

# SIGNIFICANT DIFFERENCES IN PEMBINA PIPELINE CORPORATION'S CORPORATE GOVERNANCE PRACTICES COMPARED TO NYSE CORPORATE GOVERNANCE STANDARDS



As a Canadian corporation listed on the New York Stock Exchange ("NYSE"), Pembina is not required to comply with most of the NYSE corporate governance standards, so long as it complies with Canadian corporate governance practices. In order to claim such an exemption, however, Pembina must disclose the significant differences between its corporate governance practices and those required to be followed by U.S. domestic companies under the NYSE corporate governance standards.

Pembina's corporate governance practices meet or exceed all applicable Canadian requirements. They also incorporate some best practices derived from the NYSE rules and comply with applicable rules adopted by the Securities and Exchange Commission to give effect to the provisions of the United States Sarbanes-Oxley Act of 2002.

We expect that further information about Pembina's corporate governance practices will be included in Pembina's Management Proxy Circulars in respect of its future annual meetings of shareholders.

The following is a summary of the significant ways in which Pembina's corporate governance practices differ from those required to be followed by U.S. domestic issuers under the NYSE's corporate governance standards. Except as described in this summary, Pembina is in compliance with the NYSE corporate governance standards in all significant respects.

## Approval of Equity Compensation Plans

Section 303A.08 of the NYSE's Listed Company Manual requires shareholder approval of all equity compensation plans and material revisions to such plans. The definition of "equity compensation plans" covers plans that provide for the delivery of both newly issued and treasury securities, as well as plans that rely on securities re-acquired in the open market by the issuing company for the purpose of redistribution to employees and directors. The TSX rules provide that only the creation of or material amendments to equity compensation plans that provide for new issuances of securities are subject to shareholder approval. Pembina follows the TSX rules with respect to this requirement for shareholder approval of equity compensation plans and material revisions to such plans.