

**INTER PIPELINE LTD.  
MAJOR PROJECTS REVIEW COMMITTEE  
TERMS OF REFERENCE**

---

**Establishment of Major Projects Review Committee**

A committee of the Board of Directors of Inter Pipeline Ltd. (the “Company”) to be known as the “Major Projects Review Committee” is hereby established.

**Membership**

The Major Projects Review Committee (the “Committee”) shall consist of not less than three directors, the majority of whom are independent directors within the meaning of the current definition of such term prescribed by the Toronto Stock Exchange and any regulatory body having jurisdiction over the Company.

**Mandate**

**1. General Mandate**

The mandate of the Committee is to assist the Company’s Board of Directors (the “Board”) in fulfilling its oversight responsibilities relating to the planning, development, construction and start-up of major capital projects (as determined in accordance with the Specific Mandate below). The Committee is responsible for broadly reviewing and monitoring project management processes, capital costs, procurement practices, and project schedules in a more in-depth manner than time permits during regularly scheduled Board meetings.

**2. Specific Mandate**

- I. At the time of Board approval of a project with a capital cost of \$100 million or greater, the Board will determine whether such project will fall under the Committee’s mandate (each such project referred to as a “Major Capital Project”).
- II. With respect to Major Capital Projects, the Committee shall review:
  - a) progress against project management processes, including the Company’s Project Development and Implementation (“PDI”) process;
  - b) project planning documents, including project management plans, execution strategies, project development plans, compliance with the Company’s PDI process and construction contracting strategies;
  - c) periodic cost reports, including methodologies, impact of change orders, trend analysis and overall forecasts;

- d) baseline project schedules, periodic progress reports, project look-aheads and overall completion forecasts as projects advance throughout the execution phase;
  - e) project risk analysis and risk mitigation plans;
  - f) operational staffing and commissioning plans;
  - g) upcoming activities, including future key project decisions and milestones; and
  - h) project look-backs, including a review of the scope and quality achieved compared to the original project approvals, final cost and schedule analysis, and key lessons learned.
- III. The Committee will also receive information on the key aspects of Major Capital Projects, including:
- a) procurement and construction commercial terms that may impact project execution;
  - b) significant regulatory, political or stakeholder issues;
  - c) significant safety or environmental matters impacting the project; and
  - d) evolving industry trends that could affect the success of the project.
- IV. The Committee will perform such other functions as are assigned by the Board.

## **Administrative Matters**

### **1. Appointment of Committee Members**

Members of the Committee shall be appointed annually by the Board.

### **2. Vacancies**

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board and shall be filled by the Board if the membership of the Committee is less than three Directors.

### **3. Committee Chair**

The Board shall appoint a Chair of the Committee. The Chair shall convene and direct meetings of the Committee and prepare and/or approve an agenda in advance of each meeting.

#### **4. Absence of Committee Chair**

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.

#### **5. Secretary of Committee**

The Committee shall appoint a Secretary who need not be a director of the Company.

#### **6. Meetings**

When the Company is constructing a Major Capital Project, the Committee shall meet quarterly. The Chair or any two members of the Committee may call a meeting of the Committee.

#### **7. Notice of Meetings**

Notice of the time and place of every meeting shall be given in writing (including by email or by facsimile communication) to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting; and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

#### **8. Quorum**

A simple majority of the members of the Committee, present in person or by telephone or other communication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum.

#### **9. Voting**

Voting in respect of matters before the Committee will be by simple majority. In the case of an equality of votes, the Chair will not have a second or deciding vote.

#### **10. Attendance of Company Officers at Meeting**

At the invitation of the Chair of the Committee, one or more officers, employees or consultants of the Company may attend any meeting of the Committee. All directors of the Company may attend all meetings of the Committee.

### **11. Procedures, Records and Reporting**

The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board when the Committee may deem appropriate (but generally, not later than the next meeting of the Board).

### **12. Review of Terms of Reference**

The Committee shall review its terms of reference annually or otherwise, as it deems appropriate, and propose or recommend changes to the Board.

### **13. Outside Advisors**

The Committee has the authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.