

AUDIT COMMITTEE CHARTER



I. ROLE AND OBJECTIVES

The Audit Committee (the "Committee") is a committee of the Board of Directors (the "Board") of Pembina Pipeline Corporation (the "Corporation") to which the Board has delegated certain oversight responsibilities relating to the Corporation's financial statements, the external auditors, the internal audit function, compliance with legal and regulatory requirements and management information technology. In this Charter, the Corporation and all entities controlled by the Corporation are collectively referred to as "Pembina".

The Committee carries out its responsibilities with a view to the purpose of Pembina, and its role is to support Pembina's commitment to providing sustainable industry-leading total returns to investors.

The objectives of the Committee are to maintain oversight of:

- (a) the integrity of Pembina's financial statements, the reporting process and internal controls over financial reporting;
- (b) the relationship, reports, qualifications, independence and performance of the external auditor;
- (c) the internal audit function;
- (d) the financial risk identification, assessment and management program;
- (e) compliance with legal and regulatory requirements related to financial reporting and financial controls;
- (f) management of information technology related to financial reporting and financial controls; and
- (g) maintenance of open avenues of communication among management of the Corporation, the external auditors, the internal auditors and the Board.

II. MEMBERSHIP AND ACCESS

The Board will appoint or reappoint members of the Committee. Each member shall serve until his or her successor is appointed unless the member resigns, is removed or ceases to be a director. The Board may add or remove members of the Committee or fill a vacancy that occurs in the Committee at any time.

The Committee must be composed of not less than three (3) members of the Board, each of whom must be independent pursuant to the Corporation's Standards for Director Independence and financially literate as determined by the Board using its business judgment. In addition, at least one member must be an "audit committee financial expert" within the meaning of that term under the United States Securities Exchange Act of 1934, as amended, and the rules adopted by the United States Securities and Exchange Commission thereunder. The Board Chair, in consultation with the Governance, Nominating and Corporate Social Responsibility Committee, will appoint or reappoint the Chair of the Committee from amongst its members.

The Committee may at any time retain outside financial, legal or other advisors as it determines necessary to carry out its duties, at the expense of Pembina. Pembina shall provide for appropriate funding, as

determined by the Committee in its capacity as a committee of the Board, for payment of: (i) compensation to the external auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for Pembina, (ii) compensation to any advisors employed by the Committee, and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

In discharging its duties under this Charter, the Committee may investigate any matter brought to its attention and will have access to all books, records, facilities and personnel, may conduct meetings or interview any officer or employee, the Corporation's legal counsel, external auditors and consultants, and may invite any such persons to attend any part of any meeting of the Committee.

The Committee has neither the duty nor the responsibility to conduct audit, accounting or legal reviews, or to ensure that the Corporation's financial statements are complete, accurate and in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"); rather, management is responsible for the financial reporting process, internal review process, and the preparation of the Corporation's financial statements in accordance with IFRS, and the Corporation's external auditor is responsible for auditing those financial statements.

III. FUNCTIONS

A. Pembina's Financial Statements, the Reporting Process and Internal Controls over Financial Reporting

The Committee will meet with management, the internal auditor and the external auditor to review and discuss annual and quarterly financial statements, management's discussion and analyses ("MD&A"), the earnings press releases, and other financial disclosures and determine whether to recommend the approval of such documents to the Board.

- (a) In connection with these procedures, the Committee will, as applicable and without limitation, review and discuss with management, internal audit and the external auditor:
- i. the information to be included in the financial statements and financial disclosures which require approval by the Board including Pembina's annual and quarterly financial statements, notes thereto, MD&A and earnings press releases paying particular attention to any use of "pro forma", "adjusted" and "non-GAAP" information, and ensuring that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the financial statements;
 - ii. any significant financial reporting issues identified during the reporting period;
 - iii. any change in accounting policies, or selection or application of accounting principles, and their impact on the results and the disclosure;
 - iv. all, significant risks and uncertainties identified and significant estimates and judgments made in connection with the preparation of Pembina's financial statements that may have a material impact to the financial statements;
 - v. any significant deficiencies or material weaknesses identified by management, internal auditors or the external auditor, compensating or mitigating controls and final assessment and impact on disclosure;
 - vi. any major issues as to the adequacy of the internal controls and any special audit steps adopted in light of material control deficiencies;

- vii. significant adjustments identified by management, internal auditor, or the external auditor and assessment of associated internal control deficiencies, as applicable;
 - viii. any unresolved issues between management and the external auditor that could materially impact the financial statements and other financial disclosures;
 - ix. any material correspondence with regulators, government agencies, any employee or whistleblower complaints, reports of non-compliance which raise issues regarding the Corporation's financial statements or accounting policies and significant changes in regulations which may have a material impact on the Corporation's financial statements;
 - x. the effect of regulatory and accounting initiatives, as well as any off-balance sheet structures;
 - xi. the competencies and performance of employees in the Corporation's internal audit department and identify staffing needs;
 - xii. significant matters of concern respecting audits and financial reporting processes, including any illegal acts, that have been identified in the course of the preparation or audit of Pembina's financial statements; and
 - xiii. any analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of financial statements including analyses of the effects of IFRS on the financial statements.
- (b) In connection with the annual audit of Pembina's financial statements, the Committee will review with the external auditor:
- i. prior to commencement of the annual audit, plans, scope, staffing, engagement terms and proposed fees;
 - ii. reports or opinions to be rendered in connection therewith including the external auditor's review or audit findings report including alternative treatments of significant financial information within IFRS that have been discussed with management and associated impacts on disclosure; and
 - iii. the adequacy of internal controls, any audit problems or difficulties, including:
 - a) any restrictions on the scope of the external auditor's activities or on access to requested information;
 - b) any significant disagreements with management, and management's response (including discussion among management, the external auditor and, as necessary, internal and external legal counsel);
 - c) any litigation, claim or contingency, including tax assessments and claims, that could have a material impact on the financial position of the Corporation; and
 - d) the impact on current or potential future disclosures.

In connection with its review of the annual audited financial statements and quarterly financial statements, the Committee will also review any significant concerns raised during the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") certifications with respect to the financial statements and Pembina's disclosure controls and internal controls. In particular, the Committee will review with the CEO, CFO, internal auditor and external auditor: (i) all significant deficiencies, material weaknesses or significant changes in the design or operation of Pembina's internal control over financial reporting that could adversely affect Pembina's ability to record, process, summarize and report financial information required to be disclosed by the Corporation in the reports that it files or submits under applicable securities laws, within

the required time periods; and (ii) any fraud, whether or not material, that involves management of Pembina or other employees who have a significant role in Pembina's internal control over financial reporting. In addition, the Committee will review with the CEO, CFO and the internal auditor Pembina's disclosure controls and procedures and at least annually will review management's conclusions about the efficacy of disclosure controls and procedures, including any significant deficiencies, material weaknesses or material non-compliance with disclosure controls and procedures.

The Committee will also maintain a Whistleblower Policy, including procedures for the:

- (a) receipt retention and treatment of complaints received, including those regarding accounting, internal accounting controls or auditing matters; and
- (b) confidential, anonymous submissions of concerns, including those regarding questionable accounting or auditing matters.

B. The External Auditor

The Committee, in its capacity as a committee of the Board, is directly responsible for overseeing the relationship, reports, qualifications, independence and performance of the external auditor and audit services by other registered public accounting firms engaged by the Corporation. The Committee shall have the authority and responsibility to recommend to the board the appointment and the revocation of the appointment of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, and to fix their remuneration.

The external auditor will report directly to the Committee. The Committee's appointment of the external auditor is subject to annual approval by the Shareholders.

With respect to the external auditor, the Committee is responsible for:

- (a) recommending to the Board the appointment, termination, compensation, retention and oversight of the work of the external auditor engaged by the Corporation including the review and approval of the terms of the external auditors annual engagement letter and the proposed fees;
- (b) resolution of disagreements or disputes between management and the external auditor regarding financial reporting for audit, review or attestation services;
- (c) pre-approval of all legally permissible non-audit services to be provided by the external auditors considering the potential impact of such services on the independence of external auditors and, subject to any *de minimis* exemption available under applicable laws. Such approval can be given either specifically or pursuant to preapproval policies and procedures adopted by the committee including the delegation of this ability to one or more members of the Committee to the extent permitted by applicable law, provided that any pre-approvals granted pursuant to any such delegation may not delegate Committee responsibilities to management of Pembina, and must be reported to the full Committee at the first scheduled meeting of the Committee following such pre-approval;
- (d) obtaining and reviewing, at least annually, a written report by the external auditor describing the external auditor's internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues and all relationships between the external auditors and the Corporation;
- (e) review of the external auditor which assesses three key factors of audit quality for the Committee to consider and assess including: independence, objectivity and professional skepticism; quality of

the engagement team; and quality of communications and interactions with the external auditor. A written comprehensive review of the external auditor to be considered if required each year and completed at least every five (5) years which will include an:

- i. assessment of quality of services and sufficiency of resources provided by the external auditor;
- ii. assessment of auditor independence, objectivity and professional skepticism;
- iii. assessment of value of services provided by the external auditor;
- iv. assessment of written input from external auditor summarizing:
 - a) background of firm, size, resources, geographical coverage, relevant industry experience, including reputational challenges, systemic audit quality issues identified by Canadian Public Accountability Board ("CPAB") and Public Company Accounting Oversight Board ("PCAOB") in public reports;
 - b) industry experience of the audit team and plans for training and development of the team;
 - c) how the external auditor demonstrated objectivity and professional skepticism during the audit;
 - d) how the firm and team met all criteria for independence including identification of all relationships that the external auditor has with the Corporation and its affiliates and steps taken to address possible institutional threats;
 - e) involvement of engagement quality control review ("EQCR") partner and significant concerns raised by the EQCR partner;
 - f) matters raised to national office or specialists during the review;
 - g) significant disagreements between management and the external auditors and steps taken to resolve;
 - h) satisfaction with communication and cooperation with management and the Committee; and
 - i) findings and firm responses to reviews of the Corporation by CPAB and PCAOB;
- v. communication of the results of the comprehensive review of the external auditor to the Board and recommending that the Board take appropriate action, in response to the review, as required. It is understood that the Committee may recommend tendering the external auditor engagement at their discretion. In addition to rotation of the EQCR partner as required by law, the Committee, together with the Board, will also consider whether it is necessary to periodically rotate the external audit firm itself. It will be at the discretion of the Committee if the incumbent external auditor is invited to participate in the tendering process; and
- vi. setting clear hiring policies for Pembina regarding external auditor partners and employees and former partners and employees of the present and former external auditor of the Corporation. Before any external auditor partner, senior manager or manager is offered employment by the Corporation, prior approval from the Committee Chair must be received and a one year grace period must pass from the date any work was completed on a Pembina audit engagement before an external auditor employee can be considered for contract or employment by the Corporation.

C. The Internal Audit Process

The Committee, in its capacity as a committee of the Board will carry out the following responsibilities with regard to the internal audit function:

- (a) review with management and the head of internal audit the charter, activities, staffing, and organizational structure of internal audit, including the performance of the internal audit function;
- (b) have final authority to review and approve the annual internal audit plan and all major changes to the plan;
- (c) annually convey its view of the performance of the head of internal audit to the Chief Executive Officer as input into the compensation approval process;
- (d) ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the head of internal audit; and
- (e) on a regular basis, meet separately with the head of internal audit to discuss any matters that the Committee or the head of internal audit believes should be discussed privately.

D. Other

The Committee will also:

- (a) meet separately with management, the Chief Financial Officer, the internal auditor, the external auditor and, as is appropriate, internal and external legal counsel and independent advisors in respect of issues not elsewhere listed concerning any other audit, finance or financial risk matters;
- (b) review the appointment of the CFO and any other key financial executives who are involved in the financial reporting process;
- (c) review the Corporation's information technology practices and developments as they relate to financial reporting;
- (d) from time to time discuss the staffing levels and competencies of the finance team with the External Auditor;
- (e) review incidents, alleged or otherwise, as reported by whistleblowers, management, internal audit, the external auditor, internal or external counsel or otherwise, of fraud, illegal acts or conflicts of interest and establish procedures for receipt, treatment and retention of records of incident investigations;
- (f) assist board oversight in respect of issues not elsewhere listed concerning the integrity of the listed company's financial statements, the listed company's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, and the performance of the listed company's internal audit function and independent auditors;
- (g) monitor the funding exposure of the Corporation's pension plan;
- (h) receive and review reports from the Corporate Pension Committee at Pembina and recommend or approve changes as appropriate with respect to risk management of pension assets and liabilities, actuarial valuation as required by statute, the Statement of Investment Policies and Procedures, funding policy and corporate performance for the pension plans;
- (i) jointly with the Human Resources and Compensation Committee, report on the status of the pension plans to the Board at least annually; and
- (j) have the authority and responsibility to recommend the appointment and the revocation of the appointment of registered public accounting firms (in addition to the external auditors) engaged for

the purpose of preparing or issuing an audit report or performing other audit, review or attest services, and to fix their remuneration.

In addition, the Committee will perform such other functions as are assigned by law and the Corporation's by-laws, and on the instructions of the Board.

IV. MEETINGS

The Committee will meet quarterly, or more frequently at the discretion of the members of the Committee, as circumstances require.

Additionally, the external auditor may call a meeting of the Committee provided the external auditor abides by the notice requirements set forth below.

Notice of each meeting of the Committee will be given to each member and to the internal and external auditors who are invited to attend each meeting of the Committee. The notice will:

- (a) be in writing (which may be communicated by fax or email);
- (b) be accompanied by an agenda that states the nature of the business to be transacted at the meeting in reasonable detail;
- (c) be given at least 48 hours preceding the time stipulated for the meeting, unless notice is waived by the Committee members; and
- (d) if documentation is to be considered at the meeting, it should be provided seven (7) days in advance of the meeting if practicable, and in any event with reasonably sufficient time to review documentation.

A quorum for a meeting of the Committee is a majority of the members present in person, by video conference, webcast or telephone.

If the Chair is not present at a meeting of the Committee, a Chair will be selected from among the members present. The Chair will not have a second or deciding vote in the event of an equality of votes.

At each meeting, the Committee will meet "in-camera", without management or internal or external auditors present, and will meet in separate sessions with each of the head of internal audit and the lead partner of the external auditor at least annually.

The Committee may invite others to attend any part of any meeting of the Committee as it deems appropriate. This includes other directors, members of management, any employee, the Corporation's internal or external legal counsel, external auditors, advisors and consultants.

Minutes will be kept of all meetings of the Committee. The minutes will include copies of all resolutions passed at each meeting, will be maintained with the Corporation's records, and will be available for review by members of the Committee, the Board, and the external auditor.

V. ADDITIONAL RESPONSIBILITIES

A. Review of Charter

The Committee shall review and reassess the adequacy of this Charter at least annually or otherwise, as it deems appropriate, and propose recommended changes to the Governance, Nominating and Corporate Social Responsibility Committee.

B. Review of Policies

The Committee shall review proposed changes to Board policies relating to the matters set out in this Charter, annually or as it otherwise deems appropriate.

C. Financial Risk Management

The Committee shall provide oversight of financial risk management with respect to the areas outlined in this Charter.

D. Evaluation

The assessment of the Committee shall be facilitated annually by the Board Chair.

E. Reporting and Board Advisory Role

The Committee shall report regularly to the Board on its activities, including the results of meetings and reviews undertaken, and any associated recommendations. The Committee shall periodically facilitate and promote education of the Board with regard to the matters set out in this Charter, including education sessions with external consultants at the Committee's discretion.

The Committee shall facilitate information sharing with other Board committees as required to address matters of mutual interest or concern in respect of matters set out in this Charter. The Committee will perform such other functions as are assigned by law and the Corporation's by-laws, and on the instructions of the Board.