

# EPSILON ENERGY LTD.

## Majority Voting Policy

1. In an uncontested election of directors of Epsilon Energy Ltd. (the "**Company**"), any nominee for election as a director who receives a greater number of votes "withheld" from his or her election than votes "for" such election (a "**Majority Withheld Vote**") shall, immediately following the date of the shareholders' meeting at which the election occurred, tender his or her resignation to the Chairman of the Board of Directors for consideration by the Board of Directors other than the director or directors receiving the Majority Withheld Vote. In this policy, an "uncontested election" shall mean an election in which the number of nominees for election as director shall not be greater than the number of directors to be elected.
2. The Board of Directors, other than the director or directors receiving a Majority Withheld Vote, shall consider the resignation promptly following the date of the shareholders' meeting at which the election occurred, and shall determine whether or not to accept it. In considering whether or not to accept the resignation, the Board of Directors shall consider all factors deemed relevant including, without limitation, the length of service and the qualifications of the director (including, for example, the impact the director's resignation would have on the Company's compliance with the requirements of applicable corporate and securities laws and the rules of any stock exchange on which the Company's securities are listed or posted for trading), the Company's corporate governance policies, whether the director's resignation could trigger a change of control or similar provisions under any contract by which the Company is bound and whether the director's resignation from the Board of Directors would be in the best interests of the Company.

The Board of Directors shall decide whether to accept such resignation within 90 days of the date of the shareholders' meeting at which the election occurred. The Board of Directors shall consider such additional information and factors that the Board of Directors may consider to be relevant. The Board of Directors shall accept the resignation unless it determines that exceptional circumstances would warrant the applicable director continuing to serve on the Board of Directors. The resignation shall be effective when accepted by the Board of Directors.

3. Following the Board of Directors' decision on the resignation, the Board of Directors shall promptly disclose, by way of a news release, the Board of Directors' decision whether or not to accept the director's resignation and if the Board of Directors does not accept the resignation, the full reasons for rejecting the tendered resignation.
4. Any director who, in accordance with this policy, is required to tender his or her resignation, shall recuse himself or herself from the Board of Directors' deliberations and recommendation, with respect to accepting or rejecting his or her resignation as a director. Until a decision is made by the Board of Directors to accept the resignation, such director shall remain active and engaged in all other board and committee activities, deliberations and decisions during the process contemplated by this policy.
5. The Board of Directors may adopt such procedures and consult with outside legal counsel or other independent parties as it sees fit to assist it in its determinations with respect to this policy.

6. Each of the current directors has agreed to abide by the provisions of this policy and any subsequent candidate nominated by management shall, as a condition of such nomination, be required to abide by this policy.
7. The Board of Directors may at any time in its sole discretion supplement or amend any provision of this policy, or adopt a new policy relating to director elections with such terms as the Board of Directors determines, in its sole discretion, to be appropriate provided such policy is in compliance with the requirements of the Toronto Stock Exchange Company Manual. The Board of Directors shall have the exclusive power and authority to administer this policy, including, without limitation, the right and power to interpret the provisions of this policy and make all determinations deemed necessary or advisable for the administration of this policy. All such actions, interpretations and determinations which are done or made by the Board of Directors in good faith shall be conclusive and binding.