

Policy on Directors' Voting Procedures

Effective: April 11, 2014

The board of directors (the "**Board**") of PrairieSky Royalty Ltd. (the "**Company**") believes that each of its members should carry the majority support of its shareholders. To this end, the Board of the Company has adopted this statement of policy. Future nominees for election to the Board will be asked to subscribe to this statement before their names are put forward.

Shareholders will be able to vote at a shareholders meeting where directors are to be elected in favour of, or to withhold from voting on, each director nominee separately. If votes withheld for the election of any particular director are greater than five percent of the votes cast in person or by proxy at a shareholders meeting, the Chair of the meeting, in compliance with the Business Corporations Act (Alberta), will call for a vote by ballot at the meeting and the scrutineers will record, with respect to each nominee, the number of shares in his or her favour and the number of shares withheld from voting.

In an uncontested election of directors, if any nominee receives a greater number of votes "withheld" from his or her election than votes "for", then, for purposes of this Policy, the nominee shall be considered not to have received the support of the shareholders, even though duly elected as a matter of corporate law.

A person elected as a director who is considered under this test not to have the majority support of the shareholders is expected forthwith to submit to the Board his or her resignation, to take effect upon acceptance by the Board. The Governance and Compensation Committee will expeditiously consider the director's offer to resign and make a recommendation to the Board. The Board will retain its discretion to accept or reject the resignation. However, in the absence of special circumstances, it is expected that the Board will accept the resignation consistent with an orderly transition. It is anticipated that the Board will make its decision to accept or reject the resignation within 90 days. Any director who tenders a resignation pursuant to this Policy will not participate in the deliberations of the Governance and Compensation Committee or the Board with respect to the resignation of such director.

Subject to any corporate law restrictions, the Board may leave the resultant vacancy unfilled until the next annual shareholders meeting, or may fill the vacancy in accordance with the Company's by-laws, the applicable terms of the Governance Agreement between the Company and Encana Corporation, as may be amended from time to time, and applicable corporate laws.

In this Policy, an "uncontested election" shall mean an election where the number of nominees for director shall be equal to the number of directors to be elected.