

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ SECTIONS 361(a), 367(a) 368(a), 354(a), 358(a) AND 358(b).

18 Can any resulting loss be recognized? ▶ NO.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ NONE NOTED.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶  Date ▶ January 14, 2020

Print your name ▶ J. Scott Burrows Title ▶ Senior VP & Chief Financial Officer

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|---|--------------------------------|--|------------------|---|------------------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | <u>JAMES A. ROWLING</u> |  | <u>Jan 13/20</u> | | <u>P01071917</u> |
| | Firm's name ▶ <u>KPMG, LLP</u> | Firm's EIN ▶ <u>98-0173533</u> | | Phone no. <u>403-691-8000</u> | |
| Firm's address ▶ <u>3100, 205-5TH AVE SW, CALGARY, AB, CANADA T2P 4B9</u> | | | | | |

STATEMENT ATTACHED TO FORM 8937

PART II, Line 15

IT IS OUR UNDERSTANDING, BASED ON ADVICE OBTAINED FROM LEGAL COUNSEL, THAT THE ARRANGEMENT DESCRIBED ABOVE SHOULD QUALIFY AS A TAX-DEFERRED EXCHANGE UNDER SECTION 368(a) OF THE U.S. INTERNAL REVENUE CODE AND THAT THE AGREEMENT SHALL CONSTITUTE A PLAN OF REORGANIZATION FOR SUCH PURPOSES. HOWEVER, CERTAIN U.S. SHAREHOLDERS THAT OWNED 5% OR MORE OF PEMBINA PIPELINE CORPORATION IMMEDIATELY AFTER THE ARRANGEMENT MUST FILE A GAIN RECOGNITION AGREEMENT (IF APPLICABLE) WITH THE IRS UNDER TREASURY REGULATION SECTION 1.367(a)-8 TO OBTAIN SUCH TREATMENT. SUCH SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISORS.

THE AGGREGATE U.S. TAX BASIS THAT THE SHAREHOLDERS OF KINDER MORGAN CANADA LIMITED HAD IN THEIR KINDER MORGAN CANADA LIMITED RESTRICTED VOTING SHARES SHOULD CARRY OVER TO THE SHARES OF PEMBINA PIPELINE CORPORATION COMMON SHARES RECEIVED. THE AGGREGATE U.S. TAX BASIS THAT PREFERRED SHAREHOLDERS OF KINDER MORGAN CANADA LIMITED HAD IN THEIR KINDER MORGAN CANADA LIMITED PREFERRED SHARES SHOULD CARRY OVER TO THE SHARES OF PEMBINA PIPELINE CORPORATION PREFERRED SHARES RECEIVED.

PART II, Line 16

AS THE ARRANGEMENT SHOULD QUALIFY AS A TAX-DEFERRED EXCHANGE FOR U.S. FEDERAL INCOME TAX PURPOSES, THE AGGREGATE U.S. TAX BASIS THAT SHAREHOLDERS OF KINDER MORGAN CANADA LIMITED HAD IN THE SHARES SHOULD EQUAL THE SHARES OF PEMBINA PIPELINE CORPORATION RECEIVED.

ON A PER SHARE BASIS, (1) THE U.S. TAX BASIS OF THE KINDER MORGAN CANADA LIMITED RESTRICTED VOTING SHARES EXCHANGED SHOULD CARRY OVER TO THE SHARES OF PEMBINA PIPELINE CORPORATION COMMON SHARES RECEIVED, PRO RATA BASED ON THE RATIO OF 0.3068 SHARE OF PEMBINA PIPELINE CORPORATION COMMON STOCK RECEIVED PER SHARE OF KINDER MORGAN CANADA LIMITED RESTRICTED VOTING SHARE EXCHANGED, AND (2) THE U.S. TAX BASIS OF THE KINDER MORGAN CANADA LIMITED PREFERRED SHARES SHOULD CARRY OVER TO THE SHARES OF PEMBINA PIPELINE CORPORATION PREFERRED SHARES RECEIVED, PRO RATA BASED ON THE RATIO OF 1 SHARE OF PEMBINA PIPELINE CORPORATION PREFERRED STOCK RECEIVED PER SHARE OF KINDER MORGAN CANADA LIMITED PREFERRED SHARE EXCHANGED.

A SHAREHOLDER WHO HELD KINDER MORGAN CANADA LIMITED SHARES AT DIFFERENT TAX BASES MAY BE ALLOWED TO TRACE ITS PEMBINA PIPELINE CORPORATION SHARES RECEIVED TO AN IDENTIFIED BLOCK OF EXCHANGED KINDER MORGAN CANADA LIMITED SHARES FOR PURPOSES OF COMPUTING TAX BASIS. SHAREHOLDERS WHO ACQUIRED KINDER MORGAN CANADA LIMITED SHARES AT DIFFERENT PRICES SHOULD CONSULT THEIR TAX ADVISORS.