

**IN THE MATTER OF** the *Competition Act*, R.S.C. 1985, c. C-34, and the *Competition Tribunal Rules*, SOR/2008-141;

**AND IN THE MATTER OF** the proposed gas processing joint venture in Western Canada between Pembina Pipeline Corporation, KKR Alberta Midstream Inc. and Eagle Midstream Canada Finance Inc., including the proposed acquisition of Energy Transfer Canada ULC;

**AND IN THE MATTER OF** the filing and registration of a consent agreement pursuant to sections 92 and 105 of the *Competition Act*.

**B E T W E E N :**

**THE COMMISSIONER OF COMPETITION**

Applicant

– and –

**PEMBINA PIPELINE CORPORATION,  
KKR ALBERTA MIDSTREAM INC.  
AND  
EAGLE MIDSTREAM CANADA FINANCE INC.**

Respondents

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**CONSENT AGREEMENT**

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**RECITALS:**

**A.** Respondents propose to enter into a joint venture combining Pembina's (as defined below) and KKR's (as defined below) natural gas processing assets in Western Canada, including acquiring the remaining 51% of Energy Transfer Canada ULC not already held by KKR (the "**Transaction**").

**B.** The Transaction is a merger within the meaning of section 91 of the Act.

C. The Commissioner has concluded that the Transaction is likely to result in a substantial prevention of competition in the supply of pipeline transportation for natural gas liquids in Alberta, and that the implementation of this Agreement is necessary to ensure that any substantial prevention of competition will not result from the Transaction.

D. Respondents do not admit but will not for the purposes of this Agreement, including execution, registration, enforcement, variation or rescission, contest the Commissioner's conclusions that (i) the Transaction is likely to result in a substantial prevention of competition in the supply of pipeline transportation for natural gas liquids in Alberta; and (ii) the implementation of this Agreement is necessary to ensure that any substantial prevention of competition will not result from the Transaction.

E. Nothing in this Agreement affects any investigation, inquiry or proceeding other than under section 92 of the Act in respect of the Transaction.

**THEREFORE** Respondents and the Commissioner agree as follows:

## I. DEFINITIONS

[1] Whenever used in this Agreement, the following words and terms have the meanings set out below:

- (a) **“Act”** means the *Competition Act*, R.S.C. 1985, c. C-34, as amended;
- (b) **“Affiliate”** has the meaning given to it in subsection 2(2) of the Act;
- (c) **“Agreement”** means this Consent Agreement, including the schedules hereto, and references to a “Part”, “Section”, “Paragraph” or “Schedule” are, unless otherwise indicated, references to a part, section, paragraph or schedule of or to this Agreement;
- (d) **“Business Day”** means a day on which the Competition Bureau's Gatineau, Quebec office is open for business;
- (e) **“Closing”** means the completion of the Transaction under the Transaction Agreements;
- (f) **“Closing Date”** means the date on which Closing occurs;
- (g) **“Commissioner”** means the Commissioner of Competition appointed under the Act and includes the Commissioner's authorized representatives;
- (h) **“Confidential Information”** means competitively sensitive, proprietary and all other information that is not in the public domain, and that is owned by or pertains to a Person or a Person's business, and includes, but is not limited to, manufacturing, operations and financial information, customer lists, price lists, contracts, cost and revenue information, marketing methods, patents, technologies, processes, or other trade secrets;

- (i) **“Designated Personnel”** means the employees of Pembina listed in Confidential Schedule B to this Agreement, as modified from time to time by agreement of Respondents and the Commissioner, who shall have signed a confidentiality agreement in a form satisfactory to the Commissioner;
- (j) **“Divested Business”** means Energy Transfer Canada ULC’s interest in the KAPS project, previously identified as the Key Access Pipeline System project, and any considered or planned expansions of the KAPS project;
- (k) **“Divestiture”** means the sale, conveyance, transfer, assignment or other disposal of the Divestiture Assets to a Purchaser or Purchasers pursuant to this Agreement and with the prior approval of the Commissioner, such that Respondents will have no direct or indirect interest in the Divestiture Assets;
- (l) **“Divestiture Agreement”** means a binding and definitive agreement between Respondents and a Purchaser to effect the Divestiture pursuant to this Agreement and subject to the prior approval of the Commissioner;
- (m) **“Divestiture Applicant”** means Respondents during the Initial Sale Period or the Divestiture Trustee during the Divestiture Trustee Sale Period;
- (n) **“Divestiture Assets”** means all of the right, title and interest in, to and under, or relating to, the tangible assets, Intangible Assets, property and undertaking owned or used by Respondents or held by Respondents for use in, or relating to, the Divested Business.
- (o) **“Divestiture Process Agreement”** means the agreement described in Section 6 of this Agreement;
- (p) **“Divestiture Sale Process”** means the auction process run by KKR to identify the Purchaser;
- (q) **“Divestiture Trustee”** means the Person appointed pursuant to Part III of this Agreement (or any substitute appointed thereto) and any employees, agents or other Persons acting for or on behalf of the Divestiture Trustee;
- (r) **“Divestiture Trustee Sale”** means the Divestiture to be conducted by the Divestiture Trustee pursuant to Part III of this Agreement;
- (s) **“Divestiture Trustee Sale Period”** means the 6 month period commencing upon expiry of the Initial Sale Period;
- (t) **“First Reference Date”** shall have the meaning set out in Paragraph 22(d) of this Agreement;

- (u) **“Hold Separate Employees”** means those employees of Respondents who are employed in connection with the Divestiture Assets, and **“Hold Separate Employee”** means any one of them;
- (v) **“Hold Separate Manager”** means the Person appointed pursuant to Part V of this Agreement (or any substitute appointed thereto) to manage the operation of the Divestiture Assets, and any employees, agents or other Persons acting for or on behalf of the Hold Separate Manager;
- (w) **“Hold Separate Period”** means the period that commences at Closing and ends upon the completion of the Divestiture;
- (x) **“Initial Sale Period”** means the period that commences at Closing and ends at the time set out in Confidential Schedule A to this Agreement;
- (y) **“Intangible Assets”** means intellectual property of any nature and kind, including:
  - (i) patents, copyrights, trademarks and software;
  - (ii) trade dress, industrial designs, distinguishing guises, trade secrets, know-how, techniques, data, inventions, practices, methods and other confidential or proprietary technical, business, research, development and other information, and all rights in any jurisdiction to limit the use or disclosure thereof;
  - (iii) rights to obtain and file for patents and registrations thereof; and
  - (iv) rights to sue and recover damages or obtain injunctive relief for infringement, dilution, misappropriation, violation or breach of any of the foregoing;
- (z) **“KKR”** means KKR Alberta Midstream Inc., Eagle Midstream Canada Finance Inc., KKR Midstream Canada Inc., KKR Alberta Blockerco Ltd. and their Affiliates and their directors, officers, employees, agents, representatives, successors and assigns. For greater certainty, subsequent to Closing, the foregoing no longer includes KKR Midstream Canada Inc., KKR Alberta Blockerco Ltd. and their Affiliates and their directors, officers, employees, agents, representatives, successors and assigns;
- (aa) **“KKR’s Continuing Employees”** means those employees of KKR who are not employed in connection with the Divestiture Assets;
- (bb) **“Management Agreement”** means the agreement described in Section 26 of this Agreement;
- (cc) **“Monitor”** means the Person appointed pursuant to Part X of this Agreement (or any substitute appointed thereto), and any employees, agents

or other Persons acting for or on behalf of the Monitor, provided that if no Monitor is appointed, other than in Part X of this Agreement Monitor means the Commissioner;

- (dd) **“Monitor Agreement”** means the agreement described in Section 40 of this Agreement;
- (ee) **“Pembina”** means Pembina Pipeline Corporation and its Affiliates and their directors, officers, employees, agents, representatives, successors and assigns. For greater certainty, subsequent to Closing, the foregoing includes KKR Midstream Canada Inc., KKR Alberta Blockerco Ltd. and their Affiliates and their directors, officers, employees, agents, representatives, successors and assigns;
- (ff) **“Pembina’s Continuing Employees”** means those employees of Pembina who are not employed in connection with the Divestiture Assets;
- (gg) **“Person”** means any individual, corporation or partnership, sole proprietorship, trust or other unincorporated organization capable of conducting business, and any Affiliates thereof;
- (hh) **“Purchaser”** means a Person that acquires Divestiture Assets pursuant to this Agreement and a Divestiture Agreement;
- (ii) **“Records”** means records within the meaning of subsection 2(1) of the Act;
- (jj) **“Respondents”** means Pembina and KKR;
- (kk) **“Second Reference Date”** shall have the meaning set out in Paragraph 22(e) of this Agreement;
- (ll) **“Third Party”** means any Person other than the Commissioner, Respondents or the Purchaser;
- (mm) **“Transaction”** means the transaction described in the first recital to this Agreement;
- (nn) **“Transaction Agreements”** means the Business Combination Agreement between Pembina Pipeline Corporation, KKR Alberta Midstream Inc., Eagle Midstream Canada Finance Inc. and KKR Midstream Canada Inc. dated February 28, 2022, and the Share Purchase Agreement between KKR Alberta Blockerco Ltd., SemCanada II, L.P. and KKR Alberta Midstream Inc. dated February 28, 2022; and
- (oo) **“Tribunal”** means the Competition Tribunal established by the *Competition Tribunal Act*, R.S.C. 1985, c.19 (2<sup>nd</sup> Supp.).

## II. OBLIGATION TO COMPLETE DIVESTITURE

- [2] Respondents shall use commercially reasonable efforts to complete the Divestiture.
- [3] During the Initial Sale Period, Respondents shall use commercially reasonable efforts to complete the Divestiture in accordance with the provisions of this Part and Confidential Schedule A and subject to Part IV.
- [4] During the Initial Sale Period, Respondents shall provide to the Commissioner and to the Monitor every 30 days a written report describing the progress of its efforts to effect the Divestiture. The report shall include a description of contacts, negotiations, due diligence and offers regarding the Divestiture Assets, the name, address and phone number of all parties contacted and of prospective Purchasers who have come forward. Respondents shall, within 3 Business Days, respond to any request by the Commissioner for additional information regarding the status of Respondents' efforts to complete the Divestiture. An officer or other duly authorized representative of Respondents shall certify that the information provided in any such response has been examined and is, to the best of that individual's knowledge and belief, correct and complete in all material respects.

### **III. DIVESTITURE TRUSTEE SALE PROCESS**

- [5] In the event that Respondents fail to complete the Divestiture during the Initial Sale Period, the Commissioner shall appoint a Divestiture Trustee to complete the Divestiture in accordance with this Agreement. Such appointment may be made at any time prior to the expiry of the Initial Sale Period or on such later date as the Commissioner determines.
- [6] Within 5 Business Days after the appointment of the Divestiture Trustee, Respondents shall submit to the Commissioner for approval the terms of a proposed Divestiture Process Agreement with the Divestiture Trustee and the Commissioner that confers on the Divestiture Trustee all rights and powers necessary to permit the Divestiture Trustee to effect the Divestiture.
- [7] Within 5 Business Days after receipt of the proposed Divestiture Process Agreement referred to in Section 6, the Commissioner shall advise Respondents whether or not the Commissioner approves the terms of the proposed Divestiture Process Agreement. If the Commissioner does not approve the terms of the proposed Divestiture Process Agreement, the Commissioner shall prescribe alternative terms that Respondents shall incorporate into a final Divestiture Process Agreement with the Divestiture Trustee and the Commissioner.
- [8] Without limiting the Commissioner's discretion to require additional terms, Respondents consent to the following terms and conditions regarding the Divestiture Trustee's rights, powers and duties, and shall include such terms in the Divestiture Process Agreement:
  - (a) The Divestiture Trustee shall complete the Divestiture as expeditiously as possible, and in any event prior to expiry of the Divestiture Trustee Sale Period.

- (b) The Divestiture Trustee shall use reasonable efforts to negotiate terms and conditions for the Divestiture that are as favourable to Respondents as are reasonably available at that time; however, the Divestiture shall not be subject to any minimum price. The Divestiture Trustee's opinion of what constitutes favourable terms and conditions and what constitutes reasonably available terms and conditions, is subject to review and approval by the Commissioner.
- (c) Subject to oversight and approval by the Commissioner, the Divestiture Trustee shall have full and exclusive authority during the Divestiture Trustee Sale Period:
  - (i) to complete the Divestiture in accordance with the provisions of this Part;
  - (ii) to solicit interest in a possible Divestiture by whatever process or procedure the Divestiture Trustee believes is suitable to allow a fair opportunity for one or more prospective good faith Purchasers to offer to acquire the Divestiture Assets, and for greater certainty, in determining whether to pursue negotiations with a prospective Purchaser, may have regard to the approval criteria in Section 23;
  - (iii) to enter into a Divestiture Agreement with a Purchaser that will be legally binding on Respondents;
  - (iv) to negotiate reasonable commercial covenants, representations, warranties and indemnities to be included in a Divestiture Agreement; and
  - (v) to employ, at the expense of Respondents, such consultants, accountants, legal counsel, investment bankers, business brokers, appraisers, and other representatives and assistants as the Divestiture Trustee believes are necessary to carry out the Divestiture Trustee's duties and responsibilities.
- (d) Where any Person makes a good faith inquiry respecting a possible purchase of Divestiture Assets, the Divestiture Trustee shall notify such Person that the Divestiture is being made and shall provide to such Person a copy of this Agreement, with the exception of the provisions hereof that are confidential pursuant to Section 65 of this Agreement.
- (e) Where, in the opinion of the Divestiture Trustee, a Person has a good faith interest in purchasing Divestiture Assets and has executed a confidentiality agreement, in a form satisfactory to the Commissioner, with the Divestiture Trustee protecting any Confidential Information that such Person may receive in the course of its due diligence review of the Divestiture Assets, the Divestiture Trustee shall:

- (i) promptly provide to such Person all information respecting the Divestiture Assets that is determined by the Divestiture Trustee to be relevant and appropriate;
  - (ii) permit such Person to make reasonable inspection of the Divestiture Assets and of all financial, operational or other non-privileged Records and information, including Confidential Information, that may be relevant to the Divestiture; and
  - (iii) give such Person as full and complete access as is reasonable in the circumstances to the personnel involved in managing the Divestiture Assets.
- (f) The Divestiture Trustee shall have no obligation or authority to operate or maintain the Divestiture Assets.
- (g) The Divestiture Trustee shall provide to the Commissioner and to the Monitor, within 30 days after the later of the Divestiture Trustee's appointment and the commencement of the Divestiture Trustee Sale Period and thereafter every 30 days, a written report describing the progress of the Divestiture Trustee's efforts to complete the Divestiture. The report shall include a description of contacts, negotiations, due diligence and offers regarding the Divestiture Assets, the name, address and phone number of all parties contacted and of prospective Purchasers who have come forward. The Divestiture Trustee shall, within 3 Business Days, respond to any request by the Commissioner for additional information regarding the status of the Divestiture Trustee's efforts to complete the Divestiture.
- (h) The Divestiture Trustee shall notify Respondents and the Commissioner immediately upon the signing of any letter of intent or agreement in principle relating to the Divestiture Assets, and shall provide to Respondents a copy of any executed Divestiture Agreement upon receipt of the Commissioner's approval of the Divestiture contemplated in such Divestiture Agreement.
- [9] Respondents shall not be involved in the Divestiture process during the Divestiture Trustee Sale Period or in any negotiations with prospective Purchasers undertaken by the Divestiture Trustee, nor will Respondents have contact with prospective Purchasers during the Divestiture Trustee Sale Period.
- [10] Subject to any legally recognized privilege, Respondents and the Hold Separate Manager shall provide to the Divestiture Trustee full and complete access to all personnel, Records, information (including Confidential Information) and facilities relating to the Divestiture Assets, to enable the Divestiture Trustee to conduct its own investigation of the Divestiture Assets and to provide access and information to prospective Purchasers.



- [11] Respondents shall take no action that interferes with or impedes, directly or indirectly, the Divestiture Trustee's efforts to complete the Divestiture.
- [12] Respondents and the Hold Separate Manager shall fully and promptly respond to all requests from the Divestiture Trustee and shall provide all information the Divestiture Trustee may request. Respondents shall identify an individual who shall have primary responsibility for fully and promptly responding to such requests from the Divestiture Trustee on behalf of Respondents.
- [13] Respondents will do all such acts and execute all such documents, and will cause the doing of all such acts and the execution of all such documents as are within their power to cause the doing or execution of, as may be reasonably necessary to ensure that the Divestiture Assets are divested in the Divestiture Trustee Sale Period and that agreements entered into by the Divestiture Trustee are binding upon and enforceable against Respondents.
- [14] Respondents shall be responsible for all reasonable fees and expenses properly charged or incurred by the Divestiture Trustee in the course of carrying out the Divestiture Trustee's duties and responsibilities under this Agreement. The Divestiture Trustee shall serve without bond or security, and shall account for all fees and expenses incurred. Respondents shall pay all reasonable invoices submitted by the Divestiture Trustee within 30 days after receipt and, without limiting this obligation, Respondents shall comply with any agreement they reach with the Divestiture Trustee regarding interest on late payments. In the event of any dispute: (i) such invoice shall be subject to the approval of the Commissioner; and (ii) Respondents shall promptly pay any invoice approved by the Commissioner. Any outstanding monies owed to the Divestiture Trustee by Respondents shall be paid out of the proceeds of the Divestiture.
- [15] Respondents shall indemnify the Divestiture Trustee and hold the Divestiture Trustee harmless against any losses, claims, damages, liabilities or expenses arising out of, or in connection with, the performance of the Divestiture Trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation or defence of any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from malfeasance, gross negligence or bad faith by the Divestiture Trustee.
- [16] Respondents shall indemnify the Commissioner and hold the Commissioner harmless against any losses, claims, damages, liabilities or expenses arising out of, or in connection with, the performance of the Divestiture Trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation or defence of any claim, whether or not resulting in any liability.
- [17] If the Commissioner determines that the Divestiture Trustee has ceased to act or has failed to act diligently, the Commissioner may remove the Divestiture Trustee and appoint a substitute Divestiture Trustee. The provisions of this Agreement

respecting the Divestiture Trustee shall apply in the same manner to any substitute Divestiture Trustee.

- [18] Respondents may require the Divestiture Trustee and each of the Divestiture Trustee's consultants, accountants, legal counsel, investment bankers, business brokers, appraisers, and other representatives and assistants to sign an appropriate confidentiality agreement in a form satisfactory to the Commissioner; provided, however, that such agreement shall not restrict the Divestiture Trustee from providing any information to the Commissioner.
- [19] The Commissioner may require the Divestiture Trustee and each of the Divestiture Trustee's consultants, accountants, legal counsel, investment bankers, business brokers, appraisers, and other representatives and assistants to sign an appropriate confidentiality agreement relating to materials and information the Divestiture Trustee may receive from the Commissioner in connection with the performance of the Divestiture Trustee's duties.
- [20] Notwithstanding any term of this Agreement, the rights, powers and duties of the Divestiture Trustee under this Agreement shall not expire until the Divestiture is completed.

#### **IV. COMMISSIONER APPROVAL OF DIVESTITURE**

- [21] The Divestiture may proceed only with the prior approval of the Commissioner in accordance with this Part. For greater certainty, if a Divestiture is a notifiable transaction nothing in this Agreement affects the operation of Part IX of the Act.
- [22] The Divestiture Applicant shall comply with the following process for seeking and obtaining a decision of the Commissioner regarding approval of a proposed Divestiture:
  - (a) The Divestiture Applicant shall promptly:
    - (i) inform the Commissioner of any negotiations with a prospective Purchaser that may lead to a Divestiture; and
    - (ii) forward to the Commissioner copies of any agreement that is signed with a prospective Purchaser, including non-binding expressions of interest.
  - (b) The Divestiture Applicant shall immediately notify the Commissioner that it intends to enter a Divestiture Agreement with a prospective Purchaser, or has entered into an agreement that, if approved by the Commissioner, would be a Divestiture Agreement within the meaning of this Agreement. If the Divestiture Applicant has entered into or intends to enter into more than one such agreement in respect of the same Divestiture Assets, the Divestiture Applicant shall identify the agreement in respect of which it seeks the

Commissioner's approval and the remainder of this Part shall apply only to that agreement unless the Divestiture Applicant designates a substitute agreement.

- (c) The notice described in Paragraph 22(b) shall be in writing and shall include: the identity of the proposed Purchaser; the details of the proposed Divestiture Agreement and any related agreements; and information concerning whether and how the proposed Purchaser would, in the view of the Divestiture Applicant, likely satisfy the terms of this Agreement.
- (d) Within 14 days following receipt of the notice described in Paragraph 22(b), the Commissioner may request additional information concerning the proposed Divestiture from any or all of Respondents, the Monitor, the Hold Separate Manager, the prospective Purchaser and, in the Divestiture Trustee Sale Period, the Divestiture Trustee. These Persons shall each provide any additional information requested from them. When they have provided a complete response to the Commissioner's request, these Persons shall comply with the following procedures:
  - (i) the Divestiture Trustee shall provide written confirmation to the Commissioner that the Divestiture Trustee has provided to the Commissioner all additional information requested from the Divestiture Trustee;
  - (ii) the Monitor shall provide written confirmation to the Commissioner that the Monitor has provided to the Commissioner all additional information requested from the Monitor;
  - (iii) an officer or other duly authorized representative of Respondents shall certify that the additional information provided by Respondents in response to the Commissioner's request has been examined and is, to the best of that individual's knowledge and belief, correct and complete in all material respects;
  - (iv) an officer or other duly authorized representative of the Hold Separate Manager shall certify that the additional information provided by the Hold Separate Manager in response to the Commissioner's request has been examined and is, to the best of that individual's knowledge and belief, correct and complete in all material respects; and
  - (v) an officer or other duly authorized representative of the prospective Purchaser shall certify that the additional information provided by the prospective Purchaser in response to the Commissioner's request has been examined and is, to the best of that individual's knowledge and belief, correct and complete in all material respects.

The date on which the last of the Divestiture Trustee, Respondents, the Monitor, the Hold Separate Manager and the prospective Purchaser provides to the Commissioner a confirmation or certification required under this Paragraph is the “**First Reference Date**”.

- (e) Within 7 days after the First Reference Date, the Commissioner may request further additional information concerning the proposed Divestiture from any or all of the Persons identified in Paragraph 22(d). These Persons shall each provide any further additional information requested from them. When they have provided a complete response to the Commissioner’s request, if any, these Persons shall comply with the procedures outlined in Paragraph 22(d) in regard to the further additional information provided. The date on which the last of the Divestiture Trustee, Respondents, the Monitor, the Hold Separate Manager and the prospective Purchaser provides to the Commissioner a confirmation or certification required under this Paragraph is the “**Second Reference Date**”.
  - (f) The Commissioner shall notify the Divestiture Applicant of the approval of, or the objection to, the proposed Divestiture as soon as possible, and in any event within 14 days after the date on which the Commissioner receives the notice described in Paragraph 22(b) or, if the Commissioner requests any additional information under Paragraph 22(d) or further additional information under Paragraph 22(e), within 14 days after the later of:
    - (i) the First Reference Date; and
    - (ii) the Second Reference Date, if any.
  - (g) The Commissioner’s determination as to whether to approve a proposed Divestiture shall be in writing.
- [23] In exercising discretion to determine whether to approve a proposed Divestiture, the Commissioner shall take into account the likely impact of the Divestiture on competition, and may consider any other factor the Commissioner considers relevant. Prior to granting approval, the Commissioner must also be satisfied that:
- (a) the proposed Purchaser is fully independent of and operates at arm’s length from Respondents;
  - (b) Respondents will have no direct or indirect interest in the Divestiture Assets following the Divestiture;
  - (c) the proposed Purchaser is committed to carrying on the Divested Business;
  - (d) the proposed Purchaser has the managerial, operational and financial capability to compete effectively as owner of the Divestiture Assets; and

- (e) the proposed Purchaser will (i) if the Commissioner grants approval during the Initial Sale Period, complete the Divestiture prior to the expiry of the Initial Sale Period; or (ii) if the Commissioner grants approval during the Divestiture Trustee Sale Period, complete the Divestiture during the Divestiture Trustee Sale Period.

**V. HOLD SEPARATE**

- [24] During the Hold Separate Period, Respondents shall:
  - (a) hold the Divestiture Assets separate, apart and independent of Pembina and shall confer on the Hold Separate Manager all rights and powers necessary to conduct the business of the Divestiture Assets;
  - (b) not exercise direction or control over, or influence directly or indirectly, the Divestiture Assets or the Hold Separate Manager; and
  - (c) take no action that interferes with or impedes, directly or indirectly, the Hold Separate Manager's duties and responsibilities.
- [25] Prior to or at Closing, the Commissioner shall appoint a Hold Separate Manager, responsible for managing and operating the Divestiture Assets independently of Respondents during the Hold Separate Period.
- [26] Within 5 Business Days after the appointment of the Hold Separate Manager, Respondents shall submit to the Commissioner for approval the terms of a proposed Management Agreement with the Hold Separate Manager and the Commissioner that confers on the Hold Separate Manager all rights and powers necessary to permit the Hold Separate Manager to manage and operate the Divestiture Assets independently of Respondents during the Hold Separate Period in accordance with this Agreement.
- [27] Within 5 Business Days after receipt of the proposed Management Agreement referred to in Section 26, the Commissioner shall advise Respondents whether or not the Commissioner approves the terms of the proposed Management Agreement. If the Commissioner does not approve the terms of the proposed Management Agreement, the Commissioner shall prescribe alternative terms for the Management Agreement that Respondents shall incorporate into a final Management Agreement with the Hold Separate Manager and the Commissioner.
- [28] Without limiting the Commissioner's discretion to require additional terms, Respondents consent to the following terms and conditions regarding the Hold Separate Manager's rights, powers and duties, and shall include such terms in the Management Agreement:
  - (a) The Hold Separate Manager shall report solely and exclusively to the Monitor.

- (b) The Hold Separate Manager shall not have any involvement with, or receive any Confidential Information respecting, the businesses or assets of Respondents other than in respect of the Divestiture Assets.
- (c) Subject to the oversight of the Monitor, the Hold Separate Manager shall manage and maintain the operation of the Divestiture Assets independently and separately from Pembina, in the regular and ordinary course of business and in accordance with past practice and the Management Agreement.
- (d) Subject to the oversight of the Monitor, the Hold Separate Manager shall use commercially reasonable efforts to ensure the ongoing economic viability, marketability and competitiveness of the Divestiture Assets and the timely completion of the Divestiture.
- (e) Without limiting the generality of Paragraphs 28(c) and (d) above, the Hold Separate Manager shall:
  - (i) take all commercially reasonable steps to honour all customer contracts;
  - (ii) not knowingly take or allow to be taken any action that adversely affects the competitiveness, operations, financial status or value of the KAPS project;
  - (iii) not alter or cause to be altered, to any material extent, the management of the Divestiture Assets as it existed prior to the date of this Agreement, except with the prior approval of the Monitor;
  - (iv) not terminate or alter any employment, salary or benefit agreements, as they existed at the date of this Agreement, for Persons employed in connection with the Divestiture Assets, except with the prior approval of the Monitor;
  - (v) ensure that the Divestiture Assets are staffed with sufficient employees to ensure their viability and competitiveness, including by replacing any departing employees with other qualified employees subject to the prior approval of the Monitor; and
  - (vi) provide, in accordance with Respondents' pro rata interest in the KAPS project, sufficient support for the maintenance, development and completion of the KAPS project in order for it to begin operation in a timely, economically viable, marketable and competitive fashion.
- (f) Respondents shall provide sufficient financial resources, including general funds, capital funds, working capital and reimbursement for any operating, capital or other losses, to permit the Hold Separate Manager to comply with its obligations under this Section. The Hold Separate Manager, subject to

the prior approval of the Monitor, may request funds at any time, and Respondents shall comply with any such request. If the Monitor believes that Respondents have not provided, are not providing or will not provide sufficient financial and other resources under this Paragraph, the Monitor shall forthwith refer the matter to the Commissioner, who shall make a final determination respecting the financial and other resources that Respondents must provide. Respondents shall comply with any determination made by the Commissioner on this issue.

- (g) The Hold Separate Manager shall have no financial interests affected by Respondents' revenues, profits or profit margins, except that Respondents shall provide to the Hold Separate Manager reasonable incentives to undertake this position. The Monitor shall determine the type and value of such incentives, which shall include continuation of all employee benefits, and such additional incentives as the Monitor determines may be necessary to assure the continuation and prevent any diminution of the viability, marketability and competitiveness of the Divestiture Assets.
  - (h) In addition to those Persons employed in connection with the Divestiture Assets on the Closing Date, the Hold Separate Manager may employ such other Persons as the Monitor believes are necessary to assist the Hold Separate Manager in managing and operating the Divestiture Assets.
  - (i) Subject to any legally recognized privilege, the Hold Separate Manager shall provide to the Monitor full and complete access to all personnel, Records, information (including Confidential Information) and facilities relevant to monitoring Respondents' compliance with this Agreement.
  - (j) The Hold Separate Manager shall fully and promptly respond to all requests from the Monitor and, subject to any legally recognized privilege, shall provide all information the Monitor may request.
- [29] Respondents shall be responsible for all reasonable fees and expenses properly charged or incurred by the Hold Separate Manager in the course of carrying out the Hold Separate Manager's duties under this Agreement. The Hold Separate Manager shall serve without bond or security, and shall account for all fees and expenses incurred. Respondents shall pay all reasonable invoices submitted by the Hold Separate Manager within 30 days after receipt and, without limiting this obligation, Respondents shall comply with any agreement it reaches with the Hold Separate Manager regarding interest on late payments. In the event of any dispute: (i) such invoice shall be subject to the approval of the Commissioner; and (ii) Respondents shall promptly pay any invoice approved by the Commissioner.
- [30] Respondents shall indemnify the Hold Separate Manager and hold the Hold Separate Manager harmless against any losses, claims, damages, liabilities or expenses arising out of, or in connection with, the performance of the Hold Separate Manager's duties, including all reasonable fees of counsel and other expenses

incurred in connection with the preparation or defence of any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from malfeasance, gross negligence or bad faith by the Hold Separate Manager.

[31] If the Commissioner determines that the Hold Separate Manager has ceased to act or has failed to act diligently, the Commissioner may remove the Hold Separate Manager and appoint a substitute Hold Separate Manager. The provisions of this Agreement respecting the Hold Separate Manager shall apply in the same manner to any substitute Hold Separate Manager.

[32] Respondents and the Hold Separate Manager shall jointly implement, and at all times during the Hold Separate Period maintain in operation, a system, as approved by the Monitor in consultation with the Commissioner of access and data controls to prevent unauthorized access to or dissemination of Confidential Information. The system shall include the following protocols:

- (a) The Monitor shall review all proposed communications between the Hold Separate Manager and Pembina before such communications occur. The Monitor may review any communications between the Hold Separate Manager and KKR, including requiring the Hold Separate Manager and KKR to provide proposed communications between them to the Monitor for review before such communications occur.
- (b) Pembina's Continuing Employees shall not receive, have access to or use any Confidential Information respecting the Divestiture Assets. For greater certainty, KKR shall not provide, give access or otherwise make available to Pembina any Confidential Information respecting the Divestiture Assets. If any of Pembina's Continuing Employees possesses Confidential Information respecting the Divestiture Assets as of the date of this Agreement, such Person shall, within 5 Business Days following appointment of the Hold Separate Manager, (i) deliver any Records containing such Confidential Information to the Hold Separate Manager (or, at the Hold Separate Manager's option, destroy such Records) and a signed statement confirming that the Person is no longer in possession of any Records containing Confidential Information respecting the Divestiture Assets; and (ii) submit to the Monitor a signed statement confirming that the Person undertakes not to share any Confidential Information respecting the Divestiture Assets with any of Pembina's Continuing Employees or, following completion of the Divestiture, KKR.
- (c) Notwithstanding Paragraph 32(b), Designated Personnel of Pembina may receive aggregate financial and operational information relating to the Divestiture Assets only to the extent necessary to comply with securities laws, prepare financial and regulatory reports, tax returns, administer employee benefits, defend litigation and comply with this Agreement. Any such information shall be: (i) reviewed by the Monitor prior to its receipt by



any Designated Personnel; (ii) maintained in a separate confidential file that is accessible only to the Designated Personnel; and (iii) used only for the purposes set forth in this Section.

- (d) After completion of the Divestiture, KKR's Continuing Employees shall not receive, have access to or use any Confidential Information respecting the Divestiture Assets. If any of KKR's Continuing Employees possesses Confidential Information respecting the Divestiture Assets as of the date of the completion of the Divestiture, such Person shall, within 5 Business Days following such date, (i) deliver any Records containing such Confidential Information to the Hold Separate Manager (or, at the Hold Separate Manager's option, destroy such Records) and a signed statement confirming that the Person is no longer in possession of any Records containing Confidential Information respecting the Divestiture Assets; and (ii) submit to the Monitor a signed statement confirming that the Person undertakes not to share any Confidential Information respecting the Divestiture Assets with any of KKR's Continuing Employees or Pembina.
- (e) Neither the Hold Separate Manager nor any Hold Separate Employee shall receive, have access to or use any Confidential Information relating to Respondents' businesses other than the Divestiture Assets.

## **VI. THIRD PARTY CONSENTS**

- [33] It shall be a condition in any Divestiture Agreement (whether negotiated by Respondents or by the Divestiture Trustee) that Respondents shall, as a condition of closing, obtain any consents and waivers from Third Parties that are necessary to permit the assignment to, and assumption by, a Purchaser of all material contracts, approvals and authorizations relating to the Divestiture Assets; provided, however, that Respondents may satisfy this requirement by certifying that the Purchaser has executed agreements directly with one or more Third Parties which make such assignment and assumption unnecessary.

## **VII. TRANSITIONAL SUPPORT ARRANGEMENTS**

- [34] Respondents, or the Divestiture Trustee on behalf of Respondents, shall, at the option of the Purchaser, enter into agreements to supply transitional services of a sufficient kind, quantity, quality, and nature to facilitate the orderly and efficient transition of the Divestiture Assets to the Purchaser.

## **VIII. EMPLOYEES**

- [35] Respondents (during the Initial Sale Period), the Divestiture Trustee (during the Divestiture Trustee Sale Period) and the Hold Separate Manager (for the Hold Separate Employees) shall provide to any prospective Purchaser, the Commissioner and the Monitor information relating to the employees whose responsibilities involve the operation of the Divestiture Assets, to enable such Purchaser to make

decisions regarding offers of employment to such employees. The Monitor shall review the information provided to ensure that it is sufficient to enable the Purchaser to make such decisions.

**[36]** Respondents shall:

- (a) not interfere, directly or indirectly, with any negotiations by a Purchaser to employ any employees whose responsibilities involve the operation of the Divestiture Assets;
- (b) not offer any incentive to such employees to decline employment with the Purchaser or to accept other employment with Respondents;
- (c) remove any impediment that may deter such employees from accepting employment with the Purchaser;
- (d) waive any non-compete or confidentiality provisions of employment or other contracts that could impair the ability of such employees to be employed by the Purchaser; and
- (e) pay or transfer to or maintain for the employees subsequently employed by the Purchaser all current and accrued bonuses, pensions and other current and accrued benefits to which such employees would otherwise have been entitled had they remained in the employment of Respondents.

**[37]** For a period of one year following completion of the Divestiture, Respondents shall not, without the prior written consent of the Commissioner, directly or indirectly solicit or employ any Persons employed in connection with the Divestiture Assets who has accepted an offer of employment with the Purchaser unless such Person's employment has been terminated by the Purchaser. Nothing in this Agreement shall restrict the solicitation or employment by Respondents of any Person who is solicited by advertising placed in a newspaper, trade journal, through a web site or via other media of general circulation which is not directed at or focused on Persons employed in connection with the Divestiture Assets.

## **IX. FAILURE OF DIVESTITURE TRUSTEE SALE**

**[38]** If, by the end of the Divestiture Trustee Sale Period, the Divestiture has not been completed, or if the Commissioner is of the opinion that the Divestiture likely will not be completed prior to the end of the Divestiture Trustee Sale Period, the Commissioner may apply to the Tribunal, at the Commissioner's election, for either (i) such order as is necessary to complete the Divestiture; or (ii) such order as is necessary to ensure that the Transaction is not likely to prevent or lessen competition substantially.

**X. MONITOR**

- [39] The Commissioner shall appoint a Monitor, responsible for monitoring compliance by Respondents with this Agreement. Such appointment may occur at any time following registration of this Agreement. A reference in this Agreement to specific monitoring functions or tasks that are to be undertaken by the Monitor shall in no way detract from the Monitor's general right, power and duty to monitor all aspects of Respondents' compliance with this Agreement.
- [40] Within 5 Business Days after the appointment of the Monitor, Respondents shall submit to the Commissioner for approval the terms of a proposed Monitor Agreement with the Monitor and the Commissioner that confers on the Monitor all rights and powers necessary to permit the Monitor to monitor compliance by Respondents with this Agreement.
- [41] Within 5 Business Days after receipt of the proposed Monitor Agreement referred to in Section 40, the Commissioner shall advise Respondents whether or not the Commissioner approves the terms of the proposed Monitor Agreement. If the Commissioner does not approve the terms of the proposed Monitor Agreement, the Commissioner shall prescribe alternative terms for the Monitor Agreement that Respondents shall incorporate into a final Monitor Agreement with the Monitor and the Commissioner.
- [42] Respondents consent to the following terms and conditions regarding the Monitor's rights, powers and duties, and shall include such terms in the Monitor Agreement:
- (a) The Monitor shall have the power and authority to monitor Respondents' compliance with this Agreement, and shall exercise such power and authority and carry out the duties and responsibilities of the Monitor in a manner consistent with the purposes of this Agreement and in consultation with the Commissioner.
  - (b) The Monitor shall have the authority to employ, at the expense of Respondents, such consultants, accountants, legal counsel and other representatives and assistants as the Monitor believes are necessary to carry out the Monitor's duties and responsibilities.
  - (c) The Monitor shall have no obligation or authority to operate or maintain the Divestiture Assets.
  - (d) The Monitor shall act for the sole benefit of the Commissioner, maintain all confidences and avoid any conflict of interest.
  - (e) The Monitor shall have no duties of good faith (except as required by law), of a fiduciary nature, or otherwise, to Respondents.

- (f) The Monitor shall provide to the Commissioner every 30 days after the date of the Monitor's appointment until the Divestiture is complete and thereafter on or before every six month anniversary of the Divestiture, a written report concerning performance by Respondents of their obligations under this Agreement. The Monitor shall, within 3 Business Days, respond to any request by the Commissioner for additional information regarding Respondents' compliance.
- [43] Subject to any legally recognized privilege, Respondents shall provide to the Monitor full and complete access to all personnel, Records, information (including Confidential Information) and facilities relevant to monitoring Respondents' compliance with this Agreement.
- [44] Respondents shall take no action that interferes with or impedes, directly or indirectly, the Monitor's efforts to monitor Respondents' compliance with this Agreement.
- [45] Respondents shall fully and promptly respond to all requests from the Monitor and, subject to any legally recognized privilege, shall provide all information the Monitor may request. Respondents shall identify an individual who shall have primary responsibility for fully and promptly responding to such requests from the Monitor on behalf of Respondents.
- [46] Respondents may require the Monitor and each of the Monitor's consultants, accountants, legal counsel and other representatives and assistants to sign an appropriate confidentiality agreement in a form satisfactory to the Commissioner; provided, however, that such agreement shall not restrict the Monitor from providing any information to the Commissioner.
- [47] The Commissioner may require the Monitor and each of the Monitor's consultants, accountants, legal counsel and other representatives and assistants to sign an appropriate confidentiality agreement relating to materials and information the Monitor may receive from the Commissioner in connection with the performance of the Monitor's duties.
- [48] Respondents shall be responsible for all reasonable fees and expenses properly charged or incurred by the Monitor in the course of carrying out the Monitor's duties under this Agreement. The Monitor shall serve without bond or security, and shall account for all fees and expenses incurred. Respondents shall pay all reasonable invoices submitted by the Monitor within 30 days after receipt and, without limiting this obligation, Respondents shall comply with any agreement it reaches with the Monitor regarding interest on late payments. In the event of any dispute: (i) such invoice shall be subject to the approval of the Commissioner; and (ii) Respondents shall promptly pay any invoice approved by the Commissioner. Any outstanding monies owed to the Monitor by Respondents shall be paid out of the proceeds of the Divestiture.

- [49] Respondents shall indemnify the Monitor and hold the Monitor harmless against any losses, claims, damages, liabilities or expenses arising out of, or in connection with, the performance of the Monitor's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation or defence of any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from malfeasance, gross negligence or bad faith by the Monitor.
- [50] If the Commissioner determines that the Monitor has ceased to act or has failed to act diligently, the Commissioner may remove the Monitor and appoint a substitute Monitor. The provisions of this Agreement respecting the Monitor shall apply in the same manner to any substitute Monitor.
- [51] The Monitor shall serve for such time as is necessary to monitor Respondents' compliance with this Agreement.

## **XI. COMPLIANCE**

- [52] Within 2 Business Days after the Closing Date, Respondents shall provide written confirmation to the Commissioner of the date on which the Transaction was completed.
- [53] Respondents shall provide a copy of this Agreement to each of their own and their Affiliates' directors, officers, employees and agents having managerial responsibility for any obligations under this Agreement, within 3 Business Days after the date of registration of this Agreement. Respondents shall ensure that their directors, officers, employees and agents with responsibility for any obligations under this Agreement receive sufficient training respecting Respondents' responsibilities and duties under this Agreement, and the steps that such individuals must take in order to comply with this Agreement.
- [54] Respondents shall not, for a period of 10 years after the date when the Divestiture is completed, directly acquire any interest in the Divestiture Assets, indirectly acquire a 10% or greater interest in the Divestiture Assets or indirectly acquire any interest in the Divestiture Assets that would result in Respondents receiving, having access to or using Confidential Information respecting the Divestiture Assets, without the prior written approval of the Commissioner.
- [55] Six months after the date of registration of this Agreement and annually for the duration of this Agreement on the six month anniversary of the date of registration, and at such other times as the Commissioner may require, Respondents shall file an affidavit or certificate, substantially in the form of Schedule C to this Agreement, certifying its compliance with Parts VII, VIII and XI of this Agreement and setting out the following information in detail:
- (a) the steps taken to ensure compliance;

- (b) the controls in place to verify compliance; and
  - (c) the names and titles of employees who have oversight of compliance.
- [56] If any of Respondents, the Hold Separate Manager, the Divestiture Trustee or the Monitor becomes aware that there has been a breach or possible breach of any of the terms of this Agreement, such Person shall, within 5 Business Days after becoming aware of the breach or possible breach, notify the Commissioner thereof, and shall provide details sufficient to describe the nature, date and effect (actual and anticipated) of the breach or possible breach, provided that notification of a possible breach is not required if such Person determines within those 5 Business Days that it could not reasonably be considered a breach of any of the terms of this Agreement. Respondents shall provide confirmation of its compliance with this provision in all affidavits and certificates of compliance filed with the Commissioner pursuant to Section 55 of this Agreement.
- [57] Respondents shall notify the Commissioner at least 30 days prior to:
- (a) any proposed dissolution of Pembina Pipeline Corporation, KKR Alberta Midstream Inc., Eagle Midstream Canada Finance Inc., KKR Midstream Canada Inc. or KKR Alberta Blockerco Ltd.; or
  - (b) any other change in Respondents if such change may affect compliance obligations arising out of this Agreement including, but not limited to, a reorganization, material acquisition, disposition or transfer of assets, or any fundamental change for purposes of Respondents' incorporating statute.
- [58] For the period commencing when this Agreement is registered and ending 10 years after the Divestiture is completed, for purposes of determining or securing compliance with this Agreement, and subject to any legally recognized privilege, Respondents shall, upon written request given at least 5 Business Days in advance to Respondents, permit any authorized representative(s) of the Commissioner, without restraint or interference:
- (a) to access, during regular office hours of Respondents on any Business Day(s), all facilities and to inspect and copy all Records in the possession or control of Respondents related to compliance with this Agreement, which copying services shall be provided by Respondents at their expense; and
  - (b) to interview such officers, directors or employees of Respondents as the Commissioner requests regarding such matters.

## **XII. DURATION**

- [59] This Agreement shall become effective on the date when it is registered, and shall remain in effect for 10 years following the Divestiture, except that:

- (a) Parts II, III, IV, V and VI of this Agreement shall be effective only until the Divestiture is completed;
- (b) Part VII of this Agreement shall be effective only until the transitional supply agreement is terminated; and
- (c) Sections 65 shall survive the expiry of this Agreement.

### XIII. NOTICES

[60] A notice or other communication required or permitted to be given under this Agreement is valid if it is:

- (a) in writing and delivered by personal delivery, registered mail, courier service, facsimile or electronic mail; and
- (b) addressed to the receiving party at the address(es) listed below, or to any other address designated by the receiving party in accordance with this Section.

if to the Commissioner:

Commissioner of Competition  
Competition Bureau Canada  
Place du Portage, 21st Floor  
50 Victoria Street, Phase I  
Gatineau, Quebec K1A 0C9

Attention: Commissioner of Competition  
Fax: (819) 953-5013  
Email address: [ic.avisdefusionmergernotification.ic@canada.ca](mailto:ic.avisdefusionmergernotification.ic@canada.ca) and  
[avisdefusionmergernotification@cb-bc.gc.ca](mailto:avisdefusionmergernotification@cb-bc.gc.ca)

with a copy to:

Executive Director and Senior General Counsel  
Competition Bureau Legal Services  
Department of Justice  
Place du Portage, 22nd Floor  
50 Victoria Street, Phase I  
Gatineau, Quebec K1A 0C9  
Fax: (819) 953-9267  
Email address: [ic.cb\\_lsu\\_senior\\_general\\_counsel-avocat\\_general\\_principal\\_usj\\_bc.ic@canada.ca](mailto:ic.cb_lsu_senior_general_counsel-avocat_general_principal_usj_bc.ic@canada.ca) and  
[cb\\_lsu\\_senior\\_general\\_counsel-avocat\\_general\\_principal\\_usj\\_bc@ised-isde.gc.ca](mailto:cb_lsu_senior_general_counsel-avocat_general_principal_usj_bc@ised-isde.gc.ca)

if to Pembina:

Pembina Pipeline Corporation  
4000, 585 - 8th Avenue S.W.  
Calgary, Alberta T2P 1G1  
Attention: Chief Legal Officer  
Email: legalnotices@pembina.com

with a copy to:

Cassandra Brown  
Blake, Cassels & Graydon LLP  
199 Bay Street, Suite 4000  
Toronto ON M5L 1A9  
Tel: 416-863-2295  
Fax: 416-863-2653  
Email address: cassandra.brown@blakes.com

if to KKR:

KKR Alberta Midstream Inc., Eagle Midstream Canada Finance Inc.,  
KKR Midstream Canada Inc.  
c/o Kohlberg Kravis Roberts & Co. L.P.  
2800 Sand Hill Road  
Suite 200, Menlo Park, CA 94025  
Attention: Brandon Freiman and Paul Workman  
Email: brandon.freiman@kk.com and paul.workman@kk.com

with a copy to:

Omar Wakil  
Torys LLP  
79 Wellington St. W., 30th Floor, Box 270, TD South Tower  
Toronto, Ontario M5K 1N2  
Tel: 416-865-7635  
Fax: 416-865-7380  
Email address: owakil@torys.com

- [61] A notice or other communication under this Agreement is effective on the day that it is received by the receiving party and is deemed to have been received as follows:
- (a) if it is delivered in person, by registered mail or by courier, upon receipt as indicated by the date on the signed receipt;
  - (b) if it is delivered by facsimile, upon receipt as indicated by the time and date on the facsimile confirmation slip; or



- (c) if it is delivered by electronic mail, when the recipient, by an email sent to the email address for the sender stated in this Section or by a notice delivered by another method in accordance with this Section, acknowledges having received that email, with an automatic “read receipt” not constituting acknowledgment of an email for purposes of this Section.

If a notice or other communication is received after 5:00 p.m. local time, or on a day that is not a Business Day, it shall be deemed to have been received on the next Business Day.

- [62] Notwithstanding Sections 60 and 61, a notice or other communication that is not communicated in accordance with Sections 60 and 61 is valid if a representative of the party to this Agreement that is the recipient of such communication confirms the receipt of such communication and does not, at the time of such confirmation, request that it be delivered differently.

#### XIV. GENERAL

- [63] In this Agreement:

- (a) **Number and Gender** – Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (b) **Time Periods** – Computation of time periods shall be in accordance with the *Interpretation Act*, R.S.C. 1985, c. I-21, and the definition of “holiday” in the *Interpretation Act* shall include Saturday.

- [64] The Commissioner shall file this Agreement with the Tribunal for registration in accordance with section 105 of the Act. Respondents hereby consent to such registration. Following the filing of this Agreement, the Commissioner shall promptly issue a letter to Respondents indicating that, subject to the implementation of this Agreement, the Commissioner does not intend to make an application under section 92 of the Act in respect of the Transaction.

- [65] Information in Confidential Schedule A shall be made public upon the expiry of the Initial Sale Period. Information in Confidential Schedule B shall remain confidential at all times and shall survive the termination of this Agreement; provided, however, the Commissioner may communicate or allow to be communicated such information for the purposes of the administration or enforcement of the Act.

- [66] The Commissioner may, after informing Respondents, extend any of the time periods contemplated by this Agreement other than Sections 54 and 59. If any time period is extended, the Commissioner shall promptly notify Respondents of the revised time period.

- [67] Nothing in this Agreement precludes Respondents or the Commissioner from bringing an application under section 106 of the Act. Respondents will not, for the purposes of this Agreement, including execution, registration, enforcement, variation or rescission, contest the Commissioner's conclusions that: (i) the Transaction is likely to result in a substantial prevention of competition in the supply of pipeline transportation for natural gas liquids in Alberta; and (ii) the implementation of this Agreement is necessary to ensure that any substantial prevention of competition will not result from the Transaction.
- [68] Respondents attorn to the jurisdiction of the Tribunal for the purposes of this Agreement and any proceeding initiated by the Commissioner relating to this Agreement.
- [69] Until Closing, Respondents shall make reasonable efforts to ensure that Energy Transfer Canada ULC preserves the Divestiture Assets in a manner consistent with Part V of this Agreement.
- [70] This Agreement, together with the Monitor Agreement and Management Agreement, constitutes the entire agreement between the Commissioner and Respondents, and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral, with respect to the subject matter hereof.
- [71] This Agreement shall be governed by and interpreted in accordance with the laws of Ontario and the laws of Canada applicable therein, without applying any otherwise applicable conflict of law rules.
- [72] In the event of a dispute regarding compliance with or the interpretation, implementation or application of this Agreement, the Commissioner or Respondents may apply to the Tribunal for directions or an order. In the event of any discrepancy between the English language version of this Agreement and the French language version of this Agreement, the English language version of this Agreement shall prevail. In no event shall any dispute suspend the Initial Sale Period or the Divestiture Trustee Sale Period.
- [73] This Agreement may be executed in two or more counterparts, each of which shall be an original instrument, but all of which shall constitute one and the same Agreement.

The undersigned hereby agree to the filing of this Agreement with the Tribunal for registration.

DATED this 27<sup>th</sup> day of July, 2022

**COMMISSIONER OF COMPETITION**

[Original signed by Matthew Boswell]

\_\_\_\_\_

Name: Matthew Boswell

Title: Commissioner of Competition

**PEMBINA PIPELINE CORPORATION**

[Original signed by Janet Loduca]

\_\_\_\_\_

I/We have authority to bind the corporation

Name: Janet Loduca

Title: SVP, External Affairs & Chief Legal and  
Sustainability Officer

**KKR ALBERTA MIDSTREAM INC.**

[Original signed by Brandon Freiman]

\_\_\_\_\_

I/We have authority to bind the corporation

Name: Brandon Freiman

Title: Director

**EAGLE MIDSTREAM CANADA FINANCE INC.**

[Original signed by Brandon Freiman]

\_\_\_\_\_  
I/We have authority to bind the corporation

Name: Brandon Freiman  
Title: Director

**SCHEDULE A**

**INITIAL SALE PERIOD**

The Initial Sale Period shall commence on August 8, 2022 and shall expire 6 months thereafter, unless extended by the Commissioner in accordance with the following.

Upon request by Respondents not later than 30 days before expiry of the Initial Sale Period, the Commissioner may extend the expiry of the Initial Sale Period one or more times, in each case for a period of time in the Commissioner's discretion, if, subject to investigation and confirmation of the underlying facts by the Monitor:

- (a) Keyera Corp. and/or its Affiliates acts or omits to act in a manner that has materially delayed the Divestiture Sale Process; and/or
- (b) the expected in-service date of the KAPS project is materially delayed beyond April 2023 for reasons unrelated to Respondents.

For greater clarity, the above does not limit the Commissioner's general discretion to extend the Initial Sale Period as appropriate under Section 66 of this Agreement.

**CONFIDENTIAL SCHEDULE B  
DESIGNATED PERSONNEL**

**[CONFIDENTIAL]**

## SCHEDULE C

### FORM OF COMPLIANCE CERTIFICATION/AFFIDAVIT

I, **[name]**, of **[place]**, hereby certify<sup>1</sup> in accordance with the terms of the Registered Consent Agreement dated • between Pembina Pipeline Corporation, KKR Alberta Midstream Inc., Eagle Midstream Canada Finance Inc. and the Commissioner of Competition, that:

1. I am the **[title]** of **[Respondent]**, and have personal knowledge of the matters deposed to herein, unless they are stated to be on information and belief, in which cases I state the source of such information and believe it to be true.
2. On **[date]**, **[Respondent]** entered into a Consent Agreement (the “Consent Agreement”) with the Commissioner of Competition (the “Commissioner”) in connection with the proposed gas processing joint venture in Western Canada between Pembina Pipeline Corporation, KKR Alberta Midstream Inc. and Eagle Midstream Canada Finance Inc., including the proposed acquisition of Energy Transfer Canada ULC (the “Transaction”).
3. The Transaction closed on **[date]** (the “Closing Date”).<sup>2</sup>
4. The Divestiture (as defined in the Consent Agreement) to **[Purchaser]** was completed on **[date]**.
5. Pursuant to Section 55 of the Consent Agreement, **[Respondent]** is required to file **[annual reports/reports when requested by the Commissioner]** certifying its compliance with Parts VII, VIII and XI of the Consent Agreement.

#### **Oversight of Compliance**

6. **[Names/titles]** have primary responsibility for overseeing compliance with this Agreement.

#### **Closing Date**

7. Pursuant to Section 52 of the Consent Agreement, **[Respondent]** is required to provide written confirmation to the Commissioner of the date on which the Transaction was completed. Such notice was provided on **[date]**.

#### **Circulation of Consent Agreement**

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<sup>1</sup> If this is drafted as an affidavit, the words “hereby certify” should be removed and should be replaced with “make oath and say”. An affidavit should be sworn under oath. A certification should be certified by a Commissioner for taking affidavits.

<sup>2</sup> Paragraphs **3, 4, 7 and 8** need only be included in the first certification/affidavit.

8. Pursuant to Section 53 of the Consent Agreement, **[Respondent]** is required to provide a copy of the Consent Agreement to each of its own and its Affiliates' directors, officers, employees and agents having managerial responsibility for any obligations under the Consent Agreement, within 3 Business Days after the date of registration of the Consent Agreement. The Consent Agreement was circulated by **[whom]** to **[provide list]** on **[dates]**.
9. Pursuant to Section 53 of the Consent Agreement, **[Respondent]** is required to ensure that its directors, officers, employees and agents with responsibility for any obligations under the Consent Agreement receive sufficient training respecting **[Respondent]**'s responsibilities and duties under the Consent Agreement. The following training has been provided: **[provide list of who was trained and by whom as well as a general statement of the content of the training]**

#### **Transitional Support Arrangements**

10. Pursuant to Section 34 of the Consent Agreement, **[Respondent]** is required to provide transitional support at the option of **[Purchaser]** to facilitate the orderly and efficient transition of the Divestiture Assets. **[Respondent]** has fully complied with the terms of that Section and, more particularly: **[Describe the nature and duration of any transitional services agreements and describe steps taken to perform obligations under those agreements.]**

#### **Employees**

11. Sections 35, 36 and 37 of the Consent Agreement require **[Respondent]** to take various steps in regard to its employees whose responsibilities involved the operation of the Divestiture Assets. **[Respondent]** has fully complied with the terms of those Sections and, more particularly: **[Describe steps taken to facilitate employee transfer to Purchaser, having regard to the terms of Sections 35 and 36; provide data on the # of employees who have transferred to the Purchaser.]**

#### **Acquisition, Reacquisition and Corporate Change**

12. Section 54 of the Consent Agreement prohibits reacquisition of Divestiture Assets for a period of 10 years after the Divestiture is completed without prior written approval of the Commissioner. **[Respondent]** has fully complied with the terms of Section 54 and, more particularly: **[Describe steps taken to ensure commitments have been complied with.]**
13. Section 57 of the Consent Agreement requires notice to the Commissioner of certain corporate changes or other changes to **[Respondent]** that may affect compliance with the Consent Agreement. **[Respondent]** has complied with this provision and, more particularly: **[Describe steps taken to ensure this commitment has been complied with.]**

#### **Notification of Breach**



14. Based on my personal knowledge and my inquiries of **[provide names]**, I am not aware of any breach or possible breach of any of the terms of the Consent Agreement within the meaning of Section 56 of the Consent Agreement.

DATED ●.

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**Commissioner of Oaths**

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**Name and Title of Certifying Officer**