

## **BOARD DIVERSITY POLICY**

Peyto Exploration & Development Corp. (the "**Company**") believes in diversity and values the benefits that diversity can bring to its board of directors (the "**Board**"). Diversity promotes the inclusion of different perspectives and ideas, mitigates against group think and ensures that the Company has the opportunity to benefit from all available talent. The promotion of a diverse Board makes prudent business sense and makes for better corporate governance so long as it does not unduly affect the size of the Board nor the efficiency by which its business can be conducted.

The Company seeks to maintain a small but efficient Board comprised of a minimum number of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. The skills and backgrounds collectively represented on the Board should reflect the diverse nature of the business environment in which the Company operates. As a result, the Company is committed to a merit based system for Board composition within a diverse and inclusive culture which solicits multiple perspectives, diverse ideas and views, and is free of conscious or unconscious bias and discrimination. For purposes of Board composition, diversity includes, but is not limited to, business experience, geography, gender and age. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, the Company will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board.

The Company believes promotion of diversity is best served through careful consideration of all of the knowledge, experience, skills and backgrounds of each individual candidate for director in light of the needs of the Board without focussing on a single diversity characteristic and, accordingly, has not adopted targets regarding gender nor ethnic diversity on the Board.

The Company will periodically assess the expertise, experience, skills and backgrounds of its directors in light of the needs of the Board, including the extent to which the current composition of the Board reflects a diverse mix of knowledge, experience, skills, gender and backgrounds.

Any search firm engaged to assist the Board, or a committee of the Board, in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates.

Annually, the Board, or a committee of the Board, will review this policy and assess its effectiveness in promoting a diverse Board.