



INTER PIPELINE LTD.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2020

February 18, 2021

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SCHEDULES

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PRESENTATION OF INFORMATION

Unless otherwise noted, the information contained in this Annual Information Form is given at or for the year ended December 31, 2020. Amounts are expressed in Canadian dollars unless otherwise indicated. Financial information is presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Unless the context indicates otherwise, a reference in this Annual Information Form to "**Inter Pipeline**", the "**Corporation**" or the "**Company**" includes Inter Pipeline Ltd. and its material subsidiaries through which its various business operations are conducted, as the context requires.

Certain portions of Inter Pipeline's audited consolidated financial statements ("**Financial Statements**") and Management's Discussion and Analysis ("**MD&A**") for the year ended December 31, 2020 are incorporated by reference into this Annual Information Form as indicated herein. The Financial Statements and MD&A are available on SEDAR at www.sedar.com.

Certain terms used in this Annual Information Form which are capitalized and not otherwise defined have the meanings set forth in Schedule "A" – "Glossary of Terms" attached hereto and certain abbreviations and conversions are set forth in Schedule "B" – "Abbreviations and Conversions" attached hereto.

THIRD PARTY INFORMATION

This Annual Information Form includes, or incorporates by reference, market, industry and economic data which was obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes it to be reliable, the Company has not independently verified any of the data from third party sources referred to in this Annual Information Form, or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources. The Company believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this Annual Information Form are not guaranteed and the Company makes no representation as to the accuracy of such information.

FORWARD-LOOKING INFORMATION

Certain information contained herein may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities legislation that involve known and unknown risks, assumptions, uncertainties and other factors. Forward-looking statements often contain terms such as "may", "will", "should", "anticipate", "expects" and similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements in this Annual Information Form, including, but not limited to, statements regarding: (i) the timing, costs and completion or in-service dates of Inter Pipeline's current and future construction projects; (ii) the design, continued construction and operation of the Heartland Petrochemical Complex and the Central Utility Block and estimates of volume of polypropylene to be produced; (iii) the value of the proceeds from the Milk River transaction and the divestiture of European bulk liquids storage business, and the expected timing for the closing of the Milk River transaction and the expected benefits of each transaction; (iv) the ability to obtain a partner in the Heartland Petrochemical Complex and the nature and timing and completion of this process; (v) the benefits to be derived from the Heartland Petrochemical Project and including any future partner benefiting from joining a well-developed world-scale petrochemical project that has substantial commercial advantages, and it would lower Inter Pipeline's overall project concentration exposure; (vi) the ability of Inter Pipeline to successfully market available surplus capacity on its pipeline systems to new shippers; and (vii) the likelihood of renewal of Inter Pipeline land leases and associated rights upon expiry. Such statements reflect the current views of Inter Pipeline with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause Inter Pipeline's results to differ materially from those expressed in the forward-looking statements. Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of Inter Pipeline's businesses include, among other things, risks and assumptions associated with operations, such as Inter Pipeline's ability to successfully implement its strategic initiatives and achieve the expected benefits therefrom, including the further development of its projects and facilities; assumptions concerning operational reliability; the potential delays of and costs of overruns on construction projects and future expansions of Inter Pipeline's assets; the realization of the anticipated benefits of transactions and other projects Inter Pipeline is developing; the timing, financing and completion of transactions and other projects Inter Pipeline is developing; risks inherent in Inter Pipeline's Canadian and foreign operations; risks associated with the failure to finalize formal agreements with counterparties in certain circumstances where letters of intent or similar agreements have been executed and announced by Inter Pipeline; Inter Pipeline's ability to generate sufficient cash flow from operations to meet its current and future obligations; Inter Pipeline's ability to maintain its current level of cash dividends to its shareholders; Inter Pipeline's ability to access sources of debt and equity capital; Inter Pipeline's ability to make capital investments and the amounts of capital investments; Inter Pipeline's ability to maintain its credit ratings; assumptions based upon Inter Pipeline's current guidance including projected future EBITDA levels; the availability and price of labour, equipment and construction materials; the status, credit risk and continued existence of counterparties having contracts with Inter Pipeline and its affiliates and their performance of such contracts; competitive factors, pricing pressures and supply and demand in the oil and gas transportation, natural gas liquids processing and storage industries; increases in maintenance, operating or financing costs; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals or land access rights and maintenance of support of such approvals and rights; risks of war, hostilities, civil insurrection, instability and political and economic conditions in or affecting countries in which Inter Pipeline and its affiliates operate; severe weather conditions and risks related to climate change; terrorist threats; risks associated with technology; availability of energy commodities; volatility of and assumptions regarding prices of energy commodities; fluctuations in currency and interest rates; changes in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to Inter Pipeline's business; the risks associated with existing and potential or threatened future lawsuits, legal proceedings and regulatory actions against Inter Pipeline and its affiliates; general economic and business conditions; the effects and impacts of the COVID-19 pandemic as further described below, the extent and duration of which are uncertain at this time, on Inter Pipeline's

business and general economic and business conditions and markets, and such other risks and uncertainties described from time to time in Inter Pipeline's reports and filings with the Canadian securities authorities. The impact of any one assumption, risk, uncertainty or other factor on a particular forward-looking statement cannot be determined with certainty, as these are interdependent, and Inter Pipeline's future course of action depends on management's assessment of all information available at the relevant time.

In particular and without limitation of the foregoing, the recent outbreak of COVID-19 has had a negative impact on global financial conditions. Inter Pipeline cannot accurately predict the impact COVID-19 will have on its ability to execute its business plans in response to government public health efforts to contain COVID-19 and to obtain financing or third parties' ability to meet their contractual obligations with Inter Pipeline, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected jurisdictions; and future demand for Inter Pipeline's services. In the event that the prevalence of COVID-19 continues to increase (or fears in respect of COVID-19 continue to increase), governments may increase regulations and restrictions regarding the flow of labour or products, and travel bans, and Inter Pipeline's operations, suppliers and customers, and ability to advance its projects or carry out its ongoing business plan, could be adversely affected. In particular, should any employees or consultants of Inter Pipeline become infected with COVID-19 or similar pathogens, it could have a material negative impact on the Inter Pipeline's operations, prospects, business, financial condition and results of operations.

As actual results could vary significantly from the forward-looking statements, you should not put undue reliance on forward-looking statements. Such information, although considered reasonable by Inter Pipeline at the time of preparation, may later prove to be incorrect and actual results may differ materially from those anticipated in the statements made. For this purpose, any statements that are not statements of historical fact are deemed to be forward-looking statements. The forward-looking statements contained in this news release are made as of the date of this document, and, except to the extent required by applicable law, Inter Pipeline assumes no obligation to update or revise forward-looking statements made herein or otherwise, whether as a result of new information, future events, or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary note.

NON-GAAP FINANCIAL MEASURES

This Annual Information Form and certain documents incorporated by reference herein make reference to certain financial measures that are not recognized by GAAP. Non-GAAP financial measures do not have standardized meanings prescribed by GAAP and therefore may not be comparable to similar measures presented by other issuers. Investors are cautioned that these non-GAAP financial measures should not be construed as alternatives to other measures of financial performance calculated in accordance with GAAP. For information regarding the non-GAAP financial measures used by Inter Pipeline, see "Non-GAAP Financial Measures" in Inter Pipeline's MD&A, which section is incorporated by reference herein.

CORPORATE STRUCTURE

Name, Address and Incorporation

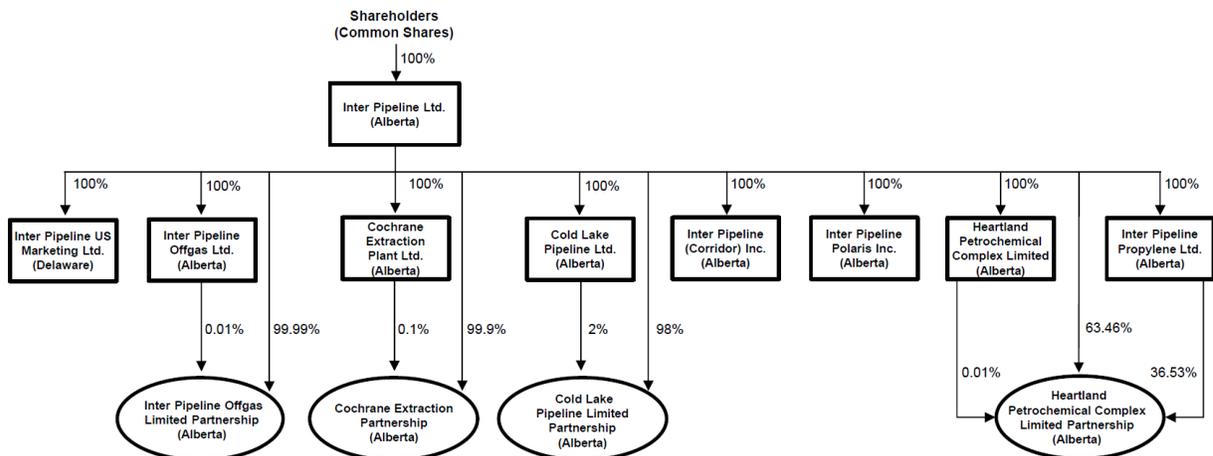
Inter Pipeline Ltd.

Head and Registered Office:
Suite 3200, 215 – 2nd Street S.W.
Calgary, Alberta T2P 1M4

Inter Pipeline was formed under the *Business Corporations Act* (Alberta) (the "**ABCA**") pursuant to an amalgamation on September 23, 2016 and is the corporate successor of Inter Pipeline Fund, a limited partnership formerly established under the laws of Alberta.

Intercorporate Relationships

The following chart sets forth the ownership structure of Inter Pipeline and the intercorporate relationships among Inter Pipeline and its material subsidiaries. The chart only includes the subsidiaries of Inter Pipeline which exceed 10% individually, or 20% in the aggregate, of the total consolidated assets or total consolidated revenues of Inter Pipeline as at and for the year ended December 31, 2020. Also set forth is the percentage of votes attached to all voting securities of the subsidiary which are beneficially owned, or controlled or directed, directly or indirectly, by Inter Pipeline and where the subsidiary was incorporated, continued, formed or organized.



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The general development of Inter Pipeline's business over the last three completed financial years that includes events, such as acquisitions or dispositions, or conditions that have had an influence on that development, is described below.

Board of Directors and Senior Management Changes

Effective April 16, 2018, Megan Joyce was appointed to the role of Vice President, Human Resources and Richard Sawyer was appointed to the role of Vice President, EH&S and Technical Services.

Effective May 7, 2018, Lorne Brown retired as a director and Peter Cella, Julie Dill and Arthur Korpach joined the board of directors.

Effective February 10, 2019, David Fesyk resigned as a director of Inter Pipeline.

Effective May 7, 2020, William Robertson retired as a director and Shelley Brown and Wayne Smith joined the board of directors.

Effective November 1, 2020, Nipa Chakravarti was appointed to the role of Vice President, Marketing, James Madro was appointed to the role of Senior Vice President, Petrochemicals, Cory Neufeld was appointed to the role of Vice President, NGL and Anita Dusevic Oliva was appointed to the role of Senior Vice President, Corporate Services.

Effective December 31, 2020, Jim Arsenych retired as an officer of Inter Pipeline.

Oil Sands Transportation Business Segment Developments

In the third quarter of 2019, Inter Pipeline successfully placed into service ahead of schedule and under budget a diluent and bitumen blend pipeline connection to Canadian Natural's Kirby North oil sands project. The connection is underpinned by a long-term take-or-pay agreement that provides Inter Pipeline with stable cash flow that is not dependent on commodity prices or volume shipped. The transportation agreement with Canadian Natural increases contracted capacity commitments by approximately 30,000 b/d and 8,000 b/d on Inter Pipeline's Cold Lake and Polaris pipeline systems respectively. Inter Pipeline invested approximately \$110 million to construct the infrastructure to complete the connection to the Kirby North production facility.

Conventional Oil Pipelines Business Segment Development

In the third quarter of 2018, Inter Pipeline received approval for an \$82 million expansion of the Stettler Crude Oil terminal to service growing light oil production from the East Duvernay basin.

In the third quarter of 2019, Inter Pipeline received commercial support for the construction of a \$100 million pipeline connection between its Bow River and Central Alberta pipeline systems. The pipeline, called the Viking Connector, links various grades of light crude oil from the Viking and Mannville formations in east-central Alberta to the Edmonton market hub. The project included the construction of 75 kilometres of eight-inch diameter pipeline that connects Inter Pipeline's Throne Station on the Bow River pipeline system to the Central Alberta pipeline system in the Stettler area. In addition, Inter Pipeline completed upgrades to the Throne Station, which included reconfiguring existing tank storage and expanding truck offloading capacity. The Viking Connector was placed into service on April 1, 2020. Inter Pipeline forecasts throughput volume of 10,000 to 15,000 b/d on the Viking Connector, with approximately one third of forecast shipments currently secured for a 10-year term.

In the third quarter of 2020, Inter Pipeline agreed to acquire the Milk River pipeline system from Plains Midstream, in exchange for its 100 percent ownership interest in the Empress II and 50 percent ownership interest in the Empress V straddle plants. Plains Midstream will also pay Inter Pipeline cash proceeds of \$35 million. Closing of this transaction is expected to occur in the first half of 2021 following completion of customary conditions.

NGL Processing Business Segment Developments

In the fourth quarter of 2017, Inter Pipeline made its final investment decision for an integrated propane dehydrogenation and polypropylene complex ("**Heartland Petrochemical Complex**") that will convert locally sourced, low-cost propane into 525,000 tonnes per year of polypropylene, an easy to transport plastic used in the manufacturing of a wide range of finished products. The construction of the Heartland Petrochemical Complex is expected to be complete by late 2021. In addition, Inter Pipeline will construct a central utility block to supply the Heartland Petrochemical Complex with electricity, steam and other utilities ("**Central Utility Block**").

During the third quarter of 2018, Inter Pipeline sold the Central Utility Block to Fengate Capital Management ("**Fengate**"), a privately held infrastructure and real estate investment firm. Under the terms of the sale, Inter Pipeline recovered all of its development capital and Fengate assumed responsibility for funding the Central Utility Block capital cost. Fengate also entered into long-term agreements to supply core utilities to the Heartland Petrochemical Complex in exchange for structured capital and operating recovery fee payments from Inter Pipeline. Inter Pipeline will manage construction and operation of the facility once in operation.

In the second quarter of 2020, Inter Pipeline commenced a process to secure a partner to purchase a material interest in the Heartland Petrochemical Complex. A partner would benefit from joining a well-developed world-scale petrochemical project that has substantial commercial advantages, and it would lower Inter Pipeline's overall project concentration exposure. While there can be no certainty that a definitive agreement will be reached, the process remains active.

Bulk Liquid Storage Business Segment Developments

Acquisition in the UK and Netherlands

In the fourth quarter of 2018, Inter Pipeline, through its previous European storage subsidiary, Inter Terminals Limited, acquired 100% of the issued and outstanding shares of NuStar Energy, L.P.'s European subsidiaries for cash consideration of USD\$277.2 million after final adjustments. The acquisition increased Inter Terminals storage capacity by 9.1 million bbls, or 33 percent, to approximately 37 million bbls. The acquisition was funded by the net proceeds from a \$200 million common share issuance that closed on November 7, 2018 and capacity available on Inter Pipeline's revolving credit facility.

Disposition of Bulk Liquid Storage Business

In the third quarter of 2020, Inter Pipeline entered into a definitive agreement to divest a major portion of its European bulk liquid storage business to the CLH Group, the leading bulk liquid product logistics company in Europe. Proceeds from the transaction before closing adjustments were £420 million. The transaction closed in the fourth quarter of 2020.

Significant Acquisitions

Inter Pipeline did not complete any significant acquisitions during its most recently completed financial year for which disclosure is required under Part 8 of National Instrument 51-102.

Potential Acquisitions, Issuance of Securities and Financings

Inter Pipeline regularly evaluates potential acquisitions, dispositions and other business or corporate-level strategic transactions with the objective of positioning the Company to maximize shareholder value. Such transactions individually or together could be material. As of the date hereof, Inter Pipeline has not reached definitive agreement on the price or terms of any potential material transaction. Inter Pipeline cannot predict whether any current or future opportunities will result in one or more material transactions. Inter Pipeline may, in the future, issue securities in connection with transactions or otherwise and complete financings of equity or debt (which may be convertible into equity) for purposes that may include financing of acquisitions. Inter Pipeline's operations and capital expenditures and repayment of indebtedness. See "Failure to Realize Anticipated Benefits of Acquisitions and Dispositions" and "Dilution" in "Risk Factors" in the MD&A, which sections are incorporated by reference herein.

Recent Developments

On February 10, 2021, Brookfield Infrastructure Partners L.P., together with its institutional partners (collectively, "**Brookfield**"), announced its intention to offer to acquire all of the outstanding common shares of the Company not already owned by Brookfield.

DESCRIPTION OF THE BUSINESS

General

Inter Pipeline is a major petroleum transportation and natural gas liquids processing business based in Calgary, Alberta, Canada. Inter Pipeline owns and operates energy infrastructure assets in western Canada and is building the Heartland Petrochemical Complex, Canada's first integrated propane dehydrogenation and polypropylene facility.

Inter Pipeline has four operating business segments that are reportable segments: the oil sands transportation business; the NGL processing business; the conventional oil pipelines business; and the bulk liquid storage business.

The revenues for each of Inter Pipeline's four reportable segments for the years ended December 31, 2020 and 2019 are contained in the section "Results Overview" in the MD&A, which section is incorporated by reference herein, and note 7 of the Financial Statements, which note is incorporated by reference herein.

Oil Sands Transportation Business Segment

Business Overview

Inter Pipeline's oil sands transportation business segment involves the transportation of petroleum products and related blending and handling services in northern Alberta, and is comprised of the 100% owned Cold Lake, Corridor and Polaris pipeline systems. Oil sands transportation services are generally provided to shippers pursuant to long-term contracts that provide for a defined annual capital fee and the recovery of all or substantially all operating costs, and do not involve exposure to commodity price fluctuations. With the exception of the Cold Lake pipeline system as discussed below, such contracts do not involve exposure to throughput volumes.

Cold Lake Pipeline System

System Overview

The Cold Lake pipeline system is a Bitumen Blend and Diluent pipeline system which (i) gathers Bitumen Blend produced in the Cold Lake area of Alberta and transports it to major petroleum terminalling hubs at Edmonton and Hardisty, Alberta, and (ii) transports Diluent from the Strathcona region of Alberta to the Cold Lake area. The system has a current total Bitumen Blend throughput capacity of 1.2 million b/d and an ultimate total Bitumen Blend throughput capacity of 1.9 million b/d. Bitumen Blend storage capacity on the system is approximately 300,000 bbls and Diluent storage capacity is approximately 76,000 bbls. Inter Pipeline has installed surplus mainline capacity on the Cold Lake pipeline system which is available for new third party shippers, and Inter Pipeline continues to pursue development opportunities in this regard.

Transportation Services

The Cold Lake pipeline system has aggregate Bitumen Blend capacity commitments of approximately 604,000 b/d and transported approximately 621,300 b/d of Bitumen Blend in 2020, of which FCCL Partnership, Canadian Natural and Imperial Oil (collectively referred to as the "**Cold Lake Founders**") accounted for 37%, 31% and 28%, respectively.

Shipper	Project	Primary Term Expiration	Capacity Commitment (b/d)
FCCL Partnership	Foster Creek Narrows Lake	2034	500,000
Canadian Natural	Kirby South Kirby North	Not disclosed	90,000
Osum	Orion	Not disclosed	14,000
Total			604,000

Cold Lake Founders

In addition to the aggregate capacity commitments on the Cold Lake pipeline system, the Cold Lake Founders transport Bitumen Blend and Diluent on the Cold Lake pipeline system pursuant to the Cold Lake Transportation Service Agreement which provides Inter Pipeline with a defined per barrel capital fee that is tied to the volume transported through the pipelines and facilities that comprise the Cold Lake pipeline system. The Cold Lake Transportation Service Agreement also provides for the recovery of substantially all operating costs and for a structured return on certain additional capital investments.

Bitumen Blend volumes that are shipped by the Cold Lake Founders pursuant to the Cold Lake Transportation Service Agreement are produced from a reserves dedication area and all such reserves are generally committed to the Cold Lake pipeline system. The Cold Lake Founders have the option to utilize alternative transportation services (if certain minimum volume levels are maintained) subject to Inter Pipeline's right to match the alternative proposal.

Other Services

Bruderheim Energy Terminal Ltd.

Inter Pipeline transports up to 100,000 b/d of Bitumen Blend from the Cold Lake pipeline system to a unit train rail loading facility near Bruderheim, Alberta which is owned by Bruderheim Energy Terminal Ltd., a subsidiary of Cenovus. The transportation is provided on a separate pipeline lateral and associated facilities which have an ultimate capacity of approximately 320,000 b/d.

Corridor Pipeline System

System Overview

The Corridor pipeline system is a Bitumen Blend, Diluent and products pipeline system. The Bitumen Blend and Diluent portions of the system (i) transport Bitumen Blend from the Muskeg River and Jackpine mines near Fort McMurray, Alberta to the Scotford upgrader located northeast of Edmonton, Alberta, and (ii) transport Diluent from the Scotford upgrader back to the Muskeg River and Jackpine mines. The products portion of the system transports upgraded products and feedstock materials between the Scotford upgrader and pipeline terminals in Edmonton. The system has a current total Bitumen Blend throughput capacity of 465,000 b/d and an ultimate total Bitumen Blend throughput capacity of 1.4 million b/d. Bitumen Blend storage capacity on the system is approximately 2.5 million bbls and Diluent storage capacity is approximately 954,000 bbls. Inter Pipeline is also the owner of all line fill for the Corridor pipeline system.

Transportation Services

The Corridor pipeline system provides transportation services for the Athabasca Oil Sands Project ("**AOSP**") near Fort McMurray which is owned by Canadian Natural, Chevron, and 1745844 Alberta Ltd. (collectively referred to as the "**Corridor Shippers**"). Canadian Natural, Chevron and 1745844 Alberta Ltd. respectively own 60%, 20% and 20% of the produced volumes transported on the Corridor pipeline system which transported approximately 374,300 b/d of Bitumen Blend and products in 2020.

Corridor Firm Service Agreement

The Corridor pipeline system is operated pursuant to a long-term take-or-pay contract, the Corridor Firm Service Agreement, with the Corridor Shippers who are contractually obligated to utilize the Corridor pipeline system for the transportation of all Bitumen Blend and Diluent used or produced at the Muskeg River and Jackpine mines, as well as for any future expansion of the AOSP to include mine sites not in production today, subject to certain conditions. The initial 25 year term of the Corridor Firm Service Agreement, which was due to expire in 2028, was extended by the Corridor Shippers in the fourth quarter of 2017 resulting in an extended term through 2049 with options for further extensions. Revenue is established utilizing a traditional rate base approach, providing recovery for substantially all operating costs, rate base depreciation, taxes, debt financing costs and providing for a return on equity. Inter Pipeline's cash flow is not dependent on volume throughput and is not impacted by commodity prices. Individual commitments of the Corridor Shippers under the Corridor Firm Service Agreement are proportionate to their ownership interests in the AOSP. Inter Pipeline can market excess capacity on the Corridor pipeline system to third parties, subject to the approval of the Corridor Shippers.

Polaris Pipeline System

System Overview

The Polaris pipeline system is a Diluent pipeline system which (i) transports Diluent from the Edmonton area to the Athabasca and Cold Lake areas of Alberta, and (ii) provides metering services for Bitumen Blend at its terminal in the Lamont area of Alberta. The system has a current total throughput capacity of 879,000 b/d and an ultimate total throughput capacity of 1.3 million b/d. Inter Pipeline has installed surplus mainline capacity on the Polaris pipeline system which is available for new third party shippers, and Inter Pipeline continues to pursue development opportunities in this regard.

Transportation Services

The Polaris pipeline system has aggregate Diluent capacity commitments of approximately 536,000 b/d and transported approximately 244,700 b/d of Diluent in 2020, of which FCCL Partnership, Imperial Oil and Canadian Natural accounted for 40%, 37% and 11%, respectively.

Shipper	Project	Primary Term Expiration	Capacity Commitment (b/d)
Imperial Oil	Kearl	2037	120,000
Husky/BP	Sunrise	2033	30,000
FCCL Partnership	Foster Creek Christina Lake Narrows Lake	2034	350,000
Canadian Natural	Kirby South Kirby North	Not disclosed	24,000
JACOS/CNOOC	Hangingstone	2036	7,000
AOC	Hangingstone	2040	4,500
Total (to nearest thousand)			536,000

NGL Processing Business Segment

Business Overview

Inter Pipeline's NGL processing business segment is comprised of straddle plants, offgas extraction facilities and the Heartland Petrochemical Complex.

The straddle plants consist of a 100% ownership interest in the Cochrane and Empress II straddle plants and a 50% ownership interest in the Empress V straddle plant (collectively, the "**Straddle Plants**"). The Straddle Plants at Cochrane and Empress are located on the western and eastern legs, respectively, of the Nova Gas Transmission Limited and Foothills pipeline systems (collectively the "**TC Energy Alberta System**"), near export points from the Province of Alberta. Natural gas entering the Straddle Plants is processed to extract NGL which are sold to buyers pursuant to long-term contracts. As noted above, Inter Pipeline has entered into definitive agreements to divest its ownership interest in the Empress II and Empress V straddle plants, with such transaction expected to close in the first half of 2021.

Offgas extraction facilities consist of 100% ownership interests in (i) the Pioneer 1 and Pioneer 2 offgas plants located near Fort McMurray, Alberta adjacent to oil sands upgrading facilities owned by Suncor and Canadian Natural, respectively (collectively the "**Offgas Plants**"), (ii) an ethane-plus fractionation plant and related cavern storage facilities located near Redwater, Alberta (the "**Redwater Olefinic Fractionator**"), and (iii) a pipeline system which connects the Offgas Plants to the Redwater Olefinic Fractionator (the "**Boreal Pipeline System**"). Offgas entering the Offgas Plants is processed to extract an ethane-plus mixture of NGL which is transported to the Redwater Olefinic Fractionator via the Boreal Pipeline System before being further processed into products which are sold to buyers pursuant to both long-term and short-term contracts.

The Heartland Petrochemical Complex is a world-scale integrated petrochemical complex comprised of a propane dehydrogenation plant ("**PDH Plant**") and polypropylene plant ("**PP Plant**") being constructed in Strathcona County, Alberta, near the Redwater Olefinic Fractionator. The Heartland Petrochemical Complex will be designed to convert locally sourced, low-cost propane into 525,000 tonnes per year of polypropylene, an easy to transport plastic used in the manufacturing of a wide range of finished products. Propane feedstock for the PDH Plant will be sourced from the Redwater Olefinic Fractionator as well as other third party fractionators in the region. Electricity, steam and other utilities will be provided to the Heartland Petrochemical Complex by an on-site Central Utility Block to be constructed by Inter Pipeline. During the third quarter of 2018, Inter Pipeline sold the Central Utility Block to Fengate, a privately held infrastructure and real estate investment firm. Under the terms of the sale, Inter Pipeline recovered all of its development capital and Fengate assumed responsibility for funding the Central Utility Block capital cost. Fengate also entered into long-term agreements to supply core utilities to the Heartland Petrochemical Complex in exchange for structured capital and operating recovery fee payments from Inter Pipeline. Inter Pipeline will manage construction and operation of the facility. For further information regarding the Heartland Petrochemical Complex, please see the Material Change Report filed by Inter Pipeline on December 21, 2017, which is incorporated by reference herein. See "Project Development and Execution Risks" in the "Risk Factors" section of the MD&A.

Industry Overview

NGL Processing

The Canadian NGL industry involves the production, transportation and marketing of paraffinic NGL products such as ethane, propane, butane, pentanes-plus and olefinic NGL products such as ethylene, propylene, alky feed and olefinic condensate. In Canada, most NGL are extracted from natural gas prior to its sale to end use customers, with the remainder derived from the processing of offgas and the refining of Crude Oil. The profitability of NGL extracted from natural gas or offgas is based on the products extracted being of greater economic value as separate commodities than as components of natural gas or offgas.

NGL extracted from natural gas is recovered primarily at two distinct types of plants: mainline straddle plants; and natural gas field plants. Mainline straddle plants, including Inter Pipeline's Straddle Plants, are large-scale plants located in close proximity to major gas transmission pipelines. On the western leg of the TC Energy Alberta System, natural gas is processed by either the Cochrane straddle plant or the Harmattan facility prior to being exported from Alberta to British Columbia, the United States Pacific Northwest and California. On the eastern leg of the TC Energy Alberta System, natural gas is processed by any one of five straddle plants located near Empress, Alberta, including the Empress II straddle plant and the Empress V straddle plant, prior to being either marketed in Alberta, or exported from Alberta to eastern

Canada and the United States Midwest. As noted above, Inter Pipeline has entered into definitive agreements to divest its ownership interest in the Empress II and Empress V straddle plants, with such transaction expected to close in the first half of 2021.

Due to the scope and efficiency of their operations, straddle plants are equipped to remove significantly higher proportions of ethane and other NGL than can typically be removed by a field plant. Straddle plants produce NGL by either cooling the gas stream to a very low temperature (referred to as the turbo expander process) or by using a lean oil process to absorb NGL. Straddle plants recover ethane as a single product and propane and all heavier hydrocarbons as a mixture designated as "propane-plus". Natural gas field plants, in addition to removing impurities such as water, sulphur and carbon dioxide from raw natural gas to meet the quality specifications of major natural gas pipeline systems, are generally able to recover heavier NGL from the gas stream including all pentanes-plus and some propane and butane. A number of field plants have the ability to extract ethane. The NGL extracted are generally removed in mixtures as either ethane-plus or propane-plus.

Offgas is a by-product gas stream created when oil sands bitumen is heated to high temperatures through the coking process used in bitumen upgrading and is rich in NGL, including olefins, which are higher value petrochemicals that do not naturally occur in large quantities. NGL extracted from offgas is recovered by the Offgas Plants located near oil sands upgrading facilities. The Offgas Plants owned by Inter Pipeline are the only two oil sands upgrader offgas plants in Canada and extract a mixture of ethane-plus. This mixture is further processed into separate products at the Redwater Olefinic Fractionator. After the ethane-plus is removed by the Offgas Plants, the residual offgas is returned to the oil sands upgraders where it is consumed as fuel. The extraction of the ethane-plus prior to consumption of the residue offgas as fuel results in reduced greenhouse gas and sulphur dioxide emissions for the oil sands upgrading facilities.

Propylene is a valuable basic petrochemical that can be further processed into various consumer products including a wide variety of plastic products, anti-freeze or adhesives. The PDH Plant, to be constructed and owned by Inter Pipeline, will process propane (produced by the Redwater Olefinic Fractionator and sourced from other local producers) to produce polymer-grade propylene. The PP Plant, also to be constructed and owned by Inter Pipeline, will use the propylene produced by the PDH Plant as feedstock to produce polypropylene, one of the most widely used plastics in the world giving rise to a variety of applications including packaging, textiles, plastic parts and reusable containers.

Extraction Rights

Straddle plants in western Canada contract with shippers on the TC Energy Alberta System for the right to reprocess natural gas for the purpose of extracting NGL. These shippers are comprised of producers, aggregators and end-users. The extraction contracts provide compensation through a variety of structures, including fixed premium contracts, Frac Spread based arrangements, arrangements tied to the intra-Alberta natural gas price, profit sharing arrangements and toll processing arrangements, among others. The duration of extraction contracts may vary from short-term to multiple years.

Extraction rights for the Offgas Plants are granted pursuant to long-term contracts with the owners of oil sands upgrading facilities. Such contracts provide compensation through both fixed premium and profit sharing arrangements.

Shrinkage Gas

In order to produce NGL the producing facility must purchase natural gas, referred to as Shrinkage Gas, to compensate the owner of the natural gas or offgas that is processed for the energy removed from the gas stream when NGL are removed through the extraction process. The cost of the Shrinkage Gas, which is the largest cost component in the production of NGL, is typically tied to a benchmark natural gas price based on a combination of daily spot prices and monthly index natural gas prices.

Fractionation

NGL mixtures such as ethane-plus or propane-plus must be transported to fractionation facilities in Canada and the United States for further processing into separate products. In general, most fractionation of NGL mixes occurs at market hubs with a large concentration of fractionation plants. Major NGL fractionation market hubs are located in Edmonton, Alberta; Empress, Alberta; Sarnia, Ontario; Conway, Kansas; and Mont Belvieu, Texas. NGL produced from natural gas processing is fractionated into ethane, propane, butane and pentanes-plus products. Ethane-plus produced from offgas processing is fractionated at the Redwater Olefinic Fractionator into an ethane-ethylene mixture as well as propane,

polymer grade propylene, normal butane, alky feed and olefinic condensate. Once fractionated, the segregated products are sold and then transported to end-user markets by pipeline, truck or rail.

Transportation

The efficient movement of NGL in western Canada requires significant infrastructure, including transportation assets (pipelines, trucks, and rail cars), storage facilities and terminals (rail and truck). Currently, the most efficient and the lowest cost means for moving NGL to market is by pipeline. The western Canadian NGL sector has an extensive pipeline network for the transportation of NGL from extraction plants to fractionation facilities, petrochemical complexes, and underground storage facilities.

Ethane extracted at Alberta's straddle plant locations, including Empress and Cochrane, is transported on the Alberta Ethane Gathering System for delivery to petrochemical producers in the Joffre and Edmonton areas. Propane-plus mix produced at the Cochrane straddle plant is transported to Edmonton via the Co-Ed pipeline. Propane-plus mix produced at the Empress II straddle plant and the Empress V straddle plant is transported on the Kerrobert pipeline to Kerrobert, Saskatchewan. From Kerrobert, the propane-plus is transported on the Enbridge pipeline system to Sarnia, Ontario, where it is fractionated and sold. As noted above, Inter Pipeline has entered into definitive agreements to divest its ownership interest in the Empress II and Empress V straddle plants, with such transaction expected to close in the first half of 2021.

The ethane-plus produced at the Offgas Plants is transported on the Boreal Pipeline System to the Redwater Olefinic Fractionator for fractionation into various products, following which the ethane-ethylene mixture is transported on the Joffre Feedstock Pipeline to a petrochemical producer in the Joffre area. Propane, propylene, butane, alky feed and olefinic condensate are transported via rail, pipeline or truck to buyers in Canada and the United States.

Markets

NGL have numerous end uses. While NGL are generally used directly as an energy product and as a feedstock for the petrochemical and Crude Oil refining industries, the specific uses for NGL vary substantially by product. Ethane and ethane-ethylene are used primarily as feedstock for the petrochemical industry, with ethane also used as a potential miscible flood agent for enhanced Crude Oil recovery operations. A significant amount of the ethane and ethane-ethylene produced in the Western Canadian Sedimentary Basin is sold through long-term contracts for feedstock to Alberta's petrochemical industry. Propane is sold to multiple end-user markets including home and commercial heating, crop drying, food processing, cooking and motor fuel. Polymer grade propylene is used as a feedstock for the petrochemical industry to produce a large variety of products including various types of plastics. Butane and alky feed are used primarily in gasoline and Crude Oil blending. Pentanes-plus is used as a Diluent to decrease the viscosity of Ultra-Heavy Crude Oil and Bitumen for shipment through pipelines and as a refinery feedstock. Olefinic condensate, after treating, can also be used as a Diluent and as a refinery feedstock within North America.

NGL Processing Facilities

Cochrane Straddle Plant

The Cochrane straddle plant is 100% owned and operated by Inter Pipeline and extracts and fractionates NGL into ethane and propane-plus. The Cochrane straddle plant has a processing design capacity of 2.5 bcf/d of natural gas to recover approximately 100,000 b/d of NGL, of which 65,000 b/d are ethane and 35,000 b/d are propane-plus, and processes a significant portion of available gas on the western leg of the TC Energy Alberta System. By production capacity, the Cochrane straddle plant is the largest facility of its type in Canada. It consists of five parallel production trains for the extraction of ethane and propane-plus, comprised of three turbo expander trains and two lean oil absorption trains. This multi-train configuration provides significant operating flexibility for the facility. The Cochrane straddle plant has gas turbine compressors to recompress gas into the TC Energy Alberta System and also has two redundant electrically driven compressors. Both electrically driven compressors are used instead of the gas turbine compressors when it is more economic to do so. This flexibility enables costs to be optimized by utilizing the least expensive energy source at the time.

Empress II Straddle Plant

The Empress II straddle plant, which is operated by Plains Midstream, and is 100% owned by Inter Pipeline, extracts and fractionates NGL into ethane and propane-plus. The Empress II straddle plant operates two operationally flexible parallel turbo expander trains and has a total processing design capacity of 2.6 bcf/d of natural gas to recover approximately

65,000 b/d of NGL, of which 40,000 b/d is ethane and 25,000 b/d is propane-plus. By production capacity, the Empress II straddle plant is the largest of the five extraction plants located at Empress, Alberta. As noted above, Inter Pipeline has entered into definitive agreements to divest its ownership interest in the Empress II straddle plant, with such transaction expected to close in the first half of 2021.

Empress V Straddle Plant

The Empress V straddle plant, which is operated by Plains Midstream and commenced operations in 2000, is the newest of the five straddle plants located near Empress, Alberta and extracts and fractionates NGL into ethane and propane-plus. Inter Pipeline owns a 50% interest in the Empress V straddle plant and Plains Midstream owns the remaining 50% interest. The Empress V straddle plant's extraction process involves a single train turbo expander with a total processing capacity of 1.1 bcf/d of natural gas to recover approximately 39,000 b/d of NGL, of which 27,000 b/d are ethane and 12,000 b/d are propane-plus. As noted above, Inter Pipeline has entered into definitive agreements to divest its ownership interest in the Empress V straddle plant, with such transaction expected to close in the first half of 2021.

Offgas Plants

Pioneer 1 commenced operations in 2002 and is 100% owned by Inter Pipeline. It has a processing design capacity of 125 mmcf/d of offgas to recover approximately 25,000 b/d of ethane-plus mixture.

Pioneer 2 commenced operations in 2016 and is 100% owned by Inter Pipeline. It has a processing design capacity of 83 mmcf/d of offgas to recover approximately 15,000 b/d of ethane-plus mixture.

Boreal Pipeline System

The Boreal Pipeline System has a current throughput capacity of 43,000 b/d of ethane-plus mixture and can be expanded to up to approximately 125,000 b/d through the addition of pumping stations.

Redwater Olefinic Fractionator

The Redwater Olefinic Fractionator has a fractionation design capacity of approximately 40,000 b/d of ethane-plus mixture and associated storage capacity of over 1 million bbls.

Marketing Arrangements

The NGL processing business segment has three types of NGL sales contracts: cost-of-service; fee-based; and commodity-based arrangements.

Cost-of-service contracts generally provide for a return on invested capital and recovery of substantially all operating costs, including Shrinkage Gas. This form of contract provides the most stable cash flow of the three contract types, as agreements are not typically impacted by volume or commodity price fluctuations. The Empress II straddle plant's ethane and propane-plus production is sold to NOVA Chemicals and Plains Midstream, respectively, pursuant to long-term cost-of-service contracts. In addition, propane-plus produced at the Empress V straddle plant is sold to Plains Midstream pursuant to a long-term cost-of-service contract.

Fee-based contracts are generally subject to throughput volume and operating cost exposure, but not commodity price fluctuations. These contracts provide for stable cash flows derived from charging a fixed fee associated with each barrel of NGL produced, which fee includes a component for recovery of operating costs. There is no commodity price exposure associated with this type of contract with the main variable affecting cash flow arising from changes in production volumes. The Cochrane straddle plant's ethane production is currently sold to NOVA Chemicals pursuant to a fee-based contract extending until the end of 2024 and to Dow Chemicals pursuant to a fee-based contract. Offgas derived ethane-ethylene is sold to NOVA Chemicals under a long-term fee-based contract with commodity-based upside. These major petrochemical producers operate facilities at Joffre, Alberta and Fort Saskatchewan, Alberta that convert ethane into ethylene.

The return to Inter Pipeline from commodity-based contracts is affected by the difference in price between natural gas and the NGL produced, often referred to as Frac Spread, and production volume. The impact on a facility's profit margins

under a commodity-based contract can be significant when changes in the prices of NGL and natural gas occur at different rates.

Commodity-based contracts at the Cochrane straddle plant are generally subject to volume, operating cost and commodity price fluctuations. They provide for a variable price based on the commodity value less all costs to produce the NGL, resulting in sharing of profits from the sale of NGL between the NGL processing business and the purchaser. Included in the calculation are costs of bringing the NGL to market, including extraction rights, Shrinkage Gas, fractionation and marketing costs. Propane-plus produced at the Cochrane straddle plant is sold to Plains Midstream under a long-term commodity-based contract.

Commodity-based contracts at the Redwater Olefinic Fractionator are subject to volume and commodity price fluctuations. The NGL produced at the Redwater Olefinic Fractionator are sold under short-term and multi-year commodity-based contracts, with the exception of the ethane-ethylene mixture, as noted above. Counterparties include various US and Canadian energy marketers, refiners and petrochemical facilities.

Other Matters Related to NGL Processing

Ethane Market Environment

The western Canadian ethane business is characterized by both a small number of product suppliers, which are the owners of the major extraction plants, and a small number of purchasers, which are the major petrochemical producers and enhanced Crude Oil recovery project operators in Alberta. The Canadian market is largely insulated from the supply and demand forces of the considerably larger United States ethane market. This is due to a number of reasons, including that most of the ethane production in Canada is tied to long-term sales contracts with the major purchasers and that there is currently no transportation system to transport ethane from Western Canada into the United States. In 2014, the Vantage ethane pipeline system came into service and imports ethane from the northern United States into Alberta. Following its expansion in 2016, it currently has a capacity to import approximately 68,000 b/d of ethane. Since the export of ethane to the United States has historically tended to be uneconomic, ethane is priced within the province and not by marginal sales to the United States Midwest or Gulf Coast markets.

Three differences in market structure between Canada and the United States are important factors that influence the competitiveness of the Alberta ethane industry. First, the United States market is characterized by a large number of ethane buyers and sellers, as well as significant transportation capacity from major supply hubs that has created an actively traded and quoted liquid ethane market in the United States. Second, ethane production is relatively responsive to changes in the quoted ethane price, unlike in Canada, where production and pricing are typically governed by long-term cost-of-service or fee-based contracts. Third, while the Canadian petrochemical industry is generally equipped to only use ethane and limited volumes of propane in the production of its chemical products, United States Gulf Coast petrochemical producers utilize a variety of liquid feedstock to generate petrochemical output.

Propane-Plus Market Environment

The market for propane-plus differs from that of ethane in Alberta, as it is characterized by a large number of producers and buyers. As a result, a liquid market for propane-plus products exists in a number of major North American hubs, including Sarnia, Conway, Mont Belvieu, and the West Coast of North America, and product prices are openly available. The marginal price setting market for propane-plus is the United States Gulf Coast, where product is either exported, or large domestic petrochemical consumers have the ability to switch between NGL and Crude Oil based feedstock. Differences between the propane-plus prices quoted at each of the major hubs are a result of the many modes of transporting product from supply centres to the market.

Ethane-Plus Market Environment

The markets for NGL produced from the ethane-plus mixture at the Redwater Olefinic Fractionator vary depending on the product. The ethane-ethylene has similar markets as described above for ethane since the additional ethylene is the raw material used by the petrochemical industry to produce polyethylene, a widely used plastic. As a result, consumers of ethane are also typically consumers of the ethane-ethylene mix. The propane-plus market described above also reflects the markets for the offgas derived propane and butane produced at the Redwater Olefinic Fractionator. The propylene market is US based and is also characterized by a large number of producers predominantly, but not exclusively, located in the US Gulf Coast area. Propylene is a petrochemical building block used in the production of polypropylene, propylene

oxide, and other derivatives. Propylene prices have historically trended with crude oil prices. Alky feed is used in refinery alkylation which produces octane additives for gasoline. The octane additives market is a highly liquid market throughout North America, concentrated in those areas with large refining operations. The market for olefinic condensate is limited to buyers that can accommodate the olefinic components in the condensate. Pricing for olefinic condensate is usually at a discount to conventional condensate prices due to the additional process required to remove the olefinic components.

Third Party Operators

Volumes produced at the Offgas Plants are dependent on offgas supply from the oil sands upgraders in the Fort McMurray area. Offgas supply can be impacted by the operations of the associated third party oil sands upgraders, such as planned and unplanned maintenance, or downstream issues. Similar to propane-plus from the Straddle Plants, market price for both propane and butane from the Redwater Olefinic Fractionator is generally higher in the winter months.

Environmental Matters

In the past five years, the NGL Processing Facilities have not experienced any significant environmental incidents.

Conventional Oil Pipelines Business Segment

Business Overview

Inter Pipeline's conventional oil pipelines business segment involves the transportation of petroleum products and related blending, handling and storage services, and includes the Bow River pipeline system, the Central Alberta pipeline system, the Mid-Saskatchewan pipeline system and all midstream marketing activities. In aggregate, Inter Pipeline's three conventional oil pipeline systems have total ultimate throughput capacity of 429,600 b/d and transported 161,600 b/d of Crude Oil in 2020.

Bow River Pipeline System

System Overview

The Bow River pipeline system is a Crude Oil gathering and transmission pipeline system which (i) gathers Crude Oil from established producing fields in southeastern Alberta and transports it to Hardisty, Alberta, as well as Milk River, Alberta, and (ii) transports Crude Oil from terminals at Hardisty, Alberta to Milk River, Alberta as part of a separate transmission system. Some of the Crude Oil gathered by the Bow River pipeline system may be delivered north to the Gibson Hardisty terminal which has connections to the Enbridge pipeline system, the Husky terminal and the Express pipeline system. Gathered Crude Oil is also delivered south to the Plains Midstream-owned pipeline at Milk River, Alberta and which has connections to pipelines delivering to refineries in the Rocky Mountain region of the United States. The system has a total ultimate throughput capacity of approximately 180,000 b/d and tank storage capacity of approximately 462,500 bbls. As noted above, Inter Pipeline has entered into definitive agreements to acquire the Milk River pipeline system owned by Plains Midstream, with such transaction expected to close in the first half of 2021.

In addition to these deliveries, Crude Oil is shipped south from Hardisty, Alberta to Milk River, Alberta and ultimately to refining markets in Montana on a segregated pipeline. Inter Pipeline is contracted on a take-or-pay basis to deliver approximately 32,500 b/d on this segregated pipeline until the end of 2026.

Transportation Services

The Bow River pipeline system transported approximately 85,300 b/d of Crude Oil and served approximately 63 producers and 15 shippers in 2020. Production volumes from facilities operated by Torxen Energy Ltd., Canadian Natural, and Cardinal Energy Ltd. together accounted for 27%, 22% and 9%, respectively, of the throughput volumes on the Bow River pipeline system in 2020. CHS, Macquarie Energy Canada Ltd., and Canadian Natural were the shippers of record for 37%, 19% and 14%, respectively, of the throughput volumes on the Bow River pipeline system in 2020.

Central Alberta Pipeline System

System Overview

The Central Alberta pipeline system is a Light Crude Oil gathering pipeline system which gathers Crude Oil from established producing fields in south-central Alberta as well as the Viking and Mannville formations in east-central Alberta via the Viking Connector, and transports it to the Enbridge pipeline system, PKM Canada North 40 terminal, and the Trans Mountain pipeline at Edmonton. The system has a total ultimate throughput capacity of approximately 99,500 b/d and tank storage capacity of approximately 373,700 bbls.

Transportation Services

The Central Alberta pipeline system transported approximately 29,200 b/d of Crude Oil and served 64 producers and 20 shippers in 2020. Production volumes from facilities operated by Tervita Corporation, Gibson and Torxen Energy Ltd. together accounted for 18%, 8% and 8%, respectively, of the throughput volumes on the Central Alberta pipeline system in 2020. Tervita Corporation, Inter Pipeline, and Shell Trading were the shippers who together accounted for 18%, 17% and 12%, respectively, of the throughput volumes on the Central Alberta pipeline system in 2020.

Mid-Saskatchewan Pipeline System

System Overview

The Mid-Saskatchewan pipeline system is a Crude Oil gathering system which gathers Crude Oil from established oil fields near Kindersley and Kerrobert, Saskatchewan and transports it to the Enbridge pipeline system at Kerrobert. The system has a current total ultimate throughput capacity of approximately 150,100 b/d and tank storage capacity of approximately 798,600 bbls.

Transportation Services

The Mid-Saskatchewan pipeline system transported approximately 47,100 b/d of Heavy Blend Crude Oil and Light Sweet Crude Oil and served approximately 29 producers and 14 shippers in 2020. Production volumes from facilities operated by Teine, Whitecap and NAL Resources together accounted for 28%, 14% and 9%, respectively, of the throughput volumes on the Mid-Saskatchewan pipeline system in 2020. Shell Trading, Teine and Inter Pipeline accounted for 16%, 14% and 11%, respectively, of the shipper throughput volumes on the Mid-Saskatchewan pipeline system in 2020.

Midstream Marketing Activities

Inter Pipeline carries out midstream marketing activities related to the optimization of crude streams that generate enhanced revenue, as well as pipeline balancing activities, on Inter Pipeline's conventional oil pipeline assets. Marketing margins can vary from period to period with fluctuating commodity prices; however, marketing activities are managed to capture incremental value on Inter Pipeline's Crude Oil streams while limiting exposure to Inter Pipeline's downside financial risks or negatively impacting the revenue generated from transportation services.

Other Matters Related to the Conventional Oil Pipelines Business

Seasonality

The conventional gathering systems generally experience reduced volumes during the spring months as a result of weight restrictions on roads and producers conducting maintenance on their facilities. The magnitude and duration of road weight restrictions are dependent upon spring weather conditions. Road restrictions and facility maintenance can also impact gathering pipeline receipts during the fall months, although the impact on throughput is generally less pronounced than during the spring months.

Competitive Conditions

The majority of petroleum volumes are transported on the conventional gathering systems under short-term contracts with a fixed tolling arrangement and no volume commitment made by the producer or shipper. Transportation alternatives for producers and shippers are generally trucking or rail but can also include competing third party pipeline options. Inter Pipeline's customers are continually evaluating different transportation options which requires Inter Pipeline to ensure its tolling arrangements are competitive with both current and potential alternatives.

Other Matters Related to the Pipelines

The following commentary is applicable to both the oil sands transportation business segment and the conventional oil pipelines business segment.

Pipeline Rights-of-Way and Land Tenure

The majority of Inter Pipeline's assets comprising the Pipelines are pipelines located across lands owned by third parties. Inter Pipeline's rights to such land are held pursuant to long-term leases, easements, rights-of-way, permits or licenses from landowners or governmental authorities permitting the use of such lands for the construction and operation of such facilities. Certain critical facilities, including pump stations and storage facilities, are situated on land which Inter Pipeline owns or leases. See "Risks Relating to Leases and Rights of Way Access" in "Risk Factors" in the MD&A, which sections are incorporated by reference herein.

Environmental Matters

In the past five years, the Pipelines have experienced 4 significant environmental incidents. These incidents resulted in the release of approximately 507 cubic metres of hydrocarbons. The causes of these incidents were pipeline corrosion and compressive force fracture. Dependent on various conditions surrounding a new release, Inter Pipeline will attempt to remediate a contaminated site as soon as practically possible. Certain conditions may require a longer term remediation plan to be implemented, in coordination with local regulators and landowners. In addition to maintaining a team of trained personnel and owning its own spill response equipment, Inter Pipeline is also an active member of the Western Canadian Spill Services Ltd. cooperative, which provides training in hydrocarbon spill response, containment and recovery and also provides the required equipment and contractor-resources to deal with hydrocarbon spills. Inter Pipeline is also an active member of the Canadian Energy Pipeline Association ("CEPA") Mutual Emergency Assistance Agreement program, which allows Inter Pipeline to draw from 10 other CEPA member companies' spill response resources. Currently, Inter Pipeline has records of 12 cases where environmental remediation efforts will cost in excess of \$500,000. Inter Pipeline estimates that the future cost to remediate these sites is approximately \$17.5M. This cost is expected to be incurred over a number of years.

Pipeline Integrity

All petroleum pipeline systems are required to meet design, construction, operating and maintenance standards established by the Canadian Standards Association and the provincial regulators responsible for pipelines which, in Inter Pipeline's case, are the Alberta Energy Regulator in Alberta and the Ministry of Energy and Resources in Saskatchewan. Inter Pipeline has programs in place that promote sound operating practices and believes that the Pipelines are currently in material compliance with all material environmental laws and regulations.

Inter Pipeline has an integrity management program that includes, among other things, key elements such as in-line inspection, cathodic protection, internal corrosion control, crossing inspections and leak detection. In-line inspection plays a significant role in pipeline integrity management and is used to detect anomalies in pipelines, which are then evaluated and repaired as necessary. As part of Inter Pipeline's annual integrity program, pipeline segments are prioritized for inspection using a formal risk assessment process, which considers hazards and threats, such as external and internal corrosion, stress corrosion cracking, natural force damage, design and materials of construction, and third party damage potential. In the last five years, approximately 6,035 kilometres of the Pipelines have been internally inspected.

Pipeline Remote Monitoring and Control

The Pipelines are currently remotely monitored 24 hours per day, seven days per week, at Inter Pipeline's control centre located in Sherwood Park, Alberta. In accordance with regulatory requirements and to promote safe and efficient operations, the control centre has monitoring systems to detect and react to pressure variations and volume imbalances, which may signal a pipeline leak, and the control centre operators have the ability to stop pumps and isolate the flow of petroleum on certain pipeline segments, if necessary.

The Pipelines currently communicate with the Sherwood Park control centre using field radio links, leased telephone lines, managed frame relay services and satellite data transmission. All of the data links are directly connected from a pipeline to the Sherwood Park control centre. A separate standby communications circuit, with automatic switchover on failure, is available for most critical stations.

Additional monitoring includes weekly or bi-weekly aerial surveillance of the high volume mainline segments, and monthly aerial surveillance of the lower volume gathering segments. Periodic ground inspections of surface facilities, surface and subsurface inspections of water course crossings, and inspections of other critical or sensitive areas are also completed from time to time.

Bulk Liquid Storage Business Segment

Business Overview

Inter Pipeline continues to own 8 bulk liquid storage terminals located in Sweden and Denmark which have approximately 19 million barrels of aggregate storage capacity.

Country	Location	Terminals	Aggregate Storage Capacity (million bbls)
Denmark	Various, coastal	4	11.72
Sweden	Various, coastal	4	7.42
Total		8	19.14

Industry Overview

Refinery and chemical complex operators and oil traders own a significant portion of the bulk liquid storage infrastructure in Europe and use much of that capacity for their proprietary storage needs. Independent storage providers such as Inter Terminals receive, store and redeliver bulk liquids and gases on behalf of third parties and, as such, do not own the products that are stored.

Storage Facilities

Inter Terminals' storage facilities are strategically located close to and along established global trading routes, product delivery channels and local and regional refineries. Certain of Inter Terminals' facilities have pipeline connections to key customers.

The success of Inter Terminals is highly dependent on its regional positioning at port locations, as well as its ability to accommodate a broad range of products. Inter Terminals' facilities predominantly serve the oil, chemical and biofuel markets, although individual terminals may also specialize in particular product groups and service offerings. The market for storage of certain oil products can be significantly affected by futures pricing in the relevant oil products markets. "**Contango**" means a market condition in which futures prices for a product are higher in future delivery months, therefore resulting in storage of such product for a period of time being likely to be more beneficial than immediate sale of such product. "**Backwardation**" means a market condition in which futures prices for a product are lower in future delivery months, therefore resulting in storage of such product for a period of time being likely to be less beneficial than immediate sale of such product. A Contango market can lead to an increased demand for storage capacity to store product while waiting to deliver it into the market at the higher futures price, thereby creating a favourable market structure for the storage facilities owned by Inter Terminals that serve this sector, resulting in higher utilization levels.

Customers and Storage Products

Inter Terminals provides storage and product handling services to a diversified customer base. Markets served by Inter Terminals can be categorized as storage of both feedstock and production for local and regional refining and chemical operations, regional distribution, Contango market storage, Build Bulk and Break Bulk, bunkering, strategic storage, and blending and other handling and ancillary services.

Commercial Arrangements

Typical storage contracts contain a combination of fixed storage fees for access to storage capacity and variable throughput-based revenue.

Other Matters Related to the Bulk Liquid Storage Business

Land Tenure

The main parcels of land on which the terminals are situated are either owned by Inter Terminals or are leased from third parties under long-term lease agreements. In addition to the main parcels of land, terminals typically rely upon a series of leases, easements, rights-of-way, permits or licenses for access, pipeline routes, jetties and other similar rights. Inter Terminals believes that it is well positioned to renew the land leases and associated easements, rights-of-way, permits or licenses at the terminals upon expiry. There is no guarantee, however, that the renewals will occur. See "Risks Relating to Leases and Rights of Way Access" in "Risk Factors" in the MD&A, which section is incorporated by reference herein.

Environmental Matters

In the past five years, Inter Terminals' storage facilities have experienced four significant environmental incidents in Denmark. Two of these involved leakages of product from tanks in 2016 that resulted in the release of approximately 208 bbls of gasoil in respect of the first incident and a release of approximately 79 bbls of jet fuel in respect of the second incident. The incident involving the gasoil release is fully closed from an insurance and regulatory authority standpoint. The incident involving the jet fuel release is closed from a financial perspective, but final approval from the regulatory authority is still pending. A release of approximately 157 bbls of waste water occurred in 2017 due to an open valve in the pipeline system. The incident involving the wastewater release is fully closed from an insurance and regulatory authority standpoint. The fourth incident occurred on January 4, 2020 and involved a spill of approximately 20 bbls of vacuum gas oil when a vessel was taken off its moorings and resulted in damage to the loading arms. Once installation of the replacement loading arms and final closing of insurance have been completed, the fourth incident will also be fully closed. Total remediation cost for the two outstanding incidents is expected to be approximately \$3.0 million.

Only limited environmental investigations have been conducted at most terminals and, as a result, limited information is available with respect to historical contamination. However, there are known areas of product contamination at several of the terminals. Due to the lengthy operating history of the terminals, and previous use of the land now occupied by the terminals, it is possible that there are additional areas of potential contamination that are undetected. Potentially substantial costs and liabilities for Inter Terminals may occur if regulators were to require the remediation of either known areas of contamination or other areas of significant contamination not yet identified. Such costs and liabilities will be dependent on a variety of factors, including, but not limited to, the composition and extent of any contamination and its ability and likelihood to cause harm to the environment. Any terminal development work requiring groundworks within contaminated areas may also result in the requirement for remediation.

Excise Warehousing –Sweden

All terminals in Sweden operate approved excise warehouses, thereby permitting customers' products to be stored and/or processed (i.e., blending, marking, denaturing of alcohol) on an excise duty-suspended basis. Management systems are in place to reconcile and report stock levels, transactions and duty liability. See "Regulation and Legislation Risks" in "Risk Factors" in the MD&A, which section is incorporated by reference herein.

Customs Warehousing –Denmark and Sweden

All of the Danish and Swedish terminals are authorized to act as customs warehouses, enabling customers to store certain oil products for re-export on a customs and excise duty-suspended basis. The Danish and Swedish tax authorities can require Inter Terminals to act as the customers' tax representative when providing customs warehousing services. The Swedish terminal also provides an in-house customs clearance service, acting as the agent for customers and their subcontractors to provide this service.

The Danish and Swedish businesses hold an Authorized Economic Operator certificate, which is a European Union-developed certification of internal procedures to improve transactional efficiency and reduce risks in connection with warehouse security and the handling of customs and excise bonded goods.

Health, Safety and Environment

All Inter Terminals facilities have well defined emergency response plans, which are regularly tested and are in full compliance with local legislation derived from the European Union Seveso directive. Most of the terminals are categorized as upper tier terminals under such legislation and consequently have submitted comprehensive safety reports to the regulatory authorities demonstrating compliance.

Inter Terminals has well established rolling five-year capital expenditure plans, which are reviewed on an annual basis, and which are designed to ensure the continuing integrity of its operating facilities and assets, and compliance with relevant environmental, health and safety legislation.

Employees

As at December 31, 2020, Inter Pipeline had 1,276 employees, of which 126 are directly employed by Inter Terminals. No Inter Pipeline employees are currently covered by independent trade unions or collective bargaining agreements.

Environmental, Social and Governance Policies

Inter Pipeline has implemented certain environmental, social and governance policies that are fundamental to Inter Pipeline's operations and sustainability efforts, including its Code of Ethics; Environmental, Health and Safety Policy (the "**EH&S Policy**"), Respectful Workplace Policy, Cybersecurity Policy, Stakeholder Relations Policy, Indigenous Policy and Whistleblower Policy; in addition to the organization's formalized core values, as further described below. Inter Pipeline requires employees (including executive officers) and directors to annually review and confirm their understanding of specific policies, including certain policies described below, and requires contractors to do the same when necessary or appropriate.

Code of Ethics

Inter Pipeline's reputation and credibility is based upon its total commitment to ethical business practices and all employees, officers, directors, contractors and other representatives of Inter Pipeline are expected to conduct themselves with the highest ethical standards. Inter Pipeline has established a Code of Ethics to reflect such principles pursuant to which all employees, officers, directors, contractors and representatives of Inter Pipeline are required to act with honesty and integrity and be respectful towards customers, employees, shareholders and others with whom Inter Pipeline conducts business; and strive for excellence and professionalism in their activities.

EH&S Policy

Inter Pipeline's EH&S Policy outlines its values and commitments with respect to environmental, health and safety matters. The EH&S Policy is reviewed on an annual basis by the environmental, health and safety committee of the board of directors and amended as deemed necessary. It is also reviewed with the employees in Inter Pipeline's operations group on a regular basis. The EH&S Policy applies to any activity undertaken by or on behalf of Inter Pipeline (excluding activities undertaken by Inter Pipeline's European subsidiaries, which conduct their operations in accordance with distinct environmental, health and safety policies implemented pursuant to the regulations in force in their jurisdictions of operation), in respect of Inter Pipeline's operations. It provides that Inter Pipeline will manage all operations in a manner that protects the health and safety of employees, contractors, the public and the environment, while complying with, and where appropriate, exceeding applicable laws, regulations, industry and internal standards and stakeholder expectations. The EH&S Policy also provides that Inter Pipeline will continually improve safety and environmental performance by proactively evaluating its operations to identify hazards, assess priorities, and implement programs and practices to reduce the number and severity of safety and environmental incidents towards a goal of zero incidents. It emphasizes that positive safety and environmental performance is essential to the success of Inter Pipeline and its employees and that safety and environmental performance comes first, regardless of the scale or urgency of the job. The EH&S Policy also stipulates that employees must be provided with the training and tools necessary for them to perform their jobs safely and in conformance with regulatory requirements and Inter Pipeline's requirements.

Accountability for the implementation of the EH&S Policy is at the operational level within Inter Pipeline's business units which have established processes and programs to evaluate and minimize environmental, health and safety risks. In this regard, a number of related policies and procedures have been implemented by Inter Pipeline's operations group, including a Drug and Alcohol Policy, Management of Change Policy, and Work Initiation Standard. The environmental, health and

safety committee of the board of directors of Inter Pipeline monitors compliance with the EH&S Policy. In addition, a joint environmental, health and safety committee, consisting of employees and management, meets on a regular basis to enhance environmental, health and safety performance throughout the organization through various initiatives. In order to monitor corporate sustainability or Environment, Social and Governance (ESG) practices, Inter Pipeline routinely reviews systems, programs and processes critical to protecting the environment, including integrity programs, leak detection systems, air monitoring systems, contaminated sites program and maintenance standards.

ESG Strategy

Inter Pipeline recently updated its ESG strategy in order to provide further foundation for sound ESG practices. This strategy applies to all business activities in the communities which we operate with the objective of unifying our efforts to address sustainability risks and opportunities.

Inter Pipeline will continue advance this strategy by developing and embedding sustainability practices across Inter Pipeline, including: (i) the annual creation of ESG goals and objectives within the business; (ii) enhancing disclosure through identifying, tracking, reporting and communicating ESG key performance indicators (KPIs) deemed to be material for Inter Pipeline; (iii) establishing targets that can be verified and developing action plans to achieve those targets; (iv) identifying ESG champions to support integration of the ESG strategy into Inter Pipeline's corporate strategy; (v) creating a long-term plan that identifies how Inter Pipeline will support the transition to a low carbon economy; (vi) evaluating the impact of potential acquisitions and divestitures on ESG goals and objectives; and (vii) producing a focused, high-quality ESG report on a biennial basis to communicate our strategic objectives and achievements towards our goals.

To highlight its ongoing efforts to create long-term value for our consumers, customers, communities, and shareholders, Inter Pipeline makes various ESG documents available on its website, including its most recent Sustainability Report and its 2020 Sustainability Summary Statistics. This reporting is done in accordance with the Global Reporting Initiatives Standards, SASB and the TCFD.

Respectful Workplace Policy

Inter Pipeline's Respectful Workplace Policy outlines Inter Pipeline's commitment to providing a workplace in which all individuals are treated with respect and dignity and outlines Inter Pipeline's vision of a respectful workplace where acceptance, cooperation, courteousness, honesty, integrity and personal accountability are emphasized in order for all employees to achieve excellence. The policy provides that every person has the right to work in an environment that is safe, healthy and free from harassment, which includes an environment free from discrimination, violence, personal harassment and sexual harassment. In addition, all employees of Inter Pipeline are required to take respectful workplace training to support the policy and the psychological safety of all employees.

Cybersecurity Policy

Inter Pipeline is committed to reducing cyber risk through a formalized enterprise wide cybersecurity policy and program principled on the NIST, Purdue, Compliance and Regulatory and CEPA industry guidelines. Cyber-attacks are recognized as an enterprise risk that can lead to service or business disruption, disclosure of sensitive information among other outcomes. While to date cyber risk has not resulted in any material impact, Inter Pipeline continues to see an increase in these threats and have adopted a multi-pronged approach to address this. The approach includes a defined and ongoing cyber security awareness program that educates its workforce with activities such as phishing simulations, architecting its systems to align with these rules to mitigate and segregate operational and financial risk and embedding the use of technology to improve our security posture.

Core Values

Inter Pipeline has established formalized core values driving its culture by outlining the employee qualities and cultural elements that Inter Pipeline values, including the following: honesty and integrity; teamwork; entrepreneurial spirit and the pursuit of excellence.

Stakeholder Relations Policy

Inter Pipeline's Stakeholder Relations Policy formally establishes Inter Pipeline's commitment to meaningful and ethical interactions with its stakeholders in order to ensure that safety, environmental, economic or social impacts resulting from Inter Pipeline's business activities are addressed in a timely and effective manner. In addition, the policy outlines that Inter Pipeline will build lasting relationships by acting responsibly with respect to the needs of its stakeholders.

Indigenous Policy

Inter Pipeline's Indigenous Policy confirms Inter Pipeline's respect for the cultural diversity of Indigenous Peoples and recognizes the traditional territories and unique legal rights Indigenous People hold in Canada. The policy also outlines Inter Pipeline's commitment to meaningful, ethical, and mutually beneficial relationships with Indigenous communities including proper consultation and business development opportunities, in addition to ensuring that any potential safety, environmental, economic or social impacts resulting from any business activities are addressed in a timely and effective manner.

Whistleblower Policy

Inter Pipeline's Whistleblower Policy supports Inter Pipeline's commitment to the highest standards of professional and ethical business practices by providing a forum in which concerns regarding questionable actions or business practices, including the suspected violation of other Inter Pipeline policies or procedures, can be raised without fear of any retaliation. The policy seeks to encourage concerns to be raised for investigation by establishing a framework for reporting concerns to immediate supervisors, executive management or a confidential Whistleblower Hotline, on a confidential basis if requested. In addition, concerns of a financial nature will be reported directly to the Chair of the audit committee and other concerns can be reported directly to the board of directors or an appropriate board committee if requested by the whistleblower.

RISK FACTORS

A discussion of Inter Pipeline's risk factors is contained in the section entitled "Risk Factors" in the MD&A, which section is incorporated by reference herein. Also see other documents filed by Inter Pipeline from time to time on SEDAR at www.sedar.com.

DIVIDENDS

Inter Pipeline pays regular monthly dividends, currently established at \$0.04 per Common Share, following a reduction of \$0.1025 per Common Share per month on March 30, 2020. The dividend for each month is based on a record date within ten days prior to the last day of the month and is paid on or about the 15th day of the following month.

In 2020, 2019 and 2018, Inter Pipeline paid annual cash dividends of \$0.7875, \$1.7100, and \$1.6850 per Common Share, respectively.

Inter Pipeline's credit agreements may, in certain circumstances, restrict Inter Pipeline's ability to pay dividends to its Common Shareholders. See "Risk Factors" in the MD&A, for a description of other circumstances in which Inter Pipeline's ability to pay dividends on its Common Shares may be affected.

A discussion of Inter Pipeline's dividend policy is contained in the section entitled "Dividends to Shareholders" in the MD&A, which section is incorporated by reference herein.

DESCRIPTION OF CAPITAL STRUCTURE

Description of Common Shares

The holders of Common Shares are entitled to notice of, to attend and to one (1) vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Shares as such); receive dividends as and when declared by the board of directors of the Corporation on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of dividends; and subject to the rights, privileges, restrictions and conditions attaching to any shares ranking senior to the Common Shares in respect of priority in the distribution of assets upon liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

Description of Class A Preferred Shares

Subject to certain limitations, the board of directors of the Corporation may, from time to time, issue Class A Preferred Shares in one or more series and determine for any such series, its designation, number of shares and respective rights, privileges, restrictions and conditions. The Class A Preferred Shares as a class have, among others, the provisions described below.

Each series of Class A Preferred Shares shall rank on parity with every other series of Class A Preferred Shares, and shall have priority over the Common Shares and any other class of shares ranking junior to the Class A Preferred Shares with respect to redemption, the payment of dividends, the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation. The Class A Preferred Shares of any series may also be given such preferences, not inconsistent with the provisions thereof, over the Common Shares and over any other class of shares ranking junior to the Class A Preferred Shares, as may be determined by the board of directors.

If any cumulative dividends or amounts payable on a return of capital in the event of the liquidation, dissolution or winding-up of the Corporation in respect of a series of Class A Preferred Shares are not paid in full, the Class A Preferred Shares of all series shall participate rateably in (i) the amounts that would be payable on such shares if all such dividends were declared at or prior to such time and paid in full, and (ii) the amounts that would be payable in respect of the return of capital as if all such amounts were paid in full; provided that if there are insufficient assets to satisfy all such claims, the claims of the holders of the Class A Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining shall be applied towards the payment and satisfaction of claims in respect of dividends. After payment to the holders of any series of Class A Preferred Shares of the amount so payable, the holders of such series of Class A Preferred Shares shall not be entitled to share in any further distribution of the property or assets of the Corporation in the event of the liquidation, dissolution or winding up of the Corporation.

Holders of any series of Class A Preferred Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class A Preferred Shares or a series thereof) to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation, unless the board of directors shall determine otherwise in the terms of a particular series of Class A Preferred Shares, in which case voting rights shall only be provided in circumstances where the Corporation shall have failed to pay a certain number of dividends on such series of Class A Preferred Shares, which determination and number of dividends and any other terms in respect of such voting rights, shall be determined by the board of directors and set out in the designations, rights, privileges, restrictions and conditions of such series of Class A Preferred Shares. As at December 31, 2020, there were no Class A Preferred Shares outstanding.

Credit Ratings

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. Credit ratings are not recommendations to purchase, hold or sell securities and do not address the market price or suitability of a specific security for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

Descriptions of rating agencies' credit ratings concerning Inter Pipeline and certain of its subsidiaries are set out below.

DBRS Limited ("DBRS")

The DBRS long-term debt rating scale provides an opinion on the risk of default, meaning the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims. All rating categories, other than AAA and D, contain subcategories "(high)" or "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category.

DBRS has assigned Inter Pipeline a BBB issuer rating (stable trend), which is the fourth highest of ten categories for long-term debt. DBRS has also assigned Inter Pipeline's issued and outstanding senior unsecured medium term notes a BBB rating (stable trend). In DBRS' view, a BBB rating has adequate credit quality. The capacity for the payment of financial obligations is considered acceptable, but the entity may be vulnerable to future events. DBRS has assigned Inter Pipeline (Corridor) Inc. an A (low) issuer rating (stable trend), which is the third highest of ten categories for long-term debt. In DBRS' view, an A rating has good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than that of AA rated entities. Entities in the A category may be vulnerable to future events, but qualifying negative factors are considered manageable.

Inter Pipeline's fixed-to-floating rate subordinated hybrid notes have been assigned a rating of BB (high) (stable trend) by DBRS. The BB rating category is the fifth highest of ten rating categories for long-term debt used by DBRS and denotes speculative, non-investment grade credit quality. The capacity for the payment of financial obligations is uncertain and vulnerable to future events.

The DBRS commercial paper and short-term debt rating scale provides an opinion on the risk that an issuer will not meet its short-term financial obligations in a timely manner. Ratings are based on quantitative and qualitative considerations relevant to the issuer and the relative ranking of claims. The R-1 and R-2 rating categories are further denoted by the subcategories "(high)", "(middle)", and "(low)".

DBRS has assigned Inter Pipeline (Corridor) Inc.'s commercial paper program a rating of R-1 (low) (stable trend), which is the third highest of ten categories for short-term debt. In DBRS' view, short-term debt rated R-1 (low) has good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as entities in higher rating categories. Entities in this category may be vulnerable to future events, but qualifying negative factors are considered manageable.

S&P Global Canada Corp. ("S&P")

S&P Global Ratings, acting through S&P Global Ratings Canada, a business unit of S&P, has a different rating scale for issuers compared to specific long-term debt issues.

Issuer Credit Rating

An S&P issuer credit rating is a forward-looking opinion of an obligor's overall creditworthiness. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. Issuer credit ratings can be either long-term or short-term. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (–) sign to show relative standing within the major rating categories that range from AAA to CC.

S&P has assigned Inter Pipeline an issuer credit rating of BBB- (negative outlook). As of February 12, 2021, S&P has also assigned Inter Pipeline (Corridor) Inc. an issuer credit rating of BBB- (stable outlook), which is the fourth highest of eight ratings categories for long-term issuer credit ratings. In S&P's view, an obligor rated BBB has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

The rating action CreditWatch highlights S&P's opinion regarding the potential direction of a rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by S&P but the magnitude of the rating impact has not been fully determined, and S&P believes that a rating change is likely in the short-term. A CreditWatch listing, however, does not mean a rating change is inevitable, and when appropriate, a range of

potential alternative ratings will be shown. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Issue Credit Rating

An S&P issue credit rating is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program (including ratings on medium term note programs). It takes into consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation and takes into account the currency in which the obligation is denominated. The opinion reflects S&P's view of the obligor's capacity and willingness to meet its financial commitments as they come due, and may assess terms, such as collateral security and subordination, which could affect ultimate payment in the event of default. Issue ratings from AA to CCC may be modified by the addition of a plus (+) or minus (–) sign to show relative standing within the major rating categories that range from AAA to D.

S&P has assigned Inter Pipeline's senior unsecured medium term notes a BBB- rating, which is the fourth highest of ten ratings categories for long-term debt issues. In S&P's view, an obligation rated BBB exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

Inter Pipeline's fixed-to-floating rate subordinated hybrid notes have been assigned a rating of BB by S&P, which is the fifth highest of ten ratings categories for long-term debt issues. In S&P's view, an obligation rated BB is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial or economic conditions that could lead to an obligor's inadequate capacity to meet its financial commitments on the obligation.

Payments to Credit Rating Organizations

Other than payments made in respect of credit ratings as described above, annual rating maintenance fees, rating evaluation work and other customary payments paid to S&P and DBRS and fees paid to DBRS in respect of commercial paper program fees, no payments were made to S&P or DBRS by Inter Pipeline or Inter Pipeline (Corridor) Inc. in respect of any other service provided to Inter Pipeline or Inter Pipeline (Corridor) Inc. by S&P or DBRS during the last two years. Inter Pipeline has paid and will pay fees to each of S&P and DBRS for the credit ratings provided on the notes referenced above. In addition, Inter Pipeline and Inter Pipeline (Corridor) Inc. reasonably expects, from time to time, to continue to make customary payments to the credit rating organizations set forth above for the provision of the related ratings and other services.

Additional Information

Further discussion regarding Inter Pipeline's capital structure is contained in the section entitled "Liquidity and Capital Resources" in the MD&A, which section is incorporated by reference herein.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the trading symbol "IPL". The following table sets forth the closing price range and the aggregate volume of trading of the Common Shares, as reported by the TSX, for the periods indicated:

<u>Period (2020)</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
January	22.58	21.97	32,559,471
February	22.10	19.86	40,292,907
March	19.80	5.84	144,085,242
April	11.94	7.83	60,779,052
May.....	12.72	10.59	41,863,151
June.....	14.56	12.00	46,693,724

Period (2020)	High (\$)	Low (\$)	Volume
July	13.13	11.81	27,773,979
August	14.82	13.40	33,294,138
September	14.20	12.85	59,556,875
October	13.38	11.41	54,594,334
November	13.91	11.44	44,551,743
December.....	13.68	11.83	49,575,551

Prior Sales

Other than set forth below, there are no other classes of securities of Inter Pipeline that are outstanding but not listed or quoted on a market place that have been issued by Inter Pipeline during the most recently completed financial year.

Date of Issuance	Aggregate Principal Amount of Medium Term Notes	Type of Security	Rate	Gross Proceeds	Method of Distribution
June 1, 2020	\$700,000,000	4.232% Medium Term Notes due June 1, 2027	4.232%	\$700,000,000	Prospectus Supplement

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the knowledge of management of the Corporation as at December 31, 2020, there are no securities of the Corporation held in escrow or subject to contractual restrictions on transfer.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth the name, province or state, and country of residence of all directors and executive officers of Inter Pipeline, their respective positions and offices held with Inter Pipeline including, in the case of directors, their membership in any committee of the board, their respective principal occupations during the five preceding years, the period or periods during which each director has served as a director and certain additional information. The directors have been appointed to hold office until the next annual general meeting of the shareholders of Inter Pipeline or until their successor are duly elected or appointed, unless their offices are earlier vacated. As of the date of this Annual Information Form, the directors and executive officers of Inter Pipeline as a group beneficially owned, or controlled or directed, directly or indirectly, 1,414,130 Common Shares representing 0.33% of all outstanding Common Shares.

Name, Province or State and Country of Residence and Positions and Offices held with Inter Pipeline	Biography	Director Since/Appointment to Current Office
Richard Shaw Alberta, Canada Independent Director, Chairman of the Board	Mr. Shaw, 75, is a former senior partner in the Business Law Group of McCarthy Tétrault LLP. His legal practice at McCarthy Tétrault broadly included the stewardship of matters related to corporate governance, corporate finance, mergers and acquisitions and securities law. Through his professional corporation, he continues to provide legal advisory services. Mr. Shaw has extensive experience with respect to corporate governance practices in Canada, having served as a director on the national board of the Institute of Corporate Directors and the Chair of its Calgary Chapter. Mr. Shaw also holds the ICD.D designation. He is a former lecturer in the Director Education Program at the Haskayne School of Business at the University of Calgary and past Chair of the Board of Governors of Mount Royal University. He is a director of Enmax Corporation and Chair of its governance committee. He recently served as the lead independent member on the Alberta Securities Commission. In the past, he has served as a Governor and Acting Vice Chair of the Glenbow Museum. Mr. Shaw received a Bachelor of Science from McGill University and a law degree from the University of Toronto. He also holds a Queen's Counsel designation in Alberta.	March 31, 2009 / Appointed Chairman January 1, 2014

Name, Province or State and Country of Residence and Positions and Offices held with Inter Pipeline	Biography	Director Since/Appointment to Current Office
<p>Peter Cella Florida, United States</p> <p>Independent Director, Chair of the Major Projects Review Committee and Member of the Human Resources and Governance Committees</p>	<p>Mr. Cella, 63, has more than 36 years of general management and financial experience in the energy and related sectors, including nearly 30 years in the petrochemicals and polymers industry. From 2011 until his retirement in 2017, Mr. Cella was the President and Chief Executive Officer of Chevron Phillips Chemical Company LP, where he led Chevron Phillips Chemical through the development and construction of an ethane cracker and two polyethylene units. Previously, Mr. Cella served in a variety of executive posts at BASF Corporation, INEOS Nitriles (part of the INEOS Group), BP, and Innovene, LLC. He began his career at Amoco Corporation in 1981. Mr. Cella is an independent director on the boards of frontdoor, inc. and Saudi Arabian Oil Co. Mr. Cella also served as the Chairman of the board of directors of the American Chemistry Council and served on the board of directors and executive committee for Junior Achievement of Southeast Texas, a not-for-profit organization dedicated to improving the financial literacy and work-readiness of young people. Mr. Cella holds a Bachelor of Science degree in finance from the University of Illinois and a Master of Business Administration degree from Northwestern University.</p>	<p>May 7, 2018</p>
<p>Julie Dill Texas, United States</p> <p>Independent Director, Chair of the EH&S Committee and Member of the Audit Committee</p>	<p>Ms. Dill, 61, has a wealth of experience in the energy sector, having served in a number of executive capacities in the natural gas and power industries. Most recently and until her retirement in 2017, she served as the Chief Communications Officer of Spectra Energy Corp. from 2013 until completion of Spectra's merger with Enbridge, Inc. in the first quarter of 2017. Previously Ms. Dill served as the Group Vice President of Strategy for Spectra and the President and CEO of Spectra Energy Partners, LP from 2012 until 2013, and prior to that she served as President of Union Gas Limited in Ontario, Canada from 2007-2011. Previously she served in various financial and operational roles with Duke Energy, Duke Energy International and Shell Oil Company. Ms. Dill has served on the board of QEP Resources since 2013 to the present and also served on the board of Spectra Energy Partners from 2012 until the completion of the Enbridge/Spectra merger. Ms. Dill also currently serves on the board of Rayonier Advanced Materials, Southern Star Central Gas Pipeline, Inc., a private company, and the advisory board of the private company Centuri Construction Group. She is a member of the Advisory Council for the College of Business and Economics at New Mexico State University and participates on the community relations committee of the board of Memorial Hermann Hospital in Houston, Texas. Ms. Dill holds a Bachelor of Administration degree from New Mexico State University and is a graduate of the Harvard Business School Advanced Management Program. Ms. Dill is also certified by the National Association of Corporate Directors.</p>	<p>May 7, 2018</p>

Name, Province or State and Country of Residence and Positions and Offices held with Inter Pipeline	Biography	Director Since/Appointment to Current Office
<p>Duane E. Keinick Alberta, Canada</p> <p>Independent Director, Member of the EH&S and Human Resources and Governance Committees</p>	<p>Mr. Keinick, 74, had a distinguished career at Canadian Imperial Bank of Commerce, spanning 39 years. Mr. Keinick joined the oil and gas group in 1982 as Vice President advancing to Senior Vice President in 1986 where he had global responsibility for the bank's energy business. In 1998, Mr. Keinick was appointed as Senior Vice President and Managing Director of CIBC World Markets Inc. where he advised on major oil and gas transactions over the seven years leading to his retirement at the end of December 2005. Mr. Keinick has sat on several public company boards and many charitable and industry boards in the past. Mr. Keinick holds a Bachelor of Arts degree from the University of Calgary.</p>	<p>February 6, 2008</p>
<p>Arthur Korpach Alberta, Canada</p> <p>Independent Director, Member of the Audit and Human Resources and Governance Committees</p>	<p>Mr. Korpach, 63, has over 30 years of investment banking and public company audit experience, with a focus on the energy sector. He is a former Vice Chairman Investment Banking of CIBC World Markets Inc. where he managed the firm's global oil and gas business. His experience includes providing advice on strategy, business plans, capital structure, credit, financing and mergers and acquisitions. Mr. Korpach is a Chartered Business Valuator, an FCA/FCPA and a past Chair of the Accounting Standards Board of the Canadian Institute of Chartered Accountants. He has served on several public and private company boards and on a number of not for profit boards. He has a Bachelor of Commerce degree from the University of Saskatchewan and a Master of Business Administration degree from Harvard Business School. Mr. Korpach holds the ICD.D designation from the Institute of Corporate Directors. In addition to Inter Pipeline, Mr. Korpach currently serves on the board of Freehold Royalties Ltd.</p>	<p>May 7, 2018</p>

Name, Province or State and Country of Residence and Positions and Offices held with Inter Pipeline	Biography	Director Since/Appointment to Current Office
<p>Alison Taylor Love Alberta, Canada</p> <p>Independent Director, Chair of the Human Resources and Governance Committee and Member of the EH&S Committee</p>	<p>Ms. Love, 67, has over 30 years of experience as a corporate and securities lawyer, including extensive experience advising boards of directors. Most recently and until her retirement in 2013, she served as Corporate Secretary, Chief Compliance Officer and Vice President at Enbridge Inc. Prior to joining Enbridge Inc. in 2005, she served as Corporate Secretary of TransAlta Corporation and its subsidiary companies from 2002 to 2005. Ms. Love also served as Vice President Law, General Counsel and Corporate Secretary at Canadian Pacific Limited while employed with that organization from 1998 to 2001. Ms. Love has been involved with a number of community organizations and not-for-profit boards. Most recently, she served as Vice-Chair and on the Board of Governors of the University of Calgary, as well as several of its committees. Ms. Love previously served as the Chair of the board of directors of the Calgary Foundation and on the boards of directors of the Alberta Shock Trauma Air Rescue Society (STARS), the United Way of Calgary and area and the Heritage Park Society. She holds a law degree from Dalhousie University and a Bachelor of Arts degree from the University of Saskatchewan. Ms. Love also holds the ICD.D designation from the Institute of Corporate Directors and a Queen's Counsel designation in Alberta.</p>	<p>January 1, 2014</p>
<p>Margaret A. McKenzie Alberta, Canada</p> <p>Independent Director, Chair of the Audit Committee and Member of the Major Projects Review Committee</p>	<p>Ms. McKenzie, 59, has over 30 years of experience in the energy sector primarily in the areas of finance, accounting, compensation and corporate governance. Ms. McKenzie was the Chief Financial Officer and a founder of Range Royalty Management Ltd., a private entity focused on acquiring oil and natural gas royalties in Western Canada from 2006 to 2014 and the Chief Financial Officer of Profico Energy Management Ltd., a private exploration and production company, from 2000 to 2006. Ms. McKenzie has served on both public and private company boards since 2006. Ms. McKenzie holds a Bachelor of Commerce (Distinction) degree from the University of Saskatchewan and has been a member of the Institute of Chartered Accountants of Alberta, CA/CPA, since 1985. In 2013, Ms. McKenzie obtained her ICD.D designation from the Institute of Corporate Directors. Ms. McKenzie participates in various industry and professional events each year to maintain up to date knowledge in her areas of expertise. In addition to Inter Pipeline, Ms. McKenzie currently serves on the boards of Ovintiv Inc. (formerly, Encana Corporation), PrairieSky Royalty Ltd. and Canadian National Railway Company.</p>	<p>August 1, 2015</p>

Name, Province or State and Country of Residence and Positions and Offices held with Inter Pipeline	Biography	Director Since/Appointment to Current Office
<p>Brant Sangster Alberta, Canada</p> <p>Independent Director, Member of the Major Projects Review and EH&S Committees</p>	<p>Mr. Sangster, 74, is an accomplished executive within the Canadian oil and gas industry. During his 40 year career, Mr. Sangster held senior positions with Petro-Canada and Imperial Oil Limited in the areas of refining operations, natural gas liquids, petroleum marketing, strategic planning and corporate development. Prior to retirement, he held the position of Senior Vice President, Oil Sands at Petro-Canada. Mr. Sangster also serves on the board of Titanium Corporation. He obtained his ICD.D designation from the Institute of Corporate Directors in 2014.</p>	<p>March 31, 2009</p>
<p>Shelley Brown Saskatchewan, Canada</p> <p>Independent Director, Member of the Human Resources and Governance and Audit Committees</p>	<p>Ms. Brown, 63, has more than 25 years of board experience serving on not-for-profit, association, and for-profit corporate boards, including Deloitte Canada, the Accounting Standards Board Oversight Council, and the University of Saskatchewan Board of Governors. She brings expertise in strategic planning, good governance, finance, and risk management. During her distinguished 40-year career in accounting, Ms. Brown was a partner in two of the world's largest professional services firms. As chair of the Canadian Institute of Chartered Accountants, she played a key role in uniting Canada's accounting profession, culminating in the creation of the Chartered Professional Accountants of Canada. Ms. Brown currently serves on the board and audit committee of Stantec Inc. and NorZinc Ltd. Ms. Brown holds a Bachelor of Commerce from the Edwards School of Business at the University of Saskatchewan and is a Fellow Chartered Professional Accountant of BC, Alberta, Saskatchewan and Ontario. In 2018, she was invested into the Order of Canada for her contribution to the community and her profession.</p>	<p>May 7, 2020</p>

Name, Province or State and Country of Residence and Positions and Offices held with Inter Pipeline	Biography	Director Since/Appointment to Current Office
Wayne Smith New Jersey, United States Member of the EH&S and Major Projects Review Committees	Mr. Smith, 61, has more than 35 years of general management experience in the chemicals and industrials sectors. He currently serves as a member of the Board of Executive Directors of BASF SE, with global responsibility for the Chemicals and Materials Segments of BASF, as well as the research platform, Process Research and Chemical Engineering. He joined the Executive Board in 2012. In addition, since 2015, Mr. Smith has held the position of CEO for BASF Corporation, representing the BASF businesses in North America. Mr. Smith has served in a variety of executive positions at BASF, WR Grace, and the BOC Group. He has deep experience across broad value chains in the chemical industry, including petrochemicals, polymers, and highly specialized chemicals. He has overseen both very large capital projects and significant acquisitions. Mr. Smith began his career at General Electric in 1982. He serves on the boards of the industry association, the American Chemistry Council, and the non-profit American Council on Germany. He is a member of the Dean's Leadership Council for the School of Engineering at Syracuse University, and is a member of the Global Advisory Council at Penn State University. Mr. Smith holds a Bachelor of Science degree in chemical engineering from Syracuse University and a Masters of Business Administration degree from the Wharton School at the University of Pennsylvania.	May 7, 2020

Name, Province or State and Country of Residence and Positions and Offices held with Inter Pipeline	Biography	Director Since/Appointment to Current Office
Christian Bayle Alberta, Canada Director, President and Chief Executive Officer	Mr. Bayle, 51, joined Inter Pipeline in 1997 and has held a number of positions of increasing responsibility. He was appointed Vice President, Operations, in January 2002 and assumed the role of Vice President, Corporate Development, in March 2005. In December of 2008, he was appointed Senior Vice President, Corporate Development. In March 2011, he was appointed Chief Operating Officer, and on January 1, 2014, he was appointed President and Chief Executive Officer. Mr. Bayle received a Bachelor of Mechanical Engineering degree from the University of Alberta in 1992 and a Masters in Engineering Management from the same university in 1993. He holds a professional engineering designation and is a member of APEGA.	January 1, 2017 (Director) January 1, 2014 (President and Chief Executive Officer)
Brent Heagy Alberta, Canada Chief Financial Officer	Mr. Heagy joined Inter Pipeline as Chief Financial Officer effective March 1, 2014. He previously served as Chief Financial Officer at Athabasca Oil Corporation, and prior thereto was Senior Vice President, Finance and Chief Financial Officer of Provident Energy Ltd., the entity resulting from the reorganization of Provident Energy Trust into a corporate structure in January, 2011. In a career spanning more than 30 years, Mr. Heagy has extensive experience in the areas of corporate finance, accounting, risk management and strategic leadership. He holds a Bachelor of Commerce degree from the University of Saskatchewan and is a CA/CPA.	March 1, 2014
Jeffrey Marchant Alberta, Canada Senior Vice President, Transportation	As Senior Vice President, Transportation at Inter Pipeline Mr. Marchant is responsible for the physical operation and commercial management and development of the pipeline transportation business unit. Mr. Marchant joined Inter Pipeline in 1998 and has held a number of positions of increasing responsibility in the areas of operations, engineering and business development. He was appointed Vice President, Corporate Planning in November 2006, Vice President, Oil Sands Development in August 2007, Vice President, Transportation in January 2012, and assumed his current position as Senior Vice President, Transportation in June, 2014. Prior to joining Inter Pipeline, Mr. Marchant held various engineering positions with Gulf Canada Resources and Koch Exploration. He received a Bachelor of Chemical Engineering from the University of Alberta in 1992 and holds a professional engineering designation as a member of APEGA.	June 1, 2014

Name, Province or State and Country of Residence and Positions and Offices held with Inter Pipeline	Biography	Director Since/Appointment to Current Office
James Madro Alberta, Canada Senior Vice President, Petrochemicals	James Madro was appointed Senior Vice President, Petrochemicals in November, 2020 and oversees the physical operation and commercial management of Inter Pipeline's petrochemicals business. Mr. Madro joined Inter Pipeline in 2003 and has held a number of positions of increasing responsibility in the areas of engineering, operations, commercial management, and business development. Prior to his most recent appointment, Mr. Madro held the positions of Senior Vice President NGL Processing as of April 2018, Senior Vice President, Operations as of June, 2014 and Vice President, Operations as of December, 2008. Before joining Inter Pipeline, Mr. Madro held various operations and engineering management positions with Gibson Energy and Koch Pipelines. He received a Bachelor of Chemical Engineering from the University of Alberta in 1992, and holds a professional engineering designation as an active member of APEGA and APEGS.	November 1, 2020
David Chappell Alberta, Canada Senior Vice President, Petrochemical Development	Prior to joining Inter Pipeline, Mr. Chappell was most recently the president of Williams Canada. Mr. Chappell joined Williams in 2000, and during his tenure served in various leadership roles, progressing from director to president of the Canadian business in 2012. He has more than 30 years of experience in the energy industry and graduated from the University of Saskatchewan with a Bachelor of Science degree in Mechanical Engineering, and later completed the Executive Development Program at the University of Calgary. Mr. Chappell has worked in the areas of natural gas marketing, straddle plants, natural gas liquids and basic petrochemicals. He served on the board of the Energy Council of Canada for many years and currently sits on the board of the Chemistry Industry Association of Canada. Mr. Chappell was a founder of and helped launch the Resource Diversification Council (RDC) in Alberta, and currently serves as Chair of the RDC.	September 23, 2016

Name, Province or State and Country of Residence and Positions and Offices held with Inter Pipeline	Biography	Director Since/Appointment to Current Office
<p>Bernard Perron Alberta, Canada</p> <p>Senior Vice President, Projects & Operations Services</p>	<p>As Senior Vice President, Projects and Operations Services at Inter Pipeline Mr. Perron is responsible for the execution of Inter Pipeline’s organic growth projects including the Heartland Petrochemical Complex. In addition, Mr. Perron oversees various service groups including EH&S, technical services and integrity, asset and risk management, land services, GIS and drafting, cost control, enterprise content management and project supply chain management. Mr. Perron joined Inter Pipeline in 2008 as General Manager, Project Development where he successfully led the project development team through a period of significant growth. Prior to his most recent appointment Mr. Perron held the position of Vice President, Project Development as of January 2013. During his 25 year career in the pipeline industry, Mr. Perron has overseen the execution of major pipeline and facility projects in Canada and internationally. Mr. Perron received an Engineering degree in 1991 from L’École Polytechnique de Montréal, and a Master of Business Administration degree in 2010 from Queen's University. He holds a professional engineering designation and is a member of APEGA.</p>	<p>April 16, 2018</p>
<p>Anita Dusevic Oliva Alberta, Canada</p> <p>Senior Vice President, Corporate Services</p>	<p>Anita Dusevic Oliva was appointed to the role of Senior Vice President, Corporate Services in November 2020 after previously serving as Vice President, Legal of Inter Pipeline. Ms. Dusevic Oliva is responsible for the following areas: legal, regulatory, stakeholder and government relations, land, IT, human resources, and Inter Pipeline’s business-wide innovation program. Prior to joining Inter Pipeline, Ms. Dusevic Oliva worked in the legal department of an upstream energy company and as an associate in the energy group at a national law firm. She has extensive experience in mergers and acquisitions, corporate governance, securities, oil and gas, construction, labour and employment, and regulatory law. Ms. Dusevic Oliva received her Bachelor of Arts degree in 1999 and her Juris Doctor degree in 2002 from the University of Calgary and is a member of the Law Society of Alberta. She is a former director of the Canadian Energy Law Foundation and the Calgary Inter-Faith Food Bank.</p>	<p>November 1, 2020</p>

Name, Province or State and Country of Residence and Positions and Offices held with Inter Pipeline	Biography	Director Since/Appointment to Current Office
Cory Neufeld Alberta, Canada Vice President, NGL	Cory Neufeld was appointed Vice President NGL in November 2020 and oversees the physical operations, commercial management and development of the NGL (natural gas liquids) business segment at Inter Pipeline. Mr. Neufeld joined Koch Pipelines Canada LP (Inter Pipelines' predecessor) in 1996 and has held a number of positions of increasing responsibility in the areas of operations, engineering and business development. Prior to his recent appointment he was Vice President, NGL Commercial as of April 2018, and held the position of Vice President, Oil Sands Pipeline Development from June 2014. He received a Bachelor of Science in Mechanical Engineering from the University of Saskatchewan in 1996. Mr. Neufeld holds a professional engineering designation and is a member of APEGA and APEGS.	November 1, 2020
Jeremy Roberge Alberta, Canada Vice President, Finance & Investor Relations	Jeremy Roberge was appointed Vice President, Finance and Investor Relations in April 2018 and is broadly responsible for Inter Pipeline's capital market, treasury and investor relations activities, including credit risk, commodity risk management and communications functions. Mr. Roberge previously held the role of Vice President, Capital Markets since February 2006 after joining Inter Pipeline as Treasurer in June 2004. Prior to joining Inter Pipeline, Mr. Roberge spent several years in investment banking involved with corporate finance, strategic planning, mergers and acquisitions and related capital market activities. Mr. Roberge graduated from the University of Calgary with a Bachelor of Commerce Honours degree and completed his Master of Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario.	April 16, 2018
Spil Kousinioris Alberta, Canada Vice President, Corporate Development	Spil Kousinioris was appointed Vice President, Corporate Development on March 1, 2016. Prior to his time with Inter Pipeline, Mr. Kousinioris held the position of Senior Vice President, Mergers & Acquisitions with Ernst & Young, and was previously an advisor for the Royal Bank of Canada in both oil and gas commercial banking and strategic finance. Mr. Kousinioris holds a BA in Economics from the University of Calgary, an MBA from the University of Toronto and is a CFA charterholder.	March 1, 2016
Megan Joyce Alberta, Canada Vice President, Human Resources	Ms. Joyce has been in the human resources industry for more than 20 years, the majority of which has been in a leadership role. Prior to joining Inter Pipeline, Ms. Joyce held various human resources positions of increasing responsibility at SNC-Lavalin, Inc. Ms. Joyce received her Bachelor of Commerce degree from the University of Saskatchewan in 1993 with majors in Human Resource Management and Health Care Administration.	April 16, 2018

Name, Province or State and Country of Residence and Positions and Offices held with Inter Pipeline	Biography	Director Since/Appointment to Current Office
Richard Sawyer Alberta, Canada Vice President, EH&S and Technical Services	Mr. Sawyer has been with Inter Pipeline since its formation in 2002, and its predecessor since 1988. He has held various positions of increasing levels of management responsibility, and most recently he was the General Manager of Field Operations for Inter Pipeline's Canadian assets. Since graduating from the Sault College of Technology in the Natural Sciences field, Mr. Sawyer has completed programs in Environmental Management from the University of Calgary and Executive Leadership from Queen's University. Mr. Sawyer is a long-standing member of The Association of Science & Engineering Technology Professionals of Alberta.	April 16, 2018
Nipa Chakravarti Alberta, Canada Vice President, Marketing	Nipa Chakravarti joined Inter Pipeline as General Manager of Information Technology in 2018. In November 2020, she was appointed Vice President of Marketing and is responsible for executing on asset optimization opportunities, transportation and logistics, and the management of commodity exposures. Prior to joining Inter Pipeline, she served as the Chief Transformation Officer for TransAlta Corporation. Previously she served as Vice President of Information Technology for five years, held the position of Vice President of Customer Service at FortisAlberta, and worked as a Senior Manager, Consulting at KPMG. Ms. Chakravarti is known for innovating and implementing Lean methodologies to simplify operation and has successfully led operations, systems, procurement, and finance teams. Ms. Chakravarti holds a Bachelor of Commerce degree from Queen's University and is a CPA, CA. and currently sits on the Board of the Prostate Cancer Centre.	November 1, 2020

Cease Trade Orders

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons) is, as of the date of this Annual Information Form, or was within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company), that (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

Other than as described below, to the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (i) is, as of the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Margaret McKenzie was a director of Endurance Energy Ltd. ("**Endurance**"), a private corporation engaged in the exploration and production of natural gas in western Canada. Ms. McKenzie resigned as a director of Endurance on March 31, 2016. On May 30, 2016, Endurance filed for creditor protection and obtained an Initial Order (the "**Initial Order**") under the CCAA. Endurance sought and was granted a stay of proceedings and other relief provided under the CCAA. Pursuant to the Initial Order, FTI Consulting ("**FTI**") had been appointed as the monitor. On November 17, 2017, FTI was appointed as trustee in bankruptcy over Endurance following Endurance's assignment into bankruptcy by the FTI. On July 4, 2017, Endurance sought and obtained an order which among other things approved a final distribution and discharge order to the lenders, a termination of the CCAA Proceedings and a discharge of the FTI. The final distribution to the lenders has been made and no unsecured claims process has been established. The stay of proceedings was not extended and the monitor was discharged upon filing of the termination certificate.

Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain directors of Inter Pipeline are also directors of other entities engaged in the oil and gas business generally. As a result, situations may arise where the interests of such directors conflict with their interests as directors of other companies. The resolution of such conflicts is governed by applicable corporate laws, which require that directors act honestly, in good faith and with a view to the best interests of the Company. Conflicts, if any, will be handled in a manner consistent with the procedures and remedies set forth in the ABCA. The ABCA provides that, in the event that a director has a material interest in, or is party to, a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

AUDIT COMMITTEE

Audit Committee

The audit committee consists of Ms. McKenzie (Chair), Ms. Dill, Mr. Korpach and Ms. Brown, all of whom are financially literate and all of whom are independent directors. Ms. McKenzie, CA/CPA, who has extensive experience providing regular review of financial statements and has served as an audit committee member (including as Chairman) for a number of publicly traded companies, chairs the committee. Ms. Dill, Mr. Korpach, FCA/FCPA, and Ms. Brown, FCA/FCPA, have had extensive work experience at public companies, banking institutions and accounting firms, respectively. Their experiences included job responsibilities that required evaluation of financial statements for entities involved in businesses similar to the businesses undertaken by Inter Pipeline. The terms of reference of the audit committee, which are attached as Schedule "C" hereto, specifically outline its responsibilities and duties. These include monitoring the integrity of the financial reporting process and the system of internal controls, and pre-approving all non-audit services to be provided to Inter Pipeline by external auditors. The terms of reference provide that the committee will have responsibility for oversight of the external auditors who shall report directly to the audit committee. The terms of reference direct that all audit committee members shall be financially literate (meaning that each committee member has the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements), and at least one member shall have accounting or related financial management expertise. All members of the audit committee are considered "financial experts".

Inter Pipeline has not relied on any exemptions from the requirements of National Instrument 52-110 in 2018 and there have been no instances in 2020 in which the directors did not adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Fees

The following table outlines the fees billed by external auditors to Inter Pipeline in the last two fiscal years, categorized by audit fees, audit-related fees, tax fees and all other fees and includes a description of the nature of services comprising such fees.

<i>(\$ thousands)</i>	2020	2019
Audit fees ⁽¹⁾	1,296	1,434
Audit related fees ⁽²⁾	698	579
Tax fees ⁽³⁾	446	311
All other fees	-	-
Total	<u>2,440</u>	<u>2,324</u>

Notes:

- (1) Relates primarily to fees associated with the annual audit and interim reviews of the consolidated Financial Statements and prospectus-related work (including French translation).
- (2) Relates primarily to audit fees and travel expenses for foreign subsidiary audits and reviews
- (3) Relates primarily to fees associated with general tax planning and compliance.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal proceedings, arbitrations and regulatory actions are part of doing business. While the Corporation cannot predict the final outcomes of proceedings and actions with certainty, management does not expect any current proceeding or action to have a material impact on the Corporation's consolidated financial position, results of operations or liquidity. The Corporation is not aware of any potential legal proceeding or action that would have a material impact on Inter Pipeline's consolidated financial position, results of operations or liquidity. See "Risk Factors".

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There is no material interest, direct or indirect, of any (i) director or executive officer of Inter Pipeline, (ii) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of Inter Pipeline's voting securities, and (iii) associate or affiliate of any of the persons or entities referred to in (i) or (ii), in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Inter Pipeline, other than as disclosed elsewhere in this Annual Information Form.

TRANSFER AGENT AND REGISTRAR

Inter Pipeline's transfer agent and registrar is Computershare Trust Company of Canada at its principal offices in Calgary, Alberta and Toronto, Ontario.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by Inter Pipeline within the most recently completed financial year, or before the most recently completed financial year which are still in effect, are those credit facilities of Inter Pipeline and Inter Pipeline (Corridor) Inc. described under Note 8 – "Financial Debt" to the Financial Statements, which note is incorporated by reference herein.

INTERESTS OF EXPERTS

Names of Experts

The only person or company who is named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by Inter Pipeline during, or relating to, Inter Pipeline's most recently completed financial year, and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company, is Ernst & Young LLP, Inter Pipeline's independent auditors.

Interest of Experts

Ernst & Young LLP is independent of Inter Pipeline within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information relating to Inter Pipeline can be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Inter Pipeline's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in Inter Pipeline's information circular dated March 16, 2020 for the most recent annual shareholder's meeting held on May 7, 2020. Additional financial information is contained in the Financial Statements and the MD&A.

SCHEDULE "A" – GLOSSARY OF TERMS

"**1745844 Alberta Ltd.**" means 1745884 Alberta Ltd., successor to Marathon Oil Canada Corporation by way of name change, which is jointly owned by Shell and Canadian Natural;

"**ABCA**" means the Alberta *Business Corporations Act*, RSA 200, c. B-9;

"**AOC**" means Athabasca Oil Corporation, or a subsidiary or affiliate of Athabasca Oil Corporation, as applicable and as the context requires;

"**AOSP**" means the Athabasca Oil Sands Project, owned by Canadian Natural, Chevron, and 1745844 Alberta Ltd.;

"**Backwardation**" means a market condition in which futures prices for a product are lower in future delivery months, therefore resulting in storage of such product for a period of time being potentially less beneficial than immediate sale of such product;

"**Bitumen**" means a tar-like form of Crude Oil, often found in deposits containing significant amounts of sand, that must be heated or diluted before it will flow;

"**Bitumen Blend**" means Bitumen that has been blended with Diluent in order for it to be transported by pipeline;

"**Boreal Pipeline System**" means the pipeline previously owned by Williams Canada which connects the two Offgas Plants to the Redwater Olefinic Fractionator;

"**BP**" means BP Canada Energy Group ULC, or a subsidiary or affiliate of BP Canada Energy Group ULC, as applicable and as the context requires;

"**Break Bulk**" means large shipments of product being segregated at a storage facility to create smaller shipments appropriate for smaller transportation vessels;

"**Build Bulk**" means small shipments of product being aggregated at a storage facility to create larger shipments appropriate for larger transportation vessels;

"**Canadian Natural**" means Canadian Natural Resources Limited, or a subsidiary or affiliate of Canadian Natural Resources Limited, as applicable and as the context requires;

"**Cenovus**" means Cenovus Energy Inc., or a subsidiary or affiliate of Cenovus Energy Inc., as applicable and as the context requires;

"**Central Utility Block**" means the central utility block to be constructed by Inter Pipeline to supply electricity, steam and other utilities to the Heartland Petrochemical Complex;

"**Chevron**" means Chevron Canada Oil Sands Partnership, or a subsidiary or affiliate of Chevron Canada Oil Sands Partnership, as applicable and as the context requires;

"**CHS**" means CHS Inc., or a subsidiary or affiliate of CHS Inc., as applicable and as the context requires;

"**Class A Preferred Shares**" means Class A Preferred Shares of the Corporation;

"**CNOOC**" CNOOC Petroleum North America ULC, a wholly owned subsidiary of CNOOC Limited, or a subsidiary or affiliate of CNOOC Petroleum North America ULC, as applicable and as the context requires;

"**Cold Lake Founders**" means Imperial Oil, FCCL Partnership and Canadian Natural;

"**Cold Lake Transportation Service Agreement**" means the agreement dated October 5, 2000 between Cold Lake Pipeline Limited Partnership and the Cold Lake Founders;

"**Common Share**" means common shares of the Corporation and "**Common Shareholders**" means holders of Common Shares;

"**Condensate**" means a mixture of hydrocarbons consisting primarily of pentanes and heavier liquids extracted from natural gas;

"**Contango**" means a market condition in which futures prices for a product are higher in future delivery months, therefore resulting in storage of such product for a period of time being potentially more beneficial than immediate sale of such product;

"**Corridor Firm Service Agreement**" means the long-term take-or-pay contract among Inter Pipeline, Inter Pipeline (Corridor) Inc. and the Corridor Shippers, pursuant to which the Corridor pipeline system is operated;

"**Corridor Shippers**" means, collectively, Canadian Natural, Chevron, and 1745844 Alberta Ltd.;

"**Crude Oil**" means a mixture of hydrocarbons that exists in a liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities;

"**Diluent**" means a lower density fluid used to blend with heavy oil or Bitumen in order to reduce viscosity and density. Condensate is the most commonly used Diluent for pipeline transportation of heavy oil or Bitumen;

"**Dow Chemicals**" means Dow Chemical Canada ULC, or a subsidiary or affiliate of Dow Chemical Canada ULC, as applicable and as the context requires;

"**EBITDA**" means net income before total interest less capitalized interest, income taxes, depreciation and amortization;

"**Enbridge**" means Enbridge Inc., or a subsidiary or affiliate of Enbridge Inc., as applicable and as the context requires;

"**FCCL Partnership**" means the partnership between Cenovus FCCL Ltd. and Cenovus Energy Inc., each being wholly owned subsidiaries of Cenovus;

"**Financial Statements**" means Inter Pipeline's audited consolidated financial statements for the year ended December 31, 2020;

"**Frac Spread**" means the difference in price between natural gas and the applicable NGL products, generally expressed in US\$ per US gallon;

"**GAAP**" means Canadian generally accepted accounting principles;

"**Gibson**" means Gibson Energy Inc., or a subsidiary or affiliate of Gibson Energy Inc., as applicable and as the context requires;

"**Global Reporting Initiative Standards**" means the standards for sustainability reporting issued by the Global Reporting Initiative, an international independent organization headquartered in Amsterdam, Netherlands.

"**Heartland Petrochemical Complex**" means the integrated petrochemical complex comprised of the PDH Plant and PP Plant, to be constructed by Inter Pipeline in Strathcona County, Alberta;

"**Heavy Blend Crude Oil**" means Ultra-Heavy Crude Oil that has been blended with Diluent in order for it to be transported by pipeline;

"**Husky**" means Husky Energy Inc., or a subsidiary or affiliate of Husky Energy Inc., as applicable and as the context requires;

"**hydrocarbons**" means organic compounds containing only carbon and hydrogen;

"**Imperial Oil**" means Imperial Oil Limited, or a subsidiary or affiliate of Imperial Oil Limited, as applicable and as the context requires;

"**Inter Pipeline**", the "**Corporation**" or the "**Company**" means Inter Pipeline Ltd. and may include its affiliates and subsidiaries as the context requires;

"**Inter Pipeline (Corridor) Inc.**" means the wholly owned subsidiary of Inter Pipeline Ltd. that owns and operates the Corridor pipeline system;

"**Inter Terminals**" means Inter Pipeline's European subsidiaries, being Inter Terminals Sweden A.B., Inter Terminals Denmark Limited and Inter Terminals Denmark A/S;

"**JACOS**" means Japan Canada Oil Sands Limited, or a subsidiary or affiliate of Japan Canada Oil Sands Limited, as applicable and as the context requires;

"**Light Crude Oil**" means Crude Oil with a typical density of between 800 kilograms per cubic metre (kg/m³) and 876 kilograms per cubic metre (kg/m³), and typical viscosity between 2 square millimetres per second (mm²/s) and 20 square millimetres per second (mm²/s);

"**Light Sweet Crude Oil**" means Light Crude Oil with a sulphur content of less than 0.5% by weight;

"**MD&A**" means the Management's Discussion and Analysis for the year ended December 31, 2020;

"**NAL Resources**" means NAL Resources Limited, or a subsidiary or affiliate of NAL Resources Limited, as applicable and as the context requires;

"**NGL**" means paraffinic natural gas liquids, consisting of any one of ethane, propane, butane and Condensate, and olefinic natural gas liquids, consisting of any one of ethylene, propylene, alky feed and olefinic condensate, as well as any combination thereof;

"**NGL Processing Facilities**" means the Straddle Plants, the Offgas Plants, the Boreal Pipeline System and the Redwater Olefinic Fractionator;

"**NOVA Chemicals**" means NOVA Chemicals Corporation, or a subsidiary or affiliate of NOVA Chemicals Corporation, as applicable and as the context requires;

"**Offgas Plants**" means, collectively, Pioneer 1 and Pioneer 2 located near Fort McMurray, Alberta, that are capable of extracting approximately 40,000 b/d of NGL from the upgrader offgas;

"**Osum**" means Osum Oil Sands Corp., or a subsidiary or affiliate of Osum Oil Sands Corp., as applicable and as the context requires;

"**PDH Plant**" means the propane dehydrogenation plant to be constructed by Inter Pipeline as part of its Heartland Petrochemical Complex;

"**Pembina Pipeline**" means Pembina Pipeline Corporation, through its wholly-owned subsidiary Pembina Midstream Limited Partnership;

"**petroleum**" means the liquid hydrocarbon product of oil wells, gas wells, oil or gas processing plants, oil sands, natural gas Condensates or a mixture of such products;

"**Pioneer 1**" means the offgas plant located at the Suncor oil sands upgrading facility;

"**Pioneer 2**" means the offgas plant located at the Canadian Natural oil sands upgrading facility;

"**Pipelines**" means Inter Pipeline's right, title and interest in the Bow River pipeline system, the Central Alberta pipeline system, the Mid-Saskatchewan pipeline system, the Cold Lake pipeline system, the Corridor pipeline system, the Polaris pipeline system, the Boreal Pipeline System, and certain miscellaneous assets used in connection with the operation of those pipeline systems;

"**PKM Canada**" means PKM Canada Limited, or a subsidiary or affiliate of PKM Canada Limited, as applicable and as the context requires;

"**Plains Midstream**" means Plains Midstream Canada ULC, an indirect subsidiary of Plains All American Pipeline, L.P., or a subsidiary or affiliate of Plains Midstream Canada ULC, as applicable and as the context requires;

"**PP Plant**" means the polypropylene plant to be constructed by Inter Pipeline as part of its Heartland Petrochemical Complex;

"**Redwater Olefinic Fractionator**" means the olefinic fractionation plant located near Redwater, Alberta and formerly owned by Williams Canada which separates an ethane-plus mixture into higher value products including propane, polymer grade propylene, normal butane, alky feed, olefinic condensate and an ethane-ethylene mixture as well as supporting caverns capable of storing over one million barrels of NGL;

"**Shell**" means Shell Canada Energy, by its managing partner, Shell Canada Limited, or a subsidiary or affiliate of Shell Canada Energy;

"**Shell Trading**" means Shell Trading Canada, an Alberta partnership;

"**Shrinkage Gas**" means the natural gas supplied by an NGL extractor to replace energy shrinkage for the benefit of the shipper(s) whose gas has had NGL removed;

"**Straddle Plants**" means Inter Pipeline's 100% ownership interests in the Cochrane and Empress II straddle plants and its 50% ownership interest in the Empress V straddle plant;

"**Suncor**" means Suncor Energy Inc., or a subsidiary or affiliate of Suncor Energy Inc., as applicable and as the context requires;

"**TC Energy Alberta System**" means the TC Energy Alberta Gas Transmission System, which consists of the Nova Gas Transmission Limited and Foothills pipeline systems;

"**Teine**" means Teine Energy Ltd., a private company based in Calgary, Alberta;

"**TSX**" means the Toronto Stock Exchange;

"**Ultra-Heavy Crude Oil**" means Crude Oil with a typical density above 940 kilograms per cubic metre (kg/m³), and typical viscosity above 350 square millimeters per second (mm²/s);

"**Whitecap**" means Whitecap Resources Inc., or a subsidiary or affiliate of Whitecap Resources Inc., as applicable and as the context requires; and

"**Williams Canada**" means all of the Canadian subsidiaries of The Williams Companies Inc. and Williams Partners L.P., specifically Williams Energy Canada ULC, Williams Horizon Offgas ULC, Williams Energy Canada Development ULC, Williams Canada Propylene ULC and Williams Canada Employees Services Inc., which were acquired by Inter Pipeline on September 23, 2016.

SCHEDULE "B" – ABBREVIATIONS AND CONVERSIONS

In this Annual Information Form, the following abbreviations have the indicated meanings.

bbl and bbls	barrel and barrels, each barrel representing 34.973 Imperial gallons or 42 U.S. gallons
b/d	barrels per day
bcf/d	billion cubic feet per day

The following table sets forth certain standard conversions between Standard Imperial Units and the International Systems of Units (or metric Units).

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
cubic metres	cubic feet ("ft ³ ")	35.4940
barrels	cubic metres ("m ³ ")	0.1590
cubic metres ("m ³ ")	barrels	6.2898
inches	centimetres	2.5400
centimetres	inches	0.3937
feet	metres	0.3048
metres	feet	3.2808
miles	kilometres	1.6093
kilometres	miles	0.6214
acres	hectares	0.4047
hectares	acres	2.4711
pounds/square inch (psi)	kilopascals (kPa)	6.8948
kilopascals (kPa)	pounds/square inch (psi)	0.1450

SCHEDULE "C" – AUDIT COMMITTEE TERMS OF REFERENCE

ESTABLISHMENT OF AUDIT COMMITTEE

A committee of the Board of Directors of Inter Pipeline Ltd. (the "Company") to be known as the "Audit Committee" is hereby established.

MEMBERSHIP

The Committee shall consist of not less than three directors, a minimum of twenty-five percent of whom are resident Canadians (as defined in the Alberta *Business Corporations Act*), and all 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.

All Committee members shall be "financially literate" meaning having the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. At least one member of the Committee shall have accounting or related financial management expertise.

MANDATE

1. General Mandate

The Audit Committee (the "Committee") is appointed by the Board of Directors (the "Board") to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting matters.

2. Specific Mandate

- I. The Committee shall carry out the responsibilities of an audit committee as are prescribed by law or requested by the Board from time to time including, without limitation, the following matters:

Matters relating to oversight of financial reporting

- a) Review the Company's quarterly and annual financial statements, MD&A and earnings news releases before such information is publicly disclosed. This review will include a discussion with management and the external auditors of significant issues regarding the financial results, accounting principles, practices and management estimates and judgments;
- b) Ensure that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements and periodically assess those procedures;
- c) Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- d) Review any changes in accounting policy;
- e) Obtain and review summaries of significant or unusual transactions, and other potentially complex matters whose treatment in the financial statements merits advance consideration;

Matters relating to oversight of external auditors

- f) Have responsibility for oversight of the external auditors who shall report directly to the Committee;
- g) Make recommendations to the Board with respect to the external auditors as well as compensation to be paid to such auditors;
- h) Review and approve the annual Audit Plan, process, results and performance of the independent external auditors;
- i) Pre-approve all non-audit services to be provided to the Company by the external auditors;
- j) Review all material written communications between the external auditors and management, including the annual management representation letter, summary of unrecorded differences, and reports (including recommendations regarding internal controls which shall be reviewed with the auditors and management to understand proposed steps to be taken to address any identified issues);
- k) Be involved in the resolution of disagreements between management and the external auditor regarding financial reporting;
- l) Review and approve any hiring policies regarding partners, employees and former partners and employees of the present and any former external auditors;
- m) Annually evaluate, and periodically undertake a comprehensive review of, the external auditors, in conjunction with management, prior to making a recommendation to the Board regarding the Board's determination of whether to recommend the auditors to the Company's shareholders for appointment at the Company's next annual general meeting of shareholders, or whether to consider possible rotation of audit firms and/or audit partners, which evaluation shall include an assessment of: the qualifications and performance of the external auditors; the quality and candor of the external auditors' communications with the Committee and the Company; and the external auditors' independence, objectivity and professional skepticism;

Matters relating to oversight of internal controls

- n) Monitor the integrity of the financial reporting process and the system of internal controls that management and the Board have established;
- o) Review on a quarterly basis the process and progress of the Company in evaluating the internal control system to ensure readiness to comply with the required officer certifications of the effectiveness of internal controls in the timeframes prescribed by law;

Matters relating to oversight of internal audit

- p) Review and approve the annual Internal Audit Plan and receive and consider quarterly updates from the internal auditors with respect to the work performed pursuant to the Internal Audit Plan;
- q) Review and approve the Internal Audit Charter annually;

Matters relating to oversight of risk management

- r) On a quarterly basis, receive and consider updates by management with respect to the Company's market risk management program and the extent of market risk management transactions outstanding;
- s) Monitor the management of the principal risks that could impact the financial reporting of the Company;
- t) Review the Corporate Risk Appetite Statement and Trading & Risk Management Policy annually;
- u) Review and approve the internal service fees related to the Company's marketing activities annually;

Matters relating to whistleblowing

- v) Monitor the maintenance by the Company of a "Whistleblower" policy establishing a process pursuant to which anonymous submissions from directors, officers, employees, contractors, consultants and representatives can be made regarding the Company's actions or business practices, including accounting, internal controls or auditing matters;
- w) Review and respond to any complaints of a financial nature or relating to internal financial controls received by the Company through the "whistleblower" process and report any such complaints and their disposition to the Board at least annually;

Other matters

- x) Review the Annual Information Form and any Information Circular;
- y) Periodically self-assess the Committee's performance and effectiveness in fulfilling its role; and
- z) Conduct other investigations or assignments as assigned by the Board or deemed necessary by the Committee to fulfill its mandate.

II. Notwithstanding the foregoing oversight responsibilities of the Committee:

- a) Management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements and publicly disclosed documents as well as the

Company's financial reporting process, accounting policies, internal controls over financial reporting, internal audit function, risk management activities and disclosure controls and procedures;

- b) The external auditors are responsible for planning and conducting audits of the Company's annual financial statements; expressing an opinion as to the conformity of such annual financial statements with GAAP or any other applicable laws, rules and regulations; and planning and conducting reviews of the Company's quarterly financial statements; and
- c) Each member of the Committee shall be entitled to rely on the integrity of those persons within the Company and the integrity of the professionals and experts (including the Company's internal auditor (or others responsible for the internal audit function, including contracted non-employee or audit or accounting firms engaged to provide internal audit services), and the Company's external auditors) from which the Committee receives information and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts.

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 of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen to preside at the meeting.

5. **Secretary of Committee**

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

6. Meetings

The Committee shall meet at least quarterly. The Chair or any two members of the Committee may call a meeting of the Committee. The Committee shall meet in camera at least quarterly with management and the external auditors to discuss audit, financial and other matters as appropriate. The Committee may meet privately with the Company's internal auditors as the Committee deems necessary or if requested by the Company's internal auditors.

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 Non-Committee Members 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 at least annually or otherwise, as it deems appropriate, and propose or recommend changes to the Board.

13. Outside Advisors

The Committee shall have the authority to conduct any investigation appropriate to fulfilling its responsibilities and shall have direct access to anyone in the organization and to the external auditors who will report directly to the Committee. 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. The Committee has the authority to communicate directly with any internal and external auditors. The Chair of the Committee shall have the authority to approve the engagement of, and compensation to be paid to, any outside advisors by the Company's internal auditors in order for said auditors to carry out their duties.

14. External Auditors

The external auditors shall receive notice of every meeting of the Committee.