

# HUMAN RESOURCES, HEALTH AND COMPENSATION COMMITTEE CHARTER



## I. ROLE AND OBJECTIVES

The Human Resources, Health and Compensation 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 responsibilities relating to Board compensation; evaluation and compensation of the Chief Executive Officer (the "CEO"), the Senior Vice Presidents (the "SVPs"), other Executives directly reporting to the CEO, and any Named Executive Officers (the "NEOs") referred to as the "Officer Committee"; compensation of the other employees of the Corporation on a collective basis. The Committee also prepares reports, if and when required, for inclusion in the Corporation's disclosure documents.

The Committee carries out its responsibilities with a view to the purpose of Pembina, and to support Pembina's commitment to employees, by promoting a safe, respectful, collaborative and fair work culture.

The objectives of the Committee are:

- (a) to assist the Board in reviewing Board compensation;
- (b) to assist the Board in fulfilling its oversight responsibilities (especially for accountability) in respect of the Corporation's compensation programs, including, executive compensation for the Officer Committee, and related matters. This objective shall include assisting the Board in fulfilling such oversight responsibilities by assessing and managing the implications of the risks associated with the Corporation's compensation policies and practices;
- (c) to oversee and discuss with the Board executive succession and resourcing planning risks facing the Corporation and to identify ways in which to mitigate any such risks, including by ensuring that executive compensation for the Officer Committee is adequate to attract, motivate and retain competent executive personnel; and
- (d) to ensure that executive compensation for the Officer Committee is directly and materially related to operating performance and aligned with the short-term and long-term objectives of the Corporation and its Shareholders.

In this Charter, the Corporation and entities controlled by the Corporation are collectively referred to as "Pembina". Compensation for the Officer Committee will be referred to as "Executive Compensation".

## II. MEMBERSHIP AND ACCESS

The Board will appoint members of the Committee. Each member shall serve until his or her successor is appointed, unless he or she shall resign or be removed by the Board or he or she shall otherwise cease to be a director of the Corporation.

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. The Board will fill any vacancy in the event the Committee has less than three (3) members and may remove members by resolution.

The Board Chair will select the Chair of the Committee from amongst its members.

The Committee has the authority to select, engage, remunerate and terminate an executive compensation consulting firm, an executive search firm, independent counsel and other advisers to assist it in carrying out its duties, as it deems necessary, including sole authority to approve any such adviser's fees and other retention terms. The Corporation will provide appropriate funding to compensate any advisors that the Committee chooses to engage. The Committee will take into consideration, in selecting any advisor, all factors relevant to that person's independence from management as outlined in Section 303A of the NYSE's Listed Company Manual.

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.

### **III. FUNCTIONS**

#### **A. Director Compensation**

The Committee will:

- (a) periodically review and make recommendations to the Board regarding annual retainer and meeting fees for the directors and committees members (directors who are employees of the Corporation will not be compensated for their services as directors) to ensure that the compensation of directors realistically reflects the responsibilities and risks involved in being an effective director; and
- (b) propose the terms and awards of equity compensation for directors.

#### **B. Oversight of Compensation Programs**

The Committee will:

- (a) make recommendations to the Board as to the Corporation's general compensation philosophy and oversee the development and administration of compensation programs;
- (b) periodically review the selection of companies used to benchmark executive and director compensation;
- (c) consider and recommend to the Board annual compensation budgets;
- (d) oversee the Board's evaluation of management of Pembina;
- (e) consider and review Pembina's Health & Wellness Program
- (f) consider and recommend to the Board:
  - (i) benefit plans,
  - (ii) retirement and savings plans,
  - (iii) bonus and incentive plans,

- (iv) subject to approval of shareholders, all new incentive-compensation and equity-based compensation plans;
- (g) oversee equity award grant practices and review of shareholder dilution levels;
- (h) assess the effectiveness and appropriateness of such plans on an ongoing basis, including assessing the implications of the risks associated with the Corporation's compensation policies and practices and recommending policies and procedures to manage such risks;
- (i) ensure that compensation plans and employee benefit programs are administered in accordance with applicable laws, stock exchange policies and stated compensation objectives; and
- (j) Recommend or approve changes, as appropriate, with respect to pension plan and benefit design matters. Receive and review reports from the corporate pension committee of Pembina as it relates to pension plan administration, plan member communication and education including any applicable compliance or disclosure requirements pertaining to these areas; and jointly with the Audit Committee, report on the status of the pension plans to the Board at least annually.

### **C. Executive Performance and Compensation**

The Committee will:

- (a) periodically review the Corporation's stated compensation strategy to ensure that management is rewarded appropriately and that the Corporation's executive compensation program is related to the Corporation's financial performance and dividends to the Corporation's Shareholders, as well as the performance of the individual members of the Officer Committee;
- (b) oversee and assess the implications of the risks associated with the Corporation's executive compensation policies and practices and recommend policies and procedures to manage such risks;
- (c) review and approve corporate goals and objectives relevant to CEO compensation;
- (d) review appropriate criteria for establishing corporate objectives and executive performance targets;
- (e) conduct, at least annually, an assessment of the performance of the CEO against the corporate goals and objectives and performance targets that the CEO is responsible for attaining;
- (f) determine appropriate levels of executive compensation by periodically conducting a thorough competitive evaluation, reviewing proprietary and proxy information, and if determined to be beneficial by the Committee, consulting with and receiving advice from an independent executive compensation consulting firm;
- (g) based on the foregoing, determine and approve, either directly or with Pembina's other independent directors, the compensation of the CEO, including, without limitation, each of the individual elements of total compensation for the CEO having reference to the Corporation's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given in past years;
- (h) periodically review employment agreements, severance arrangements and change of control agreements and provisions relating to the Corporation's Officer Committee;
- (i) review annually and recommend to the Board for approval the individual elements of total compensation for the Officer Committee other than the CEO;

- (j) prepare a report on the factors and criteria on which executive officer compensation was based, including the relationship of the Corporation's performance to compensation;
- (k) periodically review the Corporation's policy on share ownership guidelines and the compliance of both executive officers and directors in relation thereto; and
- (l) approve the Committee's annual report on executive compensation for inclusion in the Corporation's proxy statement, in accordance with applicable rules and regulations, and review and approve, prior to publication, the compensation sections of the proxy statement.

**D. Executive Succession**

The Committee will:

- (a) conduct an assessment of succession and resourcing planning risks facing the Corporation and identify ways in which to mitigate any such risks, including reporting and making recommendations to the Board for consideration with respect to, the overall main human resource policies, trends and organizational issues, including in respect of recruitment, performance management, compensation, benefit programs, resignations/terminations, training and development of management in relation to succession planning and organizational planning and design;

**E. Diversity and inclusion**

The Committee will:

- (a) annually review and assess programs and initiatives that relate to diversity and inclusion within the Corporation, and report to the Board on performance in these areas.

## **IV. MEETINGS**

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

Notice of each meeting of the Committee will be given to each member. 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 or by 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.

The Committee may invite others to attend any part of any meeting of the Committee as it deems appropriate. This includes members of management, any employee, the Corporation's legal counsel, external auditors 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 annually and submit any proposed changes to the Governance, Nominating and Corporate Social Responsibility Committee for approval.

### **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. Risk Management**

The Committee shall provide oversight of 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 required by law and the Corporation's by-laws, and on the instructions of the Board.