to the vesting date may be made in lieu of the delivery of Common Shares upon vesting.

The Corporation initially implemented the CBRSUP effective November 8, 2017. Since implementation, all Common Shares delivered upon the vesting of RSUs have been purchased through the facilities of the TSX by a third-party custodian. Neither management nor the Board (either directly or through the Compensation Committee) have any direct or indirect control over the time, price, amount or manner of such purchases of Common Shares.

On March 5, 2024, the Board unanimously approved amendments to the CBRSUP that would permit the Corporation the flexibility to issue Common Shares from treasury upon the vesting of RSUs. The effectiveness of these amendments is conditional upon the Shareholders approving the CBRSUP at the Meeting. See "*Business of the Meeting – Approval of Cash Bonus and Restricted Share Unit Plan*".

Under the amendments to the CBRSUP, the maximum number of Common Shares that may be subject to issuance from treasury upon the vesting of outstanding RSUs shall not exceed 3% of the issued and outstanding Common Shares from time to time. In addition, the number of Common Shares (i) issued to the Corporation's "insiders" (as defined in the TSX's Company Manual) in any one year period or (ii) issuable to insiders at any time under the CBRSUP, or under the CBRSUP when combined with the Corporation's other security based compensation arrangements, shall not, in either case, exceed 10% of the issued and outstanding Common Shares from time to time.

If the resolution approving the CBRSUP is not passed at the Meeting, Paramount will retain the CBRSUP and the currently outstanding RSUs will remain outstanding, but the Corporation will not have the ability to issue Common Shares from treasury upon the vesting of RSUs and the limits on Common Shares reserved for issuance under the CBRSUP described above will not apply.

Goals and Objectives for Bonus Awards to Officers and Employees

Bonus Awards are granted at the discretion of the Compensation Committee, usually in April of each year, to officers and eligible employees after reviewing corporate, business unit and individual performance. The potential corporate, business unit and individual goals and objectives that may be considered by the Compensation Committee in determining Bonus Awards are summarized below. The relative weight accorded to the achievement of these goals and objectives may be different for each eligible officer and employee. With respect to NEOs, and in particular the President and CEO, relatively more weighting may be placed on corporate goals and objectives. Bonus Awards may also be made outside of the annual award schedule to incent or reward other corporate or individual achievements, such as the generation of shareholder returns through dividends or the successful execution of strategic initiatives.

Corporate Goals: Corporate goals and objectives are established by the President and CEO at the end of each year for the ensuing year. Corporate goals and objectives would typically relate to: (i) the Corporation's operating results, which could include production, reserves additions, inventory additions, finding and development costs, operating costs, and capital program costs and execution; (ii) financial results, which could include adjusted funds flow, free cash flow, net debt, debt reduction and general and administrative expenses; (iii) shareholder returns, which could include share price performance and dividends paid; (iv) the execution of strategic initiatives and (vi) safety and environmental performance. The corporate goals component also considers Paramount's performance versus its peers in the applicable year.

Business Unit Goals: Business unit goals and objectives are established by the applicable business unit leader and approved by one of Paramount's executive officers having oversight over such business unit. Goals for each business unit are unique to each business unit, but typically include such things as: (i) improvement in lost time incidents; (ii) process improvements; and (iii) better efficiency.

Individual Goals: Individual goals and objectives for each financial year are established by the employee's supervisor and approved by the applicable business unit leader. Performance against such goals and objectives, as well as any significant tangible benefits that the employee brought to his or her business unit and/or the Corporation over and above those goals and objectives, are considered following the completion of each financial year.

Each officer and eligible employee has a target CBRSUP award based on his or her role and position within the Corporation.

Termination of RSUs

Unless the Compensation Committee determines otherwise in any particular case: (i) if the employment of an officer or employee is terminated by Paramount for any reason, with or without cause, all outstanding unvested RSUs held by that individual immediately terminate; (ii) if an officer or employee voluntarily resigns, retires or begins receiving benefits under any long term disability plan of the Corporation, all outstanding unvested RSUs held by that individual terminate on the effective date of their resignation, retirement or commencement of receipt of long term disability benefits; (iii) if

the holder of RSUs ceases to be a director, officer or employee because of death, the vesting date of the RSUs will be accelerated to the date of death; and (iv) if a director ceases to be a director for any reason other than death, all outstanding unvested RSUs held by that individual will terminate on the date the individual ceases to be a director.

Change of Control or Sale

The definition of a change of control under the CBRSUP is substantially the same as that under the Option Plan (see below). In the event of a change of control or a sale by the Corporation of all or substantially all of its assets, the Compensation Committee may determine, in its sole discretion, to accelerate the vesting of unvested RSUs.

Adjustments

In the event of any:

- (i) change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise;
- (ii) granting of rights to Shareholders to purchase Common Shares at prices substantially below fair market value;
- (iii) recapitalization, merger, consolidation or other transaction that is not a change of control as defined in the CBRSUP and as a result of which the Common Shares are converted into or exchangeable for any other securities or Shareholders are entitled to receive new or additional securities of the Corporation and/or securities of another corporation, trust, partnership or other entity and/or other property; or
- (iv) payment of dividends or distributions other than in cash;

the Compensation Committee may, subject to the approval of the TSX, make such adjustments to the CBRSUP and to any outstanding RSUs as it considers appropriate.

Administration

The CBRSUP is administered by the Compensation Committee on behalf of the Board. The Compensation Committee has the full right and authority to administer the CBRSUP and to exercise all the powers and authorities either specifically granted to it under the plan or that the Compensation Committee otherwise deems necessary or advisable to properly administer the plan (provided they are not inconsistent with any of the express provisions of the plan or any applicable rules, regulations or policies TSX).

The Compensation Committee may delegate to one or more of its members, the Corporation's President and Chief Executive Officer or one or more other officers or agents of the Corporation such of its rights or duties under the CBRSUP as it may deem advisable. Where the Compensation Committee has delegated any of its rights or duties under the CBRSUP, references to Compensation Committee are deemed to included references to the applicable delegate.

Amendments

Subject to the restrictions described below, the Compensation Committee may from time to time, in its sole discretion and without the approval of the Shareholders or participants in the CBRSUP, discontinue, suspend or terminate the CBRSUP, or make any amendments to the CBRSUP and/or any outstanding RSUs that it deems necessary or advisable, including without limitation:

- (i) to the provisions of the CBRSUP respecting the persons eligible to receive awards or the determinations or parameters respecting the granting of such awards;
- (ii) to the vesting provisions of the CBRSUP or any RSUs;
- (iii) to the termination provisions of the CBRSUP or any RSUs;
- (iv) to the adjustment provisions of the CBRSUP;
- (v) to the CBRSUP or any RSUs as necessary to comply with, satisfy or address applicable laws or regulatory requirements;
- (vi) of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the CBRSUP, correct or supplement any provision of the CBRSUP that is inconsistent with any other provision of the CBRSUP or correct any grammatical or typographical errors; and
- (vii) respecting the administration of the CBRSUP.

Notwithstanding the above, if the CBRSUP is approved at the Meeting, Shareholder approval will be required for amendments:

- (i) to increase the percentage of Common Shares issuable under the CBRSUP;
- (ii) to increase or remove the limits on insider participation;
- (iii) to extend the vesting date of any RSU held by an insiders of the Corporation (as defined in the TSX's Company Manual); or
- (iv) to the amendment provisions of the CBRSUP.

Any amendment to the CBRSUP or any RSUs that is adverse or detrimental to a holder of unvested RSUs at the time of the amendment and is not required by applicable laws or regulations or by the TSX (as determined by the Compensation Committee in its sole discretion) shall only apply to such RSUs if consented to by such holder.

Option Plan

Purpose, Eligible Participants, Plan Limits and Administration

The purpose of the Option Plan is to recognize those persons who are responsible for the management and growth of the Corporation and advance the interests of the Corporation by encouraging and enabling the acquisition of Common Shares by participants.

The Option Plan enables the Board to grant Options to acquire Common Shares to key employees, officers and non-employee directors.

Under the Option Plan, the aggregate number of Common Shares issuable pursuant to outstanding Options together with the aggregate number of Common Shares issuable under any other security-based compensation arrangement of the Corporation (as defined in the TSX Company Manual), shall not exceed 10% of the issued and outstanding Common Shares from time to time. In addition, the number of Common Shares (i) issued to the Corporation's insiders (as defined in the TSX Company Manual) in any one year period or (ii) issuable to insiders, at any time, under the Option Plan together with any other security-based compensation arrangement cannot, in either case, exceed 10% of the issued and outstanding Common Shares from time to time. Pending approval of the CBRSUP at the Meeting, the Option Plan is the only compensation plan under which equity securities of Paramount have been authorized for issuance from treasury and the only security-based compensation arrangement of the Corporation as defined in the TSX Company Manual.

The Board is responsible for administering the Option Plan and may delegate its administrative authority to the Compensation Committee. References to the Board in this description of the Option Plan include the Compensation Committee acting on behalf of the Board.

Exercise Price and Terms

The exercise price of an Option cannot be less than the volume weighted average trading price of the Common Shares on the TSX for the five completed trading days immediately prior to the date of grant.

Optionholders may either: (i) exercise vested Options for Common Shares or (ii) at the discretion of the Board, surrender vested Options for a cash payment in an amount equal to the positive difference, if any, between the volume weighted average trading price of the Common Shares on the TSX for the five completed trading days preceding the date of surrender and the exercise price of the Option. In order for Paramount to comply with applicable income tax and related withholding obligations with respect to stock option exercises, optionholders are required, when exercising Options, to provide Paramount with the necessary funds to satisfy such obligations and Paramount has the irrevocable right to set off any amounts required to be withheld against amounts otherwise owed to optionholders or to make such other arrangements as are satisfactory to Paramount.

No Financial Assistance and Assignment

No financial assistance is provided by Paramount to optionholders to facilitate the exercise of Options. Options may be exercised only by the optionholder and are not assignable, except on death in which case the personal representative of the optionholder may exercise such vested Options to the extent the holder was entitled at the date of death.

Term and Vesting

The Option Plan provides that Option grants may be made for a term not exceeding ten years from the date of the grant and on such vesting terms as may be approved by the Board.

Options granted under the Option Plan generally have a 5-year vesting schedule, with 1/5th of the Options vesting annually. All currently outstanding Options have expiry dates that are approximately six months after their final vesting date and all expire no later than April 30, 2029.

For Options that would expire on or within nine business days immediately following a date upon which a holder is prohibited from exercising an Option due to a black-out period or other trading restriction imposed by the Corporation, the expiry date of such Options is automatically extended to the 10th business day following the date the black-out period or other trading restriction is removed.

Termination of Rights

Unless otherwise determined by the Board: (i) in the event an optionholder ceases to be employed with, or ceases to be a director of, Paramount for any reason, other than death, the optionholder shall have sixty days from the date of notice of such termination, or such shorter or longer period (not to exceed three years) as may be otherwise determined by the Board and specified in an Option agreement, to exercise his or her vested Options, with any unvested Options as of such date being terminated; and (ii) in the event of the death of an optionholder, his or her vested Options may be exercised or surrendered for cash by his or her personal representative at any time up to and including one year after death, unless specified otherwise in the optionholder's Option agreement, with any unvested Options terminating at the date of death.

Adjustments

Options may be adjusted in the sole discretion of the Board as a result of a reorganization, merger or dissolution of Paramount or a sale of all or substantially all of Paramount's assets or in the event of a subdivision or consolidation of the Common Shares.

Change of Control, Sale or Takeover Bid

A change of control is defined in the Option Plan as: (i) Paramount entering into an agreement resulting in a person or persons acquiring more than 50% of Paramount's then outstanding Common Shares; (ii) the passing of a resolution by the Board or Shareholders to substantially liquidate or wind up the business or significantly rearrange Paramount's affairs; or (iii) a change to the majority of the Board at a meeting in which the election of directors is contested. If a change of control occurs or there is a sale by the Corporation of all or substantially all of its assets, optionholders may be authorized, at the sole discretion of the Board, to exercise or surrender, in full or in part, any unexercised Options (including all unvested Options) during the term of the Options or within 60 days after the date of their termination of employment with Paramount. In the event of a formal take-over bid being made for the Common Shares, the Board, in their sole discretion, may accelerate the vesting of any outstanding Options so that all unvested Options vest and become exercisable.

Amendments

The following changes to the Option Plan and/or Options granted thereunder may be made by the Board without the approval of Shareholders:

- (i) to the provisions of the Option Plan respecting the persons eligible to receive Options;
- (ii) to the terms or conditions of vesting applicable to any Option;
- (iii) to accelerate the expiry date or change the termination provisions of an Option;
- (iv) to the adjustment provisions of the Option Plan;
- (v) to the Option Plan or any Options as necessary to comply with, satisfy or address applicable laws or regulatory requirements;
- (vi) of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Option Plan, correct or supplement any provision of the Option Plan that is inconsistent with any other provision of the Option Plan or correct any grammatical or typographical errors;
- (vii) to the mechanics of exercise of the Options;
- (viii) respecting the administration of the Option Plan; and
- (ix) any other amendment to the Option Plan or any Options that does not require shareholder approval under the rules, regulations and policies of the TSX.

The following changes to the Option Plan and/or Options granted thereunder may not be made without the approval of the Shareholders:

- (i) to increase the percentage of Common Shares issuable under the Option Plan;
- (ii) to increase or remove the insider participation limits set out in the Option Plan;
- (iii) add any financial assistance provision to, or change the assignment and transferability provisions of, the Option Plan;
- (iv) to extend the expiry date of any Option(s);
- (v) to reduce the exercise price of any Option(s) or otherwise effectively re-price any Option(s);
- (vi) to the amendment provisions of the Option Plan; or
- (vii) that otherwise require shareholder approval under the rules, regulations and policies of the TSX.

The Option Plan may also be discontinued, suspended or terminated by the Board at any time, subject to any required TSX approvals; provided, however, that no such actions or amendments may adversely alter or impair any Option previously granted without the consent of the holder thereof unless it is required by applicable laws or regulations.

Securities Authorized for Issuance under Equity Compensation Plans

As of December 31, 2023, the Option Plan was the only compensation plan of Paramount under which equity securities of the Corporation were authorized for issuance. As of that date, there were 144,572,721 Common Shares and 11,758,112 Options outstanding. The details of the outstanding Options as of that date are as follows:

Number of Common Shares to be issued upon exercise of outstanding Options as at December 31, 2023	Weighted-average exercise price of outstanding Options	Number of Common Shares remaining available for future issues under equity compensation plans (excluding securities reflected in the first column) as at December 31, 2023
11,758,112 (8.13% of outstanding Common Shares)	\$17.11	2,699,160 (1.87% of outstanding Common Shares)

INDEBTEDNESS OF DIRECTORS AND OFFICERS

The Corporation has a policy prohibiting it from making loans to its directors and officers and no such indebtedness is outstanding.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any informed person of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation any of its subsidiaries.

CORPORATE GOVERNANCE

Mandate of the Board

The complete text of the mandate of the Board is attached as Schedule "A" to this Information Circular. The mandate provides that the Board has the responsibility for the overall stewardship of the conduct of the business of the Corporation and the activities of management, which is responsible for the day-to-day conduct of the business. The Board's fundamental objectives are to enhance and preserve long term Shareholder value, to ensure the Corporation meets its obligations on an ongoing basis and that the Corporation operates in a reliable and safe manner. The Board has the responsibility to understand the principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks incurred and the potential return to Shareholders, and to ensure that there are appropriate systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation.

Chairman and Lead Director

James Riddell, Paramount's President and CEO, is the Chairman of Board. The Chairman is responsible for the management, development and effective performance of the Board and provides leadership to the Board for all aspects of its work.

As the Chairman is not an independent director, the Board has appointed Keith MacLeod, an independent director, as Lead Director. The Lead Director is responsible for: (i) facilitating the functioning of the Board independent of management and ensuring that directors have an independent leadership contact; (ii) ensuring that the Board has adequate resources, especially by way of full, timely and relevant information to support its decision-making requirements; (iii) assisting and providing input to the Chairman on preparation of agendas for Board meetings as required; (iv) consulting with the Chairman on the effectiveness of Board committees; (v) ensuring that independent directors have adequate opportunities to meet to discuss issues without management present; (vi) chairing Board meetings when the Chairman is not in attendance; (vii) ensuring delegated committee functions are carried out and reported to the Board, for example, the CEO performance assessment, CEO and Board succession planning, and strategic planning; and (viii) acting as a liaison between the Board and management.

Women on the Board

Paramount is committed to ensuring that its Board at all times has the required range of skills, knowledge, experience and perspectives to provide the strategic direction and leadership necessary for Paramount to achieve its business objectives. In order to promote a diversity of perspectives, the Board adopted a written policy in 2022 of seeking to ensure that at least 30% of the Corporation's directors are women. Women comprise 37.5% of the current members of the Board and the nominees for election as director at the Meeting.

Independence of Board Members

A majority of the current members of the Board (six of eight) are independent as that term is defined in section 1.4 and 1.5 of *National Instrument 52-110 - Audit Committees*. The independent Board members are James Bell, Wilfred Gobert, Dirk Jungé, Kim Lynch Proctor, Keith MacLeod and Jill McAuley. James Riddell is not independent because he is the President and CEO of the Corporation. Susan Riddell Rose is not independent because she has a familial relationship with the President and CEO of the Corporation.

The Corporate Governance Committee is comprised of all of the independent directors of the Corporation. The Corporate Governance Committee meets at least semi-annually. The Corporate Governance Committee also meets on an ad hoc basis where circumstances warrant. Non-independent directors and members of management, with the exception of the Corporate Secretary, are not in attendance at these meetings. The Corporate Governance Committee met twice in 2023.

The Board has a policy requiring that an *in camera* meeting of independent directors without management present be held in connection with all Board and committee meetings.

Committees of the Board

The committees of the Board are the Audit Committee, Corporate Governance Committee, the Compensation Committee, the Reserves Committee and the Environmental, Health and Safety Committee. The written charters of each Committee of the Board are available on the Corporation's website at www.paramountres.com.

The Audit Committee's main functions are to assist the Board in the discharge of its responsibilities relating to accounting principles, reporting practices and internal controls as well as to oversee the work of the external auditors. In addition, the Audit Committee is responsible for: (i) identifying and monitoring the principal risks that could impact the financial reporting of the Corporation and (ii) reviewing the Corporation's programs and risk management

strategies related to cybersecurity matters. Additional information respecting the Audit Committee is set forth in Paramount's 2023 annual information form under the heading "Audit Committee Information" and in Appendix C thereto.

The Corporate Governance Committee's mandate is to develop and monitor Paramount's overall approach to corporate governance, and subject to the approval of the Board, to implement and administer a system of corporate governance which reflects high standards of corporate governance practices. The Corporate Governance Committee advises the Board and its committees of any corporate governance issues requiring their consideration. These include matters relating to risk management. The Corporate Governance Committee conducts a periodic review of the principal risks associated with the Corporation's business and reports its findings to the Board. In addition, the Corporate Governance Committee periodically reviews the adequacy and form of compensation to directors to ensure that the level of compensation reflects the responsibilities and risks involved in being an effective director and reports and makes recommendations to the Board accordingly. Finally, the Corporate Governance Committee is responsible for identifying new candidates for nomination to the Board and recommending them to the Board when appropriate.

The Compensation Committee ensures that Paramount has programs in place to attract and develop management of the highest caliber and to ensure orderly succession of management; implements and administers compensation and general human resource policies and guidelines concerning executive compensation, contracts, stock option and other incentive plans, and proposed personnel changes involving officers reporting to the CEO; reviews the Corporation's policies and programs relating to benefits; receives the CEO's recommendations relating to annual compensation policies and budgets for all employees; reviews the Corporation's compensation policies, including assessing such policies to ensure they do not encourage excessive risk taking; and makes regular reports to the Board on the Committee's activities and findings. See "*Compensation Discussion and Analysis – Compensation Governance*" for more detailed information.

The overall purpose of the Reserves Committee is to review the Corporation's externally disclosed oil and gas reserves estimates including reviewing the qualifications of, and procedures used by, the independent engineering firm responsible for evaluating the Corporation's reserves. In addition, the Reserves Committee is responsible for, among other things, reviewing Paramount's procedures relating to the disclosure of information with respect to oil and gas activities, including its procedures for complying with the requirements of *National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities*.

The Environmental, Health and Safety Committee's mandate is to review and monitor the environmental, health and safety policies and activities of Paramount and its subsidiaries and to ensure that there are appropriate systems in place to manage the environmental, health and safety risks associated with the operations of the Corporation and its subsidiaries. See also "*Environmental and Social Governance*" for a description of the Environment, Health and Safety Committee's role in ESG matters.

Committee Membership

The table below sets out the membership of each of the committees of the Board. All of the committees are comprised entirely of independent directors.

Director	Audit	Corporate Governance	Compensation	Reserves	Environmental, Health and Safety
James Riddell					
James Bell	✓	Chair	✓		
Wilfred Gobert	✓	✓	Chair		
Dirk Jungé		✓			Chair
Kim Lynch Proctor	Chair	✓		✓	
Keith MacLeod		✓	✓	Chair	✓
Jill McAuley		✓		✓	✓
Susan Riddell Rose					

Meetings of the Board and Committees in 2023

Four meetings of the Board, four meetings of the Audit Committee, two meetings of the Corporate Governance Committee, two meetings of the Compensation Committee, three meetings of the Reserves Committee and two meetings of the Environmental, Health and Safety Committee were held in 2023. In each case, the attendance level of directors at each meeting was 100%.

Position Descriptions

Written position descriptions have been developed for the Chairman, the Lead Director and for the Chair of each Board committee. A written position description has also been developed for the CEO and CFO by the Corporate Governance Committee of the Board. The written position descriptions for the Chairman and the Lead Director are available on the Corporation's website at www.paramountres.com.

Orientation and Continuing Education

The Board has delegated to the Corporate Governance Committee the responsibility of ensuring there is in place an education and comprehensive orientation program for new members of the Board and a continuing education program for all directors. Under the guidance of the Lead Director, the Corporate Governance Committee has developed and maintains a Corporate Governance Manual to assist new and existing Board members in understanding the role of the Board, its committees and the contribution individual Board members are expected to make. The Corporate Governance Manual contains a historical profile of Paramount, a discussion on the nature and objectives of corporate governance, copies of all relevant corporate, board and committee policies, mandates and charters as well as reference material relating to the legal duties and obligations of a director in a publicly held company. New directors are made aware of the nature and operation of Paramount's business through interviews and meetings with the CEO, other directors, senior officers and management personnel during which they are briefed on Paramount and its business. If requested, an experienced director will be assigned to mentor and coach any new Board member during their initial months of service. In May and November each year, a comprehensive review of Paramount's operations is presented to the Board.

Directors are provided with any available information that will facilitate the maintenance of their industry knowledge and professional skills. Directors are regularly updated on the business operations of Paramount at Board meetings, particularly through the semi-annual sessions to review operations, and through regular communications from management. These updates are conducted by senior management and other invited Paramount employees and include discussions on strategic issues affecting Paramount and any other developments that could materially affect Paramount's business. Directors are also updated on developments in best corporate governance practices through reports from the Corporate Governance Committee. Significant developments in legislation, policy or case law are discussed at Board and applicable committee meetings. Directors are updated on changes to financial reporting requirements through presentations from management and Paramount's auditors, either at regularly scheduled Audit Committee meetings or at special meetings arranged for the Board for that purpose.

Directors are invited to suggest to the Corporation other means of maintaining the skills and knowledge necessary for them to fulfill their responsibilities and steps are taken to implement such suggestions when feasible. In September 2023, the Board arranged for an information session at which it received a presentation from EY respecting global sustainability reporting initiatives, including those respecting climate risks and disclosure, and potential Canadian sustainability reporting standards. The session was attended by all members of the Board.

The Corporation uses a secure board portal to distribute information to the Board of Directors. Information on the board portal includes both current and historic board and committee meeting materials, minutes and resolutions and the Corporate Governance Manual. All existing board members have received, and all new board members will receive, training on the use of the board portal.

Ethical Business Conduct

The Board has adopted a written Code of Business Conduct for all directors, officers, employees and consultants. There is also a written Code of Ethics for the CEO, CFO, Controller and any person performing similar functions. The Board has also adopted a Whistleblower Policy and a Disclosure and Insider Trading Policy.

The Code of Business Conduct, the Disclosure and Insider Trading Policy and the Whistleblower Policy are available to officers, employees and consultants on Paramount's intranet site. Additionally, the Code of Ethics, the Code of Business Conduct and the Whistleblower Policy are available on the Corporation's website at www.paramountres.com. The Code of Ethics and the Code of Business Conduct are also filed on SEDAR+. A hard copy of any of these policies may be obtained on request from the Corporate Secretary at 4700, 888 – 3rd Street S.W., Calgary, Alberta, T2P 5C5.

Compliance is monitored by the Audit Committee receiving, annually, certificates from Paramount's officers and senior management confirming their compliance with the Code of Business Conduct and where applicable, the Code of Ethics. The Audit Committee reviews the certifications and reports to the Board. In addition to the annual certification of the officers, each employee and consultant receives annually a communication from management or People Operations reiterating the need to comply with the Code of Business Conduct and reminding them that the Whistleblower Policy facilitates anonymous disclosure of any breach. The Corporation's website at www.paramountres.com contains directions outlining how anonymous reports may be made under the Whistleblower Policy and provides a link to a separate, stand-alone website through which anonymous reports may be made.

No material change reports were filed by Paramount during 2023 relating to a director's or executive officer's departure from the Code of Business Conduct or the Code of Ethics.

Conflicts of Interest

Potential conflicts of interest between the Corporation and directors or officers of the Corporation may arise from time to time, including as a result of such directors or officers being directors, officers or significant shareholders of other companies or entities engaged in the oil and natural gas business. Any conflicts of interest that arise will be resolved

in accordance with Paramount's governing corporate statute, the *Business Corporations Act (Alberta)* ("**ABCA**"), Paramount's Code of Business Conduct and the Corporation's Associated Party Transaction Policy.

The ABCA requires that a director or officer of a corporation who is party to a material contract or proposed material contract with the corporation, or is a director or an officer of or has a material interest in any person who is a party to a material contract or proposed material contract with the corporation, disclose in writing to the corporation or request to have entered into the minutes of meetings of directors the nature and extent of the director's or officer's interest; and, if a director, that he or she not vote on any resolution to approve the contract, except in certain circumstances. The ABCA also requires that a corporation's directors and officers act honestly and in good faith with a view to the best interest of the corporation.

Paramount's Code of Business Conduct requires that directors and officers of Paramount avoid putting themselves in a conflict of interest and, if such a position arises, that disclosure of such position be made so that Paramount can approve or disapprove such position, with disapproved conflicts of interest requiring immediate cessation by the director or officer.

The Corporation's Associated Party Transaction Policy, which was adopted in 2022, requires that certain specified transactions involving directors, officers, significant shareholders and their family members ("**Associated Parties**") be reviewed and approved by the independent members of the Corporate Governance Committee. The specified transactions consist of any transaction between the Corporation or any subsidiary of the Corporation and an Associated Party, other than: (a) a transaction involving consideration or value, when aggregated with all similar transactions, not exceeding \$100,000; (b) a transaction entered into in the ordinary course of business by participants in the oil and natural gas industry and not involving: (i) the provision of goods or services to the Corporation or a subsidiary of the Corporation; (ii) the acquisition or disposition of any interest in any asset by the Corporation or a subsidiary of the Corporation, including through a farm-out, lease or royalty; or (iii) the entering into of a joint venture or general partnership; (c) a transaction whose material terms have been determined in a competitive bidding process; (d) a transaction involving the exercise or fulfillment of any existing contractual or statutory right or obligation, including rights of first refusal and earning rights; (e) a transaction involving any compensation, incentive or employment benefit payable to an Associated Party; (f) a transaction involving a security of the Corporation in which the Associated Party is participating or entitled to participate on the same basis as other securityholders of the same class of securities; or (g) a transaction involving the provision of indemnification or insurance to the Associated Party in their capacity as a director or officer of the Corporation or a subsidiary of the Corporation.

Nomination of Directors

The Corporate Governance Committee, which is comprised of all of the independent directors of the Corporation, is responsible for identifying new candidates for nomination to the Board and recommending them to the Board when appropriate. Upon there being a vacancy on the Board or a determination being made that the Board should be expanded, the CEO and the chair of the Corporate Governance Committee meet to review whether there are particular competencies needed by the Board and to set forth criteria in the selection process. Once a suitable candidate(s) is identified, the CEO and/or chair of the Committee meet with the nominee(s) to discuss his or her interest and ability to devote sufficient time and resources to the position. If the nominee agrees to the appointment or to stand for election, he or she is presented to the Corporate Governance Committee. If the proposed nominee is acceptable to the Corporate Governance Committee, the Corporate Governance Committee then makes a recommendation to the Board.

The Corporate Governance Committee is responsible for considering the appropriate size of the Board, establishing the criteria for Board membership, assessing the competencies and skills of each existing director and any new nominees with a view to achieving competencies and skills that the Board as a whole should possess, proposing candidates for election or re-election and ensuring there is an orientation program in place for new Board members and a continuing education program in place for all directors.

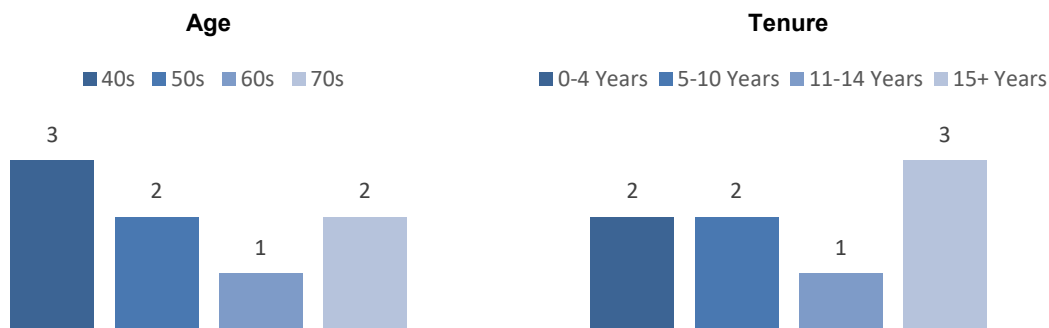
Assessments

The Board is responsible for making regular assessments of its effectiveness as well as the effectiveness and contribution of each Board committee and each individual director. The Corporate Governance Committee establishes and administers a process (including a review by the full Board and discussion with management) for assessing the effectiveness of the Board as a whole, each of the Board committees and individual directors. A Board assessment and evaluation questionnaire is included in the Corporate Governance Manual and each director, as part of the overall assessment process, completes a confidential questionnaire on an annual basis. This questionnaire asks directors to evaluate, among other things: the size and structure of the Board and each of its committees; the knowledge, understanding and diversity of the directors; the effectiveness of the Chairman, the CFO, the chair of each committee and the Lead Director; the effectiveness of each committee; preparation for meetings, including the setting of agendas and the adequacy and timeliness of information provided to the Board and committees; overall Board operations; and ability to function independently of management. The questionnaire also includes a peer-assessment whereby each director is asked to answer a series of questions evaluating the skills, performance and contributions of each of the other Board members. The Corporate Governance Committee analyzes the directors' responses to these questionnaires and presents them to the full Board for consideration each year.

In addition to the detailed evaluation and assessment mentioned above, each Board committee conducts annual reviews and assessments of its performance, including compliance with its charter and its role, duties and responsibilities and submits a report to the Board for consideration and recommendations.

Director Term Limits and Board Renewal

The Board monitors the age tenure and age of its members as a part of the process of ensuring that the Board, at all times, has the appropriate mix of skills, expertise and knowledge and that ample time is available to identify qualified replacements for departing Board members. The graphs below illustrate the age and tenure of the current members of the board.



The Board has not adopted formal term limits or a formal retirement policy as it believes that such formal limits or policies might adversely impact the composition of the Board by requiring the premature departure of Board members with the greatest amount of industry experience and deepest understanding of Paramount’s business and its strategic and operational objectives.

ENVIRONMENTAL AND SOCIAL GOVERNANCE

Oversight

The Environmental, Health and Safety Committee of the Board oversees Paramount’s environmental policies and programs, including those pertaining to sustainability, emissions tracking, reduction and reporting, water use and environmental and climate-related risk assessment and management. The Environmental, Health and Safety Committee also reviews Paramount’s approach to environmental and social governance (“ESG”) reporting and is mandated to review any ESG report prior to issuance. The Environmental, Health and Safety Committee meets and reports to the Board at least semi-annually.

Paramount has formed an ESG Committee comprised of a multidisciplinary team of senior officers and subject matter experts from across the Corporation. The ESG Committee is scheduled to meet at least monthly and is responsible for preparing Paramount’s ESG reporting, keeping abreast of ESG related developments and trends and considering sustainability-related opportunities, risks and initiatives. The ESG Committee has formed a GHG Task Force to assist it in developing strategies to further improve GHG performance, including evaluating and implementing specific projects and initiatives to reduce GHG emissions and improve GHG emissions intensity.

Environment, Health, Safety and Sustainability

Paramount’s Health, Safety and Environment Policy (the “HSE Policy”) sets out the Corporation’s governing principles respecting health, safety and the environment, including a commitment to the prevention of incidents in all phases of operations that could cause harm to people, property loss or an adverse impact on the environment. The HSE Policy is available on the Corporation’s website at www.paramountres.com.

The Paramount Operations Excellence Management System (“POEMS”) provides the framework pursuant to which the Corporation has developed a comprehensive operations management system. POEMS contains specific policies and procedures to address environmental, health and safety matters.

The HSE Policy and POEMS emphasize Paramount's responsibility to make environmental protection and health and safety a consistent component of decision-making processes and require compliance from management, employees, contractors, consultants and other parties performing work on behalf of the Corporation. Paramount's managers and supervisors are required to assess the potential effects of their projects and to integrate protective measures to prevent environmental, health and safety incidents from occurring as a result of business activities. Managers and supervisors also are expected to provide training and to be prepared to respond safely and effectively to environmental, health and safety incidents. An HSE Steering Committee, comprised of Paramount operations management and reporting to the Executive Vice President, Operations, has been established to ensure the proper implementation and functioning of the environmental, health and safety components of POEMS and to endeavor to achieve continuous improvement on such matters.

Additional details concerning Paramount's practices, policies and procedures relating to the environment, health, safety and sustainability are provided in the Corporation's 2023 annual information form, which is available at www.paramountres.com, under the heading "*Environment, Health, Safety and Sustainability*". In addition, certain risks associated with environmental, health and safety matters are described in the 2023 annual information form under the headings "*Risk Factors – Access to Water*", "*Risk Factors – Operating Risks and Insurance*", "*Risk Factors – Climate Change and GHG Emissions*", "*Risk Factors – Environmental, Health and Safety Laws and Regulations*" and "*Risk Factors – Hydraulic Fracturing*".

Identification of Climate-Related Risks and Opportunities

Climate-related risks are identified through Paramount's integrated risk assessment and management processes. These include a Board-reviewed risk matrix and risk assessments conducted by the Corporation's leadership team and Board in conjunction with the annual budgeting process, the quarterly review of operating and financial results and long-term strategic planning.

Paramount considers short-term climate-related risks to be those with a time horizon of less than one year. Short-term risks include acute physical risks to the Corporation's assets and operations, such as forest fires, flooding or drought, and risks associated with compliance with current regulatory requirements. These risks are primarily managed through specific policies and procedures implemented under POEMS and overseen by senior management. Through such policies and procedures, these risks are assessed and ranked based on likelihood and impact.

The Corporation considers medium-term climate-related risks to be those with a time horizon of between one and five years. This time horizon generally includes risks that have the potential to impact, or that have been factored into, medium-term development plans and financial modelling or that are associated with potential regulatory and tax changes under consideration, or that may be reasonably anticipated to come under consideration, by applicable authorities. Medium-term climate-related risks include chronic physical risks, such as changes in precipitation patterns impacting water availability, as well as emerging regulations and policies. These risks are managed by teams of management and operating personnel, together with subject matter experts, who, under the oversight of the Environmental, Health and Safety Committee of the Board, are charged with developing strategies and policies to assess and address these risks.

Paramount considers long-term climate-related risks to be those with a time horizon of greater than five years. This time horizon includes risks that have the potential to impact the Corporation's ability to fully develop and market its resources over the anticipated lifespan of its fields and risks that are associated with shifts in consumption patterns, investment practices and public perception. Long-term climate-related risks include market-related and reputational risks that are strategic risks which are identified and assessed the Board in conjunction with senior management

A description of climate-related risks that may impact the Corporation is set forth in Paramount's 2023 annual information form under the heading "*Risk Factors – Climate Change and GHG Emissions*". In addition, a description of laws and regulations that the Corporation is subject to or may become subject to in connection with carbon pricing and the regulation of greenhouse gas emissions is provided in the 2023 annual information form under the heading "*Industry Conditions – Greenhouse Gas Emissions*".

Climate-related opportunities are identified on both an operational and strategic level. Operational opportunities, such as the generation of carbon credits through emission reduction projects and improvements to efficiency, are primarily identified by responsible operational personnel, including the ESG Committee and GHG Task Force. Strategic opportunities, such as those associated with the potential of natural gas and liquified natural gas to act as a low emissions energy alternative, are considered by Paramount's senior management and Board as part of the Corporation's overall strategic planning processes.

Community Relations

Being a respected partner and contributor to the communities where it operates and where its employees live and work is critical to Paramount's success. Without the understanding and support of these communities, the Corporation risks damage to its reputation and regulatory and operational disruptions or delays that could prevent the efficient execution of development plans.

Paramount works together with communities and stakeholders through participation in local operator and community groups, open houses and individual stakeholder meetings and discussions. The Corporation maintains stakeholder engagement plans for all of its core areas that are regularly updated to ensure that stakeholder concerns are addressed as operations evolve. Paramount registers significant stakeholder concerns and tracks them through their lifecycle until resolution. No community disputes were experienced in the last three fiscal years that disrupted or delayed any of the Corporation's operations.

In addition to contributing to the communities where it operates by providing employment, utilizing local services and paying taxes, Paramount directly supports community not-for-profit organizations and events through donations and sponsorships.

Human Rights

All of Paramount's assets and operations are located in Western Canada. Canada is a jurisdiction free from risk of armed conflict and subject to comprehensive laws protecting labour and employment rights and guarding against abuse of human rights. The Code of Business Conduct expressly states the Corporation's commitment to respecting and protecting human rights and requires the Corporation and all of its personnel to comply with all applicable laws pertaining to human rights, labour rights, freedom of association, collective bargaining and working hours. This includes all applicable laws designed to identify and address the risk of child labour, forced labour, human trafficking and modern slavery in the Corporation's supply chain, including the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada).

Indigenous Rights and Relations

With the exception of a single producing well, none of Paramount's lands that have net proved reserves attributed to them are located on either a First Nations reserve or on Métis Settlement lands. However, the areas of Alberta and British Columbia where Paramount has active production operations are located on the traditional territories of certain First Nations groups (as recognized under Treaty 6, 7 or 8) or on lands where Métis communities have asserted traditional use rights. Paramount proactively engages and consults with these groups in accordance with applicable legislation, regulations and policies. These communities often have their own policies regarding consultation and engagement that Paramount also strives to respect. This engagement and consultation not only increases the Corporation's understanding of the current and historical use of affected lands by these communities, but often leads to mutually beneficial collaboration on development and asset retirement and reclamation activities. These same principles apply in the Northwest Territories and the Yukon where Paramount has inactive assets that lie either within settled land claim areas or traditional territories of certain Indigenous groups.

A description of legislation and recent court decisions respecting Indigenous rights in Alberta and British Columbia is provided in the 2023 annual information form under the heading "*Industry Conditions – Indigenous Rights*".

ESG Reporting

Paramount released its 2023 ESG report in August 2023. The ESG report can be viewed on Paramount's website at www.paramountres.com.

COMMITMENT TO A RESPECTFUL WORKPLACE AND WORKFORCE COMPOSITION

Commitment to a Respectful Workplace

Paramount's Respectful Workplace Policy sets out its commitment to providing a work environment where all employees and contractors can function with mutual respect, and without fear of harassment or threatening or violent behavior. This includes a prohibition on any conduct or comment which detrimentally affects the work environment or leads to adverse job-related consequences for another individual and is related to age, race, gender, gender identity, gender expression, religious beliefs, ancestry, place of origin, colour, physical or mental disability, marital status, source of income, family status or sexual orientation. This prohibition on discrimination is enforced by means of a formal complaint resolution process and a provision for disciplinary action for violation up to and including termination for cause.

Headcount and Voluntary Turnover

The below table sets out the number of full and part-time employees of the Corporation as at the end of the last three completed financial years as well as the voluntary turnover rate in each of those years.

	2023	2022	2021
Employees – full time	449	436	397
Employees – part time	6	5	5
Contractors	74	82	85
Total Staff	529	523	487
Voluntary turnover rate	6%	9%	8%

Women in the Workforce

Paramount considers its executive officers to be the five NEOs, as well as Bernard Lee, Executive Vice President, Finance and John Williams, Executive Vice President, Kaybob. None of these officers are women. Paramount believes that all employees, including its executive officers, should be hired and promoted based solely on their professional qualifications, accomplishments and merit. Accordingly, the level of representation of women in executive officer positions is not specifically considered in making executive officer appointments and Paramount has not adopted a target regarding women in executive officer positions.

The table below sets out the percentages of the Corporation's total workforce, supervisory and professional positions and management positions that are comprised of women as at the end of the last three completed financial years.

	2023	2022	2021
Total workforce	33%	34%	32%
Supervisory and professional	38%	41%	41%
Management	21%	21%	21%

Workforce Age

The table below sets out the composition of the Corporation's total workforce by age as at the end of the last three completed financial years.

	2023	2022	2021
30 and under	8%	7%	5%
31 to 50	51%	51%	55%
Over 50	41%	42%	40%

SCHEDULE "A" – BOARD OF DIRECTORS MANDATE

The Board of Directors' Mandate was adopted by the Board on May 19, 2005 and includes amendments to March 6, 2019. The Mandate is set out in its entirety below.

A. Introduction

The Board of Directors (the "Board") has the responsibility for the overall stewardship of the conduct of the business of the Corporation and the activities of management, which is responsible for the day-to-day conduct of the business. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, to ensure the Corporation meets its obligations on an ongoing basis and that the Corporation operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests its other stakeholders such as employees, customers and communities may have in the Corporation. In overseeing the conduct of the business, the Board, through the Chairman and President & Chief Executive Officer, shall set the standards of conduct for the Corporation.

B. Procedures and Organization

The Board operates by delegating certain of its powers to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting committees of the Board and determining Director compensation. Subject to the Articles and By-Laws of the Corporation and the Business Corporations Act, Alberta (the "Act"), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

C. Duties and Responsibilities

The Board's principal duties and responsibilities fall into a number of categories which are outlined below.

1. Legal Requirements

- (a) The Board has the responsibility to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained;
- (b) The Board has the statutory responsibility to:
 - (i) manage the business and affairs of the Corporation;
 - (ii) act honestly and in good faith with a view to the best interests of the Corporation;
 - (iii) exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and
 - (iv) act in accordance with its obligations contained in the Business Corporations Act, Alberta and the regulations thereto, the Corporation's Articles and By-Laws, securities legislation of each province and territory of Canada, and other relevant legislation and regulations;
- (c) The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
 - (i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - (ii) the filling of a vacancy among the directors or in the office of auditor;
 - (iii) the issuance of securities;
 - (iv) the declaration of dividends;
 - (v) the purchase, redemption or any other form of acquisition of shares issued by the Corporation;
 - (vi) the payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares;

- (vii) the approval of management proxy circulars;
- (viii) the approval of the annual financial statements of the Corporation, MD&A and AIF; and
- (ix) the adoption, amendment or repeal of By-Laws of the Corporation.

2. Independence

The Board has the responsibility to ensure that appropriate structures and procedures are in place to facilitate the Board to function independently of management. In this regard, the Board shall consist of a majority of "independent directors"³, as that term is defined in Section 1.4 of Multilateral Instrument 52-110, Audit Committee or such guidelines as may hereafter replace the same. The independent board members should hold separate, regularly scheduled meetings at which members of management are not in attendance. In as much as the chair of the Board of Paramount Resources Ltd. is not independent, an independent director has been appointed as "lead director."

3. Strategy Determination

The Board has the responsibility to ensure there are long term goals and a strategic planning process in place for the Corporation and to participate with management directly or through its committees in developing and approving, as required, the mission of the business of the Corporation and the strategic plan by which it proposes to achieve its goals, which strategic plan takes into account, among other things, the opportunities and risks of the Corporation's business.

4. Managing Risk

The Board has the responsibility to understand the principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that there are appropriate systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation.

5. Division of Responsibilities

The Board has the responsibility to:

- (a) appoint and delegate responsibilities to committees where appropriate to do so; and
- (b) develop position descriptions for:
 - (i) the Chairman;
 - (ii) the lead director;
 - (iii) the President and Chief Executive Officer; and
 - (iv) the Chief Financial Officer.

6. Appointment, Training and Monitoring Senior Management

The Board has the responsibility to:

- (a) appoint the Chief Executive Officer, to monitor and assess the Chief Executive Officer's performance, to determine and approve the Chief Executive Officer's compensation, and to provide advice and counsel in the execution of the Chief Executive Officer's duties;
- (b) approve the appointment and remuneration of all other designated corporate officers, acting upon the advice of the Chief Executive Officer;
- (c) the extent feasible, to satisfy itself as to the integrity of the Chief Executive Officer and other corporate officers and that the Chief Executive Officer and other corporate officers create a culture of integrity throughout the organization;

³ Definitions have been omitted.

- (d) ensure that adequate provision has been made to train and develop management and for the orderly succession of management; and
- (e) ensure that management is aware of the Board's expectations of management.

7. Policies, Procedures and Compliance

The Board has the responsibility to:

- (a) ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
- (b) approve and monitor compliance with significant policies and procedures by which the Corporation is operated;
- (c) ensure the Corporation sets high environmental standards in its operations and is in compliance with environmental laws and legislation; and
- (d) ensure the Corporation has in place appropriate programs and policies for the health and safety of its employees in the workplace.

8. Reporting and Communication

The Board has the responsibility to:

- (a) ensure the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally;
- (b) ensure that the financial performance of the Corporation is adequately reported to shareholders, other securityholders and regulators on a timely and regular basis;
- (c) ensure that the financial results are reported fairly and in accordance with generally accepted accounting standards;
- (d) ensure the timely reporting of any other developments that have a significant and material impact on the value of the Corporation;
- (e) report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year; and
- (f) develop appropriate measures for receiving shareholder feedback.

9. Monitoring and Acting

The Board has the responsibility to:

- (a) monitor the Corporation's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- (b) take action when performance falls short of its goals and objectives or when other special circumstances warrant;
- (c) ensure that the Corporation has implemented adequate internal control and management information systems which ensure the effective discharge of its responsibilities; and
- (d) make regular assessments of the Board's effectiveness, as well as the effectiveness and contribution of each Board Committee. This responsibility has been delegated to the Corporate Governance Committee working in conjunction with the Chairman.