KEYERA CORP.

Notice of Meeting
and
Information Circular
in respect of the

ANNUAL MEETING OF SHAREHOLDERS

to be held on May 6, 2014

Dated March 21, 2014

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MESSAGE TO SHAREHOLDERS

March 21, 2014

Dear Shareholders:

Please join us at our upcoming annual meeting of the Shareholders ("**Shareholders**"). The meeting will be held in the **Sun Life Plaza Conference Centre, Plus 15 level, 144 – 4th Avenue S.W., Calgary, Alberta** on **May 6, 2014 at 2:00 p.m. Calgary time** (the "**Meeting**").

This year, in addition to the three items of annual business that Shareholders are asked to vote on, there are two additional items that are being presented for consideration. The first is the renewal of Keyera's shareholder rights plan which was originally adopted in January 2011 with the support of the shareholders. Keyera has carefully considered this matter and believes it is in the best interests of the company and our Shareholders to renew the rights plan.

Keyera is also offering shareholders the opportunity to participate in an advisory vote on compensation.

In bringing these items forward, we have paid careful attention to recommended practices and are committed to maintaining our track record of good governance. The enclosed Information Circular (the "**Information Circular**") describes in detail each item of formal business to be conducted.

Following the Meeting, there will be a presentation by management highlighting Keyera's many accomplishments in 2013, as well as our plans for the year ahead. The presentation will include a question and answer session and will be followed by refreshments and an opportunity to meet Keyera's management and directors.

Your participation at the Meeting is very important to us. If you are unable to attend in person, we encourage you to vote your shares by any of the means available to you, all of which are described in the enclosed Information Circular. If you have not already done so, we also encourage you to review our 2013 annual financial statements and related management discussion and analysis, as well as our other public disclosure documents available on our website at www.keyera.com and on SEDAR at www.sedar.com.

We look forward to seeing you on May 6th.

Sincerely,

(signed) "*James V. Bertram*"

James V. Bertram
Chief Executive Officer

KEYERA CORP.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

DATE:	**May 6, 2014**
TIME:	**2:00 p.m. (Calgary time)**
LOCATION:	**Sun Life Plaza Conference Centre Plus 15 level, 144 – 4th Avenue S.W. Calgary, Alberta**

PURPOSES OF THE MEETING:

1. To receive the audited consolidated financial statements of Keyera Corp. for the year ended December 31, 2013 together with the report of the auditors thereon;
2. To appoint Deloitte LLP as auditors of Keyera Corp. for the ensuing year;
3. To consider and, if deemed advisable, to elect, by ordinary resolution, with or without variation, each of the directors of Keyera to hold office until the next annual meeting of shareholders or until their successors are elected or appointed;
4. To consider and, if deemed advisable, to pass, with or without amendment, an ordinary resolution approving the continuation of Keyera's shareholder rights plan;
5. To consider, in an advisory, non-binding capacity, the approach of Keyera Corp. to executive compensation disclosed in the accompanying management information circular; and
6. To transact such other business as may properly come before the Meeting or any adjournment thereof.

Additional Information relating to each of the foregoing matters is set forth in the Information Circular dated March 21, 2014 (the "**Information Circular**") accompanying this Notice of Annual Meeting. **Shareholders are encouraged to review the Information Circular prior to voting.**

RECORD DATE

Only Shareholders of record at the close of business on **March 24, 2014** will be entitled to notice of and to vote at the Meeting or any adjournment thereof.

VOTING AT THE MEETING

Beneficial Shareholders: Follow the instructions on the Voting Instruction Form provided through your broker or intermediary.

Registered Shareholders: Complete and sign the enclosed form of proxy and send or deliver it to Computershare Trust Company of Canada at the address specified in the form of proxy to reach the addressee no later than 48 hours before the commencement of the Meeting or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the commencement of any reconvened meeting.

Please refer to the "Questions and Answers on Voting and Proxies" attached as Schedule "A" to the Information Circular for more information on how to vote at the meeting.

DATED at Calgary, Alberta this 21nd day of March 2014.

KEYERA CORP.

(signed) "*Suzanne Hathaway*"

Vice President, General Counsel
and Corporate Secretary

INFORMATION CIRCULAR

MATTERS TO BE ACTED UPON AT THE MEETING

The following items of business will be considered by the holders (the "**Shareholders**") of the common shares (the "**Shares**") of Keyera Corp. ("**Keyera**") at the annual meeting of Shareholders (the "**Meeting**"):

1. Financial Statements

Keyera will present the audited consolidated financial statements of the corporation for the year ended December 31, 2013. These financial statements have been audited by Deloitte LLP, Chartered Accountants, of Calgary, Alberta and are available on SEDAR at www.sedar.com and on Keyera's website at www.keyera.com.

2. Appointment of Auditors

Shareholders will be asked at the Meeting to pass an ordinary resolution appointing Deloitte LLP as the auditors of Keyera for a term expiring at the close of the next annual meeting of Shareholders.

Deloitte LLP is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta and served as auditors of Keyera since its formation on April 3, 2003.

Principal Accountant Fees and Services: In 2012 and 2013, fees billed for audit, audit-related, tax and other services provided to Keyera by Deloitte LLP were as follows:

Year Ended December 31	2013	2012
Audit Fees	$453,145	$473,728
Audit Related Fees	$150,321	$143,393
Tax Fees	$44,255	$71,554
Other Fees	$17,374	$11,936
Total	**$665,094**	**$700,611**

A description of the nature of the services provided under each category is as follows:

- Audit Fees: Fees for the annual audit and quarterly review of Keyera financial statements and for audit services related to ongoing regulatory filings.
- Audit Related Fees: Fees for review and translation services related to non-routine regulatory filings such as prospectuses.
- Tax Fees: Fees for advice and assistance in preparing income tax returns and transfer pricing documentation for Keyera Energy Inc. (Keyera's U.S. subsidiary) and advice related to income tax and commodity taxes.
- Other Fees**:** Fees for products and services provided by Keyera's auditors other than those described as "Audit Fees", "Audit Related Fees" and "Tax Fees".

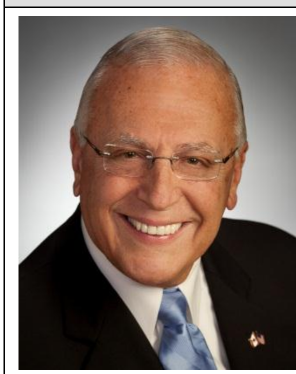
Pursuant to the Terms of Reference of the Audit Committee, the Audit Committee approves all audit plans and pre-approves significant non-audit engagements of the external auditors, including reviewing the fees paid for such engagements. The Audit Committee has delegated the responsibility for approving certain non-audit services to the Chair of the Audit Committee. All audit and non-audit services provided to Keyera for the year ended December 31, 2013 that were required to be pre-approved were pre-approved in accordance with the policies and Terms of Reference of the Audit Committee.

<u>Voting Recommendation</u>: Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the reappointment of Deloitte LLP as auditors of Keyera for a term expiring at the close of the next annual meeting of Shareholders. The resolution to reappoint Deloitte LLP as auditors of Keyera must be passed by a simple majority of the votes cast in person or by proxy at the Meeting.

3. Election of Directors of Keyera

In accordance with Keyera's articles, the Board of Directors must consist of a minimum of three directors and a maximum of twelve directors. At this time, Keyera has determined that nine is the appropriate number of directors and has put forward the following nine nominees: James V. Bertram, Robert B. Catell, Douglas J. Haughey, Nancy M. Laird, Donald J. Nelson, H. Neil Nichols, Michael J. Norris, Thomas O'Connor and William R. Stedman. All nominees have confirmed their eligibility and willingness to serve as directors. Keyera does not use slate voting for its Board of Directors. Therefore, Shareholders will be asked at the Meeting to vote on the election of each individual director.

<u>Nominees</u>: The following table identifies all persons to be nominated for election as directors. Also included in the table is a brief biography of each proposed director, certain key areas of expertise, the number of shares each holds and a list of all other reporting issuer boards on which each serves. As of the date hereof, none of the proposed directors serve together on the boards of directors of other publicly traded issuers. All of the proposed directors are financially literate.

Nominee	**Brief Biography**		
	Mr. Bertram has been a director since March 28, 2003 and is the Chief Executive Officer of Keyera. Mr. Bertram has been the Chief Executive Officer of Keyera since 1998 and was previously employed at Gulf Canada as Vice President – Marketing for worldwide operations. Prior to joining Gulf Canada, he was Vice President – Marketing of Amerada Hess Canada Ltd. Mr. Bertram is also a director of Legacy Oil & Gas Inc.		
	Board/Committee Membership	**Attendance**	
	Director, Board of Directors	10 out of 10	100%
	Key Areas of Expertise[1]	**Shares Beneficially Owned or Controlled**[2]	
	• Oil, Gas and Midstream • Marketing • Corporate Responsibility • Risk Management	**March 2014**	**March 2013**
		351,587	328,437
James V. Bertram Not Independent Director Since 2003 Age: 57	**Residency**	**2013 Voting Results**	
	Calgary, Alberta, Canada	Votes For:	33,056,936 (98.96%)
		Votes Withheld:	346,496 (1.04%)
Nominee	**Brief Biography**		
	Mr. Catell has been a director since April 2, 2003 and Chairman of the Board of Keyera since November 2012. He is the Chairman of the Advanced Energy Research and Technology Center of Stonybrook University. From 2007 through 2009, Mr. Catell was the Executive Director and Deputy Chairman of National Grid plc. Prior to this, he was Chairman and Chief Executive Officer of KeySpan Corporation, as well as Chairman and Chief Executive Officer of KeySpan Energy Delivery, formerly Brooklyn Union Gas. In addition, Mr. Catell was Chairman of several KeySpan affiliates and subsidiaries. He is past Chairman of the American Gas Association and is a Vice-Chairman of the National Petroleum Council's Natural Gas Committee.		
	Board/Committee Membership	**Attendance**[3]	
	Director, Board of Directors	9 out of 10	90%
	Key Areas of Expertise[1]	**Shares Beneficially Owned or Controlled**[2]	
	• Governance • Oil, Gas and Midstream • Corporate Responsibility • Risk Management	**March 2014**	**March 2013**
		30,468	29,165
Robert B. Catell Independent Director Since 2003 Age: 77	**Residency**	**2013 Voting Results**	
	New York, New York, U.S.A.	Votes For:	33,017,197 (98.84%)
		Votes Withheld:	386,235 (1.16%)

Nominee	Brief Biography
 **Douglas J. Haughey** Independent Director since 2013 Age: 57	Mr. Haughey has been a director since May 7, 2013. Mr. Haughey has more than 35 years of experience in the energy industry. Most recently he was CEO of Churchill Corporation, a position he held from August 2012 through May 2013. He was President and CEO and a director of Provident Energy Ltd. from April 2010 to April 2012. He also held various senior executive positions with Spectra Energy Corp. and its predecessor companies from 1999 to 2008, including President & CEO of Spectra Energy Income Fund and President of Spectra's western Canadian natural gas midstream infrastructure and logistics business. Mr. Haughey is also a director of Fortis Inc. He has an ICD.D designation from the Institute of Corporate Directors.

Board/Committee Membership	Attendance[4]	
Director, Board of Directors[4]	5/5	100%
Member, Compensation and Governance Committee[4]	1/1	100%

Key Areas of Expertise[1]	Shares Beneficially Owned or Controlled[2]	
	March 2014	**March 2013**
• Oil, Gas and Midstream • Marketing • Risk Management • Corporate Responsibility	3,702	3,000

Residency	2013 Voting Results	
Calgary, Alberta, Canada	Votes For:	32,216,452 (96.45%)
	Votes Withheld:	1,186,980 (3.55%)

Nominee	Brief Biography
 **Nancy M. Laird** Independent Director Since 2003 Age: 58	Ms. Laird has been a director since April 2, 2003. Ms. Laird is a corporate director with more than 20 years of experience in the energy industry. From 1997 until 2002 she was Senior Vice President, Marketing and Midstream for Encana Corporation (and its predecessor, PanCanadian Energy Corporation). Previously, Ms. Laird was President of NrG Information Services Inc., a joint venture initiative involving four of North America's leading natural gas pipeline companies. Ms. Laird is a director of AlterNrg Corp. and Synodon Inc. and sits on the boards of several other private companies and non-profit organizations. She has an ICD.D designation from the Institute of Corporate Directors.

Board/Committee Membership	Attendance	
Director, Board of Directors	10 out of 10	100%
Chair, Compensation and Governance Committee	4 out of 4	100%
Member, Health, Safety and Environment Committee	3 out of 3	100%

Key Areas of Expertise[1]	Shares Beneficially Owned or Controlled[2]	
	March 2014	**March 2013**
• Compensation and Human Resources • Oil, Gas and Midstream • Governance • Corporate Responsibility	26,400	25,429

Residency	2013 Voting Results	
Calgary, Alberta, Canada	Votes For:	33,048,046 (98.94%)
	Votes Withheld:	355,386 (1.06%)

Nominee	Brief Biography
 **Donald J. Nelson** Independent Director since 2008 Age: 65	Mr. Nelson has been a director since May 14, 2008. Mr. Nelson is a professional engineer with over 36 years of oil and gas experience. He is President of Fairway Resources Inc., a private company providing consulting services to the oil and gas industry. He was a director of the general partner of Taylor NGL Limited Partnership from 2003 to 2008, holding the office of Chairman of the Board of Directors from 2004 to 2008. From 1996 to 2002, he was with Summit Resources Limited holding the positions of President and CEO (1998 to 2002) and Vice President, Operations (1996 to 1998). Mr. Nelson is a director of Perpetual Energy Inc. and Enerplus Corporation, both publicly-traded issuers in the oil and gas industry. He also sits on the boards of a number of private companies.

Board/Committee Membership	Attendance	
Director, Board of Directors	10 out of 10	100%
Member, Audit Committee	4 out of 4	100%
Member, Health, Safety and Environment Committee	3 out of 3	100%

Key Areas of Expertise[1]	Shares Beneficially Owned or Controlled[2]	
• Oil, Gas and Midstream • Governance • Corporate Responsibility • Risk Management	March 2014	March 2013
	37,347	36,628

Residency	2013 Voting Results	
Calgary, Alberta, Canada	Votes For:	33,058,090 (98.97%)
	Votes Withheld:	345,342 (1.03%)

Nominee	Brief Biography
 **H. Neil Nichols** Independent Director Since 2003 Age: 76	Mr. Nichols has been a director since April 2, 2003. He was President of KeySpan Energy Development Corp. from 1997 to 2004 and Senior Vice President of KeySpan Corporation from December 1998 to December 2004. Prior to joining KeySpan, Mr. Nichols was an owner and President of Corrosion Interventions, Ltd. and was Chief Financial Officer and Executive Vice President of Trans Canada PipeLines Limited.

Board/Committee Membership	Attendance	
Director, Board of Directors	10 out of 10	100%
Chair, Audit Committee	4 out of 4	100%
Member, Compensation and Governance Committee	4 out of 4	100%

Key Areas of Expertise[1]	Shares Beneficially Owned or Controlled[2]	
• Accounting and Audit • Oil, Gas and Midstream • Compensation and Human Resources • Finance	March 2014	March 2013
	35,098	33,156

Residency	2013 Voting Results	
Smiths Cove, Nova Scotia, Canada	Votes For:	33,022,638 (98.86%)
	Votes Withheld:	380,794 (1.14%)

Nominee	Brief Biography			
 **Michael J. Norris** Independent Director since 2013 Age: 61	Mr. Norris has been a director since May 7, 2013. He was Deputy Chair of RBC Capital Markets from 2003 through 2012. Prior to his appointment as Deputy Chair, Mr. Norris, held numerous positions with RBC Capital Markets, including Head of the Energy Practice from 1992 through 1998 and Head of Global Investment Banking from 1998 through 2003. He was also a member of RBC Capital Markets' Executive Committee and its Operating Committee. Mr. Norris originally joined RBC in 1987 as an investment banker, following a successful career with Mobil Oil and Gulf Canada. Mr. Norris currently sits on the boards of a number of private companies and non-profit organizations.			
	Board/Committee Membership		**Attendance[5]**	
	Director, Board of Directors[5]		5/5	100%
	Member, Audit Committee[5]		1/1	100%
	Key Areas of Expertise[1]		**Shares Beneficially Owned or Controlled[2]**	
			March 2014	**March 2013**
	• Accounting and Audit • Financial Acumen	• Risk Management • Compensation and Human Resources	2,168	0
	Residency		**2013 Voting Results**	
	Calgary, Alberta, Canada		Votes For:	33,014,529 (98.84%)
			Votes Withheld:	388,903 (1.16%)

Nominee	Brief Biography			
 **Thomas O`Connor** Independent Director since 2014 Age: 58	Mr. O'Connor has been a director since January 6, 2014. He was the Chairman and Chief Executive Officer of DCP Midstream LLC and Chairman of DCP Midstream Partners LP. Prior to that he held executive positions at Duke Energy Corp., including CEO of Duke Energy Gas Transmission. Mr. O'Connor also sits on the board of Tesoro Logistics (TLLP) and QEP Resources Inc.			
	Board/Committee Membership		**Attendance[6]**	
	Director, Board of Directors[6]		N/A	N/A
	Key Areas of Expertise[1]		**Shares Beneficially Owned or Controlled[2]**	
			March 2014	**March 2013**
	• Oil, Gas and Midstream • Financial Acumen	• Risk Management • Corporate Responsibility	0	N/A
	Residency		**2013 Voting Results**	
	Evergreen, Colorado, USA		N/A	

<table>
<tr><th>Nominee</th><th colspan="4">Brief Biography</th></tr>
<tr><td rowspan="9">
William R. Stedman
Independent
Director Since 2003
Age: 62</td><td colspan="4">Mr. Stedman has been a director since April 2, 2003. Since 2001, Mr. Stedman has been Chairman and Chief Executive Officer of ENTx Capital Corporation, a private holding company specializing in the electric power industry. Previously, he was President and Chief Executive officer of Pembina Pipeline Corporation, the operating company of Pembina Pipeline Income Fund. Mr. Stedman also sits on the boards of a number of private companies, as well as the Alberta Balancing Pool.</td></tr>
<tr><td colspan="2">Board/Committee Membership</td><td colspan="2">Attendance(7)</td></tr>
<tr><td colspan="2">Director, Board of Directors
Member, Audit Committee(7)
Chair, Health, Safety and Environment Committee
Member, Compensation and Governance Committee</td><td>7 out of 7
3 out of 3
3 out of 3
4 out of 4</td><td>100%
100%
100%
100%</td></tr>
<tr><td colspan="2">Key Areas of Expertise(1)</td><td colspan="2">Shares Beneficially Owned or Controlled(2)</td></tr>
<tr><td rowspan="2">• Corporate Responsibility
• Governance</td><td rowspan="2">• Oil, Gas and Midstream
• Risk Management</td><td>March 2014</td><td>March 2013</td></tr>
<tr><td>53,308</td><td>51,137</td></tr>
<tr><td colspan="2">Residency</td><td colspan="2">2013 Voting Results</td></tr>
<tr><td colspan="2" rowspan="2">Calgary, Alberta, Canada</td><td>Votes For:</td><td>33,000,140 (98.79%)</td></tr>
<tr><td>Votes Withheld:</td><td>403,292 (1.21%)</td></tr>
</table>

Notes:

(1) Keyera has developed a skills matrix which it uses as a tool to assist in director succession planning. While each director may possess many or all of the skills listed in the matrix, each director is asked to identify at least four primary areas of expertise. All directors have expertise in the category of “Leadership and Strategic Thinking”.

(2) The 2014 shareholdings are given as of March 3, 2014 and 2013 shareholdings are given as of March 1, 2013. For any directors who participate in the Premium Dividend and Dividend Reinvestment Plan, each total does not include shares that may have been acquired in the months of January and February of that respective year, as shares acquired through this plan are tabulated and reported annually at the end the year.

(3) It is Keyera’s practice to provide directors who are not able to attend a meeting with all materials on the business to be considered at the meetings. If applicable, the director’s views with respect to the matters to be discussed are communicated to the Chair and/or the Chief Executive Officer prior to the meeting.

(4) Mr. Haughey was elected as a director of Keyera at the Annual and Special meeting of Shareholders held on May 7, 2013 and attended all Board meetings held in 2013 from and after his election. Mr. Haughey was appointed as a member of the Compensation and Governance Committee on August 7, 2013 and attended the only meeting of that Committee held in 2013 after his appointment.

(5) Mr. Norris was elected as a director of Keyera at the Annual and Special meeting of Shareholders held on May 7, 2013 and attended all Board meetings held in 2013 from and after his election. Mr. Norris was appointed as a member of the Audit Committee on August 7, 2013 and attended the only meeting of that Committee held in 2013 after his appointment.

(6) Mr. O’Connor was appointed as a director effective January 6, 2014.

(7) Mr. Stedman was a member of the Audit Committee until August 7, 2013 and attended all three meetings of that Committee held during that time.

Independence and Interlocking Directorships: All of the nominees, other than Mr. Bertram, are independent. Mr. Bertram is Chief Executive Officer of Keyera and therefore is not independent. Keyera assesses independence on the basis of applicable Canadian securities laws. None of the nominees serve together as directors or trustees of any other public entity. There are therefore no interlocking directorships.

Additional Information about the Nominees: To the knowledge of Keyera, and based upon information provided to it by the nominees for election as directors, no such nominee has, within the last 10 years, (i) become bankrupt, made a proposal under legislation relating to bankruptcy or insolvency or become subject to any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such nominee, or (ii) been a director or executive officer of any company or other entity that, while the nominee was acting in that capacity (or within a year of ceasing to act in that capacity), became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became 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 such company or other entity, except for William Stedman who was a director of Efficient Energy Resources Ltd., a private company, when it declared bankruptcy in 2005. Further, to the knowledge of Keyera, and based upon information provided to it by the nominees for election of directors, no such nominee has, within the last 10 years, been a director, chief executive officer or chief financial officer of a company that, during the time the nominee was acting in such capacity or as a result of events that occurred while the nominee was acting in such capacity, was subject to a 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 laws that was in effect for a period of more than 30 consecutive days.

Voting Recommendation: **Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the proposed nominees set out above as directors of Keyera.** If, prior to the Meeting, any of the proposed nominees becomes unable to serve as a director, the persons designated in the enclosed form of proxy reserve the right to vote for another nominee at the Meeting. Subject to the bylaws of Keyera and applicable corporate law, each director elected will hold office until the next annual meeting of the Shareholders or until his or her successor is elected or appointed.

4. Shareholder Rights Plan

Shareholders will be asked at the Meeting to pass an ordinary resolution ratifying the continuation of Keyera's Shareholder rights plan (the "**Shareholder Rights Plan**" or the "**Plan**"). The Shareholder Rights Plan was previously approved by the Shareholders in 2010 in connection with Keyera's conversion to a corporation. It was subsequently implemented effective January 1, 2011 pursuant to the Shareholder Rights Agreement between Keyera and Computershare. The Plan must be ratified by the Shareholders in 2014 to remain in effect. If the Shareholders do not ratify the Shareholder Rights Plan at the Meeting, the Rights will be redeemed for the nominal redemption price of $0.00001 per right.

The ratification of the Shareholder Rights Plan is not being recommended in response to or in contemplation of any known take-over bid or other similar transaction. Neither management nor the Board of Directors is aware of any pending, threatened or proposed acquisition or takeover bid of Keyera. The renewal of the Shareholder Rights Plan does not change the duty of the Board of Directors to act honestly and in good faith with a view to the best interests of Keyera. Further, the Plan is not intended as a means to prevent a takeover of Keyera, to secure the continuance of management or the Board in their respective offices, or to deter fair offers for the Shares. In the event of a take-over bid or similar transaction, the Board of Directors will continue to have the right and responsibility to take such action and to make such recommendations to Shareholders as are considered necessary or appropriate. The Shareholder Rights Plan applies to the Shares, as well as any other shares with voting rights that may be issued by Keyera. Currently, the Shares are the only class of shares issued and outstanding. Should Keyera issue a new class of voting shares in the future, the Shareholder Rights Plan would apply to those voting shares in the same manner described below. Keyera does not have any present intention of issuing any other class of voting shares.

Rationale: In asking Shareholders to reconfirm the Shareholder Rights Plan, the Board considered the legislative framework in Canada governing takeover bids. Under provincial securities legislation, a takeover bid generally means an offer to acquire voting securities of a person or persons, where the securities subject to the offer to acquire, together with securities already owned by the bidder and certain related parties, constitute 20% or more of the outstanding securities. As described below, the Shareholder Rights Plan is designed to address certain concerns raised by the existing legislative framework by creating mechanisms intended to assist in maximizing Shareholder value in the face of a takeover bid and encouraging the fair and equal treatment of all Shareholders.

(a) Time – Current legislation permits a takeover bid to expire 35 days after it is started. The Board is of the view that this is not sufficient time to permit Shareholders to consider a takeover bid and make a reasoned and unhurried decision. Under the Shareholder Rights Plan, Shareholders will have 60 days under a Permitted Bid to make a decision and the Board will have time to solicit other alternatives to ensure that maximum Shareholder value is obtained. The additional time period during which a bid is required to be left open under the Shareholder Rights Plan provides an opportunity for the Board to properly assess the merits of a bid, to identify other possible suitors or other alternatives that could deliver superior value and also gives potential competing bidders the sufficient time to prepare an offer.

(b) Pressure to Tender – Under existing legislation, Shareholders may feel compelled to tender to a takeover bid that they consider inadequate out of a concern that, failing to tender may result in being left with illiquid or minority discounted Shares. This is particularly so in the case of a partial takeover bid for less than all of the Shares, in which the bidder wishes to obtain a control position but does not wish to acquire all of the Shares. Through a Permitted Bid, the Shareholder Rights Plan provides Shareholders with a tender approval mechanism which is intended to separate the decision to tender from the approval or disapproval of a particular takeover bid.

(c) Potential for Unequal Treatment – While existing securities legislation has substantially addressed many concerns in this regard, there remains the possibility that control of Keyera could be acquired pursuant to a private agreement in which one or a small group of Shareholders dispose of Shares at a premium to market price which premium is not shared with the other Shareholders. In addition, a person may slowly accumulate Shares through stock exchange acquisitions which may result, over time, in an acquisition of control without payment of fair value for control or a fair sharing of a control premium among all Shareholders. The Shareholder Rights Plan is intended to mitigate the potential for "creeping" take-over bids.

Summary of the Shareholder Rights Plan: The following is a summary of the principal terms of the Shareholder Rights Plan, which is qualified in its entirety by reference to the text of the Shareholder Rights Plan, which is available on the Keyera website at www.keyera.com and on SEDAR at www.sedar.com.

Overview: The Shareholder Rights Plan provides a mechanism whereby the minimum expiry period for a take-over bid must be 60 days after the date of the bid and the bid must remain open for a further period of 10 business days after the acquiring person publicly announces that the Shares deposited or tendered and not withdrawn constitute more than 50% of the Shares outstanding held by independent Shareholders. On January 1, 2011, Keyera issued rights ("**Rights**") to its Shareholders pursuant to the terms of the Shareholder Rights Plan. One Right is deemed to have been distributed for each Share and is automatically transferred with that Share unless and until a flip-in event occurs. The Rights are not exercisable unless and until a flip-in event occurs. The issuance of the Rights does not change the manner in which Shareholders currently trade their Shares.

A flip-in event would occur if a person, company or other entity were to become an acquiring person, that is, a person, company or other entity acquired beneficial ownership of at least 20% of the Shares other than pursuant to certain exceptions such as a permitted bid or an exempt acquisition. If the person, company or other entity acquires Shares under a permitted bid or exempt acquisition or one of the other specified exceptions, they are not considered to be an acquiring person and no flip-in event occurs. If a person, company or other entity does become an acquiring person, each Right then entitles each holder (other than the acquiring person) to purchase Shares at a 50% discount. Each holder of a Right may then purchase that number of Shares having a fair market value at the relevant time equal to twice the exercise price of the Right, in effect, permitting Shares to be acquired at a 50% discount to the market price at the time of exercise.

The acquiring person is not permitted to exercise its Rights. The Shareholder Rights Plan provides that the acquiring person's Rights become null and void when the flip-in event occurs. The Shareholder Rights Plan also provides that the Board of Directors may either waive the Shareholder Rights Plan or redeem the Rights at a minimal price in certain circumstances. The Shareholder Rights Plan thereby encourages unsolicited bidders to either make a permitted bid or to approach the Board of Directors with their offer and attempt to convince the Board of Directors to either waive the flip-in event or to redeem the Rights. If the offer is coercive or inadequate, the Board of Directors can choose not to cooperate with the bidder and not to agree to waive the Shareholder Rights Plan or redeem the Rights.

Key Characteristics: The key characteristics of the Shareholder Rights Plan are described in more detail below:

- Creation and Issue of Rights. Pursuant to the Shareholder Rights Plan, Keyera issued one Right for each Common Share outstanding on January 1, 2011 and issues one Right for each additional Common Share issued after January 1, 2011 but prior to the separation time or the expiry of the Rights. Certificates issued for Shares after the Shareholder Rights Plan was approved (but prior to the close of business at the separation time or the expiry of the Rights) will include a legend evidencing the Rights; however, certificates representing Shares that were issued prior to approval of the Shareholder Rights Plan do not require a legend to evidence the Rights.

- Term of Shareholder Rights Plan. The Shareholder Rights Plan will expire following the first annual meeting of Shareholders held after January 1, 2014, being the first annual meeting following the third anniversary of the effective date of the Shareholder Rights Plan. If the Shareholders approve, it can be extended for another three years to the close of business on the date of Keyera's annual meeting of Shareholders in 2017.

- Flip-in Event. When a person, company or other entity becomes an acquiring person, all Rights holders, other than the acquiring person, are entitled to purchase Shares at a 50% discount to market price at the time of exercise.

- Acquiring Person. An acquiring person is a person, company or other entity who, at any time after January 1, 2011 (the date of the Shareholder Rights Plan) is the beneficial owner of 20% or more of the outstanding Shares, subject to the following exemptions: a voting unit reduction (generally, a repurchase or redemption of Shares by Keyera which has the effect of increasing the person's or company's percentage ownership of Keyera); a permitted bid acquisition (an acquisition of Shares made pursuant to a permitted bid or competing permitted bid, both as defined in the Shareholder Rights Plan); an exempt acquisition (an acquisition prior to the date of the Shareholder Rights Plan or an acquisition in respect of which the Board of Directors has waived the application of the Shareholder Rights Plan); and a *pro rata* acquisition (generally, the acquisition of Shares pursuant to a rights offering, public offering or private placement to the extent necessary to prevent dilution of the person's or company's shareholding).

- Beneficial Ownership, Exemptions for Portfolio Managers and Others, and Permitted Lock-up Agreements. In determining whether a person, company or other entity has become an acquiring person, all Shares over which the person, company or other entity has beneficial ownership must be included. A person, company or other entity is deemed to beneficially own any Shares which are owned by its associates or affiliates or by persons or companies "acting jointly or in concert" with such person, company or other entity for the purpose of acquiring Shares and any Shares which it has the right to vote or the right to acquire within 60 days. Specific exclusions clarify that portfolio managers, fund managers, trust companies, crown agents engaged in the management of investment funds and pension plan and registered plan administrators are not caught simply because they may have the right to vote Shares managed by them for others. In addition, Shareholders holding at least 20% of the outstanding Shares as of January 1, 2011 do not trigger a flip-in event as a result of their current holdings, but would become an acquiring person upon the acquisition of additional Shares amounting to more than 1% of the outstanding Shares. Keyera Corp. is not aware of any such 20% Shareholder.

A person, company or other entity may also be considered to be the beneficial owner of Shares that are subject to a lock-up agreement with it, that is, an agreement under which a Shareholder agrees to tender its Shares to a bid (the "**Lock-up Bid**") made by that person, company or other entity; however, the person, company or other entity will not be deemed to be the beneficial owner of Shares subject to a lock-up agreement if the holder of such Shares has agreed to deposit or tender its Shares pursuant to a "permitted lock-up agreement". In order for a lock-up agreement to constitute a "permitted lock-up agreement", certain conditions must be met.

- Permitted Bids and Competing Permitted Bids. An offeror can avoid causing a flip-in event by making a permitted bid. A permitted bid must: be made by way of a take-over bid circular; be made to all Shareholders of record, other than the offeror, for all or a portion of the Shares outstanding and must be open for acceptance for 60 days; require a minimum deposit of more than 50% of the Shares held by independent Shareholders (i.e., generally, Shareholders who are not, or are not related to, the acquiring person); unless the take-over bid is withdrawn, allow the Shares to be deposited up to the close of business on the first date on which the deposited Shares are taken up or paid for; allow the Shares deposited pursuant to the take-over bid to be withdrawn until they are taken up and paid for; and if the minimum 50% of Shares are deposited, the offeror must make a public announcement of that fact and leave the take-over bid open for deposits of Shares for at least 10 business days after the announcement.

An offeror can also avoid causing a flip-in event by making a competing permitted bid. A competing permitted bid is a permitted bid made after another permitted bid has been made and before that other permitted bid has expired; however, a competing permitted bid is only required to be left open for the later of (i) 35 days after the date of such bid and (ii) the earliest date on which the Shares may be taken up and paid for under the other permitted bid that is in existence.

- Redemption Rights and Waiver. An offeror can also avoid causing a flip-in event by negotiating with the Board of Directors and convincing them to allow a take-over bid that is not a permitted bid but is made fairly to all holders of Shares. In such circumstances, the Board of Directors can waive the flip-in event and deem the take-over bid to be an exempt acquisition such that the reduced exercise price does not come into effect. Any such waiver in respect of a particular take-over bid will also constitute a waiver of any other take-over bid made to all holders of Shares during the period when the first take-over bid is outstanding. The Board of Directors can also waive the flip-in event in certain other circumstances; for example, a person, company or other entity has inadvertently become an acquiring person and within a specified period of time reduces its shareholdings.

Further, the Shareholder Rights Plan permits the Board of Directors to redeem (buy back and cancel) the Rights for a nominal price ($0.00001 per Right) in certain circumstances. The redemption right must generally be made for all and not less than all the Rights and must be made prior to the occurrence of a flip-in event.

- Separation Time. The Rights can become separated or unstapled from the Shares to which they are currently attached and then trade separately from the Shares. This separation time will generally only occur on the close of business on the 10th business day after the earlier of: (a) the first date of public disclosure of facts indicating that a person, company or other entity has become an acquiring person; (b) the date of commencement or first public announcement of a non-permitted take-over bid; or (c) the date on which a permitted bid ceases to qualify as a permitted bid. Until and unless the separation time occurs, the Rights will continue to be attached to and trade with the Shares.

- Exercise Price. The exercise price before the flip-in event is three times the current market value of the Shares from time to time. Before a flip-in event, a Rights holder would receive one Common Share upon the exercise of a Right, the effect of which is to render the Rights of little or no value at the time of issue. After the flip-in event, all Rights holders, other than the acquiring person, would be entitled to purchase Shares at a 50% discount to the market value, effectively entitling the Rights holders to acquire six Shares upon the exercise of each Right. The Exercise Price and the number of Rights are subject to adjustment from time to time upon the occurrence of certain events, including a subdivision or consolidation of the Shares, the declaration of a dividend payable through the issuance of certain securities or the issuance of certain securities in exchange for or in lieu of Shares.

- Trading of Rights. Until the separation time, the Rights will be evidenced by the outstanding certificates for Shares and the Rights may be transferred with, and only with, the Shares. Until and unless the separation time occurs (or earlier termination or expiration of the Rights), the surrender for transfer of a certificate representing Shares will also constitute the transfer of the Rights associated with the Shares represented by the certificate. If the separation time occurs, then, as soon as practicable following the separation time, separate certificates evidencing the Rights ("**Rights Certificates**") will be mailed to holders of record of Shares as of the close of business at the "separation time" and the separate Rights Certificates will thereafter evidence the Rights.

- Deemed Redemption. The Shareholder Rights Plan provides that, in the event a person, company or other entity acquires Shares pursuant to a permitted bid or an exempt acquisition, the Rights are no longer valid and are deemed to have been redeemed by the Board of Directors.

Shareholder Rights Plan Resolution:

BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. The Shareholder Rights Plan, as described in this Information Circular, is hereby reconfirmed and approved.
2. The making, at or prior to the Meeting, any amendments to the Shareholder Rights Plan as Keyera may consider necessary or advisable to satisfy the requirements of any stock exchange or professional commentators on shareholder rights plans in order to conform the Shareholder Rights Plan to versions of shareholder rights plans currently prevalent for reporting issuers in Canada is hereby approved.
3. Any one or more directors or officers of Keyera are hereby authorized, for and on behalf of Keyera, to take, or cause to be taken, any and all such acts and things and to execute and deliver, under the corporate seal of Keyera or otherwise, all such agreements, deeds, instruments, notices, consents, acknowledgments, certificates, assurances and other documents (including any documents required under applicable laws or regulatory policies) as any such director or officer in his or her sole discretion may determine to be necessary or desirable to give effect to the foregoing resolutions, such determination to be conclusively evidenced by the taking of any such action or such director's or officer's execution and delivery of any such agreement, deed, instrument, notice, consent, acknowledgement, certificate, assurance or other document.
4. Notwithstanding the passing of this resolution by the Shareholders, the Board of Directors may revoke this resolution before it is acted upon, without further approval of the Shareholders, if the Board of Directors determines, in its sole discretion.

Voting Recommendation: The Board of Directors has determined that the Shareholder Rights Plan is in the best interests of Keyera and the Shareholders and unanimously recommends that Shareholders vote in favour of the Shareholder Rights Plan Resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Shareholder Rights Plan Resolution. Keyera is not aware of any Shareholder who will be ineligible to vote on the ratification of the Shareholder Rights Plan at the Meeting. In the event the necessary approval is not obtained, the TSX will require that the Shareholder Rights Plan be rescinded or cancelled immediately following the Meeting.

5. Say on Pay

Shareholders may cast an advisory vote on the approach to executive compensation disclosed in this Information Circular. While the advisory vote is non-binding, the Compensation and Governance Committee and the Board of Directors will take the results of the vote into account, as appropriate, when considering future compensation policies, procedures and decisions. The Compensation Discussion and Analysis section of this Information Circular describes Keyera's compensation philosophy, the objectives of the different elements of our compensation programs and the way the Board assesses performance and makes decisions. It explains how our compensation programs are centered on a pay-for-performance culture and are aligned with strong risk management principles and the long-term interests of Shareholders. This disclosure has been approved by the Board of Directors on the recommendation of the Compensation and Governance Committee. Shareholders who have specific questions about Keyera's approach to compensation are encouraged to contact Keyera directly.

Say on Pay Advisory Resolution:

"BE IT RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the Shareholders accept Keyera's approach to executive compensation as disclosed in this Information Circular."

Voting Recommendation: **The Board of Directors unanimously recommends that Shareholders vote in favour of the Say on Pay Advisory Resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Say on Pay Advisory Resolution.**

DIRECTOR COMPENSATION

Compensation of Independent Directors

Keyera's director compensation program is designed to attract and retain qualified people to serve as directors. The Compensation and Governance Committee assesses the director compensation program annually with the assistance of an outside consultant and makes recommendations with respect to director compensation to the Board of Directors.

The director compensation program is based on flat fees for each role, rather than individual meeting fees. The fees are paid to independent directors in quarterly instalments, in arrears, and are pro-rated from the date of the director's appointment to the Board or particular Committee. Directors who are also members of management do not receive any director fees. As part of its annual work plan, the Committee considered the fees paid to directors, and determined that the fees continued to be appropriate. The retainer fees were last adjusted effective October 1, 2012. The compensation payable to each independent director in 2013 was calculated based on the following:

Description	Amount
Base annual retainer for each director including the Chair of the Board of Directors (the "**Base Annual Retainer**")	$115,000
Annual retainer for the Chair of the Board of Directors	$115,000
Annual retainer for each committee Chair (other than the Chair of the Audit Committee)	$30,000
Annual retainer for the Chair of the Audit Committee	$45,000
Annual retainer for each committee member	$15,000
Travel Fees - applicable to each flight over three hours taken by a director to attend a board or committee meeting(1)	$750 per flight (up to a maximum of $1,500 per meeting)
"Extraordinary" meeting fees – If, in the opinion of the Chair of the Board of Directors, the Board or a Committee has been or will be experiencing unusually high levels of activity, designated directors are entitled to receive additional meeting fees	$1,500 per meeting (as authorized by the Chair of the Board)

Note:
(1) Effective March 2014, travel fees will be paid for each flight over two hours taken by a director to attend a board or committee meeting.

The independent directors do not participate in any other compensation or incentive programs through Keyera. The following table sets out the fees earned by directors for their participation as members of the Board and on Board Committees during 2013 based on the approved schedule of fees set out above. Mr. O'Connor was appointed as a director effective January 6, 2014 and therefore did not receive any director fees in 2013. As Chief Executive Officer, Mr. Bertram does not receive director fees.

Name[(1)]	Base Annual Retainer[(2)]	Chair of the Board Annual Retainer	Committee Chair Annual Retainer	Committee Member Annual Retainer	Travel Fees	Extra-ordinary Meeting Fees	Total Compen-sation
Robert B. Catell	$115,000	$115,000	N/A	N/A	$7,500	Nil	$237,500
Michael B.C. Davies	$115,000	N/A	N/A	$15,000	$6,000	Nil	$136,000
Douglas Haughey[(3)]	$74,812	N/A	N/A	$6,008	N/A	Nil	$80,820
Nancy M. Laird	$115,000	N/A	$30,000	$15,000	N/A	Nil	$160,000
Donald J. Nelson	$115,000	N/A	N/A	$30,000	N/A	Nil	$145,000
H. Neil Nichols	$115,000	N/A	$45,000	$15,000	$7,500	Nil	$182,500
Michael Norris[(3)]	$74,812	N/A	N/A	$6,008	$6,000	Nil	$86,820
William R. Stedman	$115,000	N/A	$30,000	$26,250	N/A	Nil	$171,250

Notes:

(1) Because Keyera's independent directors do not participate in any of Keyera's short or long term incentive plans and do not receive a pension or other perquisites, the columns dealing with such forms of compensation, as prescribed by Form 51-102F6, have been deleted. The additional information with respect to director compensation provided in the table is intended to provide readers with a more precise and relevant breakdown of the compensation paid to Keyera's directors.

(2) For those Directors who have elected to receive their Base Annual Retainer in shares, the actual value delivered during the year may be slightly less during the year, as fractional shares are not delivered under the Director Equity Participation Plan. The values reflected above for those directors have been rounded to the nearest $100.

(3) Mr. Haughey and Mr. Norris were both elected to the Board of Directors on May 7, 2013. Mr. Haughey was appointed to the Compensation and Governance Committee effective August 7, 2013 and Mr. Norris was appointed to the Audit Committee effective August 7, 2013.

Directors may elect to receive their Base Annual Retainer in cash, shares or a combination thereof. For those directors who elect to receive all or a portion of their Base Annual Retainer in shares, the shares are acquired on behalf of each such director on the open market pursuant to Keyera's Director Equity Participation Plan ("**DEPP**") administered by Computershare. Each director is also reimbursed for all out-of-pocket expenses incurred in respect of attending any board or committee meeting. Keyera does not have an option plan and independent directors do not currently participate in any other Keyera compensation, incentive, pension or benefits programs. While independent directors are technically eligible to participate in the Long Term Incentive Plan, Keyera has made it a practice not to grant such awards to its independent directors.

Share Ownership Guidelines for Independent Directors

Keyera has adopted share ownership guidelines for directors. In accordance with these guidelines, directors are expected to hold shares with a value of at least 3 times their Base Annual Retainer. Each director is expected to reach this ownership level within five years of joining the Board of Directors. Directors who have not attained the required share ownership threshold are expected to elect to receive 50% of their Base Annual Retainer in shares pursuant to the DEPP. The following table sets out the share ownership levels of each independent director as of March 3, 2014.

Name	Number of Shares Beneficially Owned or Controlled[(1)]	Total Value of Shares[(2)]	Approximate Value of Shares as a Multiple of Base Annual Retainer[(3)]
Robert B. Catell	30,468	$2,036,176	18 times
Michael B.C. Davies	15,226	$1,017,554	9 times
Douglas Haughey[(4)]	3,702	$247,405	2 times
Nancy M. Laird	26,400	$1,764,312	15 times
Donald J. Nelson	37,347	$2,495,900	22 times
H. Neil Nichols	35,089	$2,344,998	20 times

Name	Number of Shares Beneficially Owned or Controlled(1)	Total Value of Shares(2)	Approximate Value of Shares as a Multiple of Base Annual Retainer(3)
Michael J. Norris(4)	2,168	$144,887	1 time
Thomas O'Connor(4)	Nil	Nil	Nil
William R. Stedman	53,308	3,562,574	31 times

Notes:

(1) Number of shares beneficially owned or controlled as of March 3, 2014 (excluding shares acquired pursuant to the Premium Dividend™ and Dividend Reinvestment Plan in January and February 2014 for those directors who are enrolled in that plan as shares received through that plan are reported in summary form following the end of the year).

(2) Value based on the closing trading price of shares on March 3, 2014 which was $66.83 per share.

(3) The multiples are arrived at by dividing the value of shares by $115,000 which is the amount of the Base Annual Retainer for each director as of January 1, 2013, rounded to the nearest whole number.

(4) Messrs. Haughey and Norris joined the Board of Directors on May 7, 2013. Mr. O'Connor joined the Board of Directors on January 6, 2014.

REPORT ON GOVERNANCE

Keyera believes that sound governance is fundamental to the success of its business and to building stakeholder confidence. A brief description of Keyera's approach to governance is set forth below.

The Board of Directors

The Board of Directors has adopted a written mandate recognizing its responsibility for providing effective, independent supervision of the management of Keyera and its subsidiaries. The written mandate recognizes that the fundamental objectives of the Board of Directors are:

(a) to advance the collective interests of the owners of Keyera, while recognizing that, in order for the enterprise to continue to be able to serve its owners' interests, the collective interests of employees, customers, suppliers, the communities in which it operates and the general public must also be taken into account; and

(b) to promote the achievement of the long-term goals of Keyera to grow value responsibly in a sustainable manner.

The Board of Directors also promotes and expects the executive officers to promote a culture of safety, integrity and responsibility. The Board of Directors considers and approves Keyera's annual capital and operating budgets, major acquisitions, dispositions and financing transactions, as well as all matters involving Keyera's securities. The Board of Directors participates in Keyera's strategic planning processes, oversees succession planning for the executive officers, and regularly considers the principal risks associated with Keyera's business, including how these risks are managed. As part of its risk oversight responsibilities, the Board receives regular reports from management and, as discussed in more detail below, from each of its committees with respect to the particular areas of risk for which such committee is responsible.

In accordance with its mandate, the Board of Directors also has responsibility for overseeing management and human resources matters, financial and corporate matters, governance and policy matters, as well as compliance reporting and corporate communications. The full text of the written mandate of the Board of Directors is attached as Schedule "D" hereto and can also be found on the Keyera website at www.keyera.com. As discussed below, the Board of Directors has established three committees to assist it with its oversight role and has delegated certain responsibilities to these committees.

In accordance with the written position description that has been approved by the Board of Directors, the Chair of the Board of Directors is charged with providing leadership to the Board to enable it to act as an effective team. The

Chair of the Board of Directors also works with the Compensation and Governance Committee in monitoring the effectiveness, performance, composition, mandate and terms of reference of the Board and its committees.

The Board of Directors has adopted the practice of holding meetings of the independent directors following each Board of Directors meeting. Consistent with this policy, in 2013, the independent directors held eight (8) meetings at which members of management and the non-independent director were not in attendance.

Committees of the Board of Directors

Subject to applicable law, the Board of Directors establishes and delegates powers, duties and responsibilities to committees. At present, the Board of Directors has established three committees: an Audit Committee; a Compensation and Governance Committee; and a Health, Safety and Environment Committee. Each of the committees is comprised of all independent directors.

In accordance with the position descriptions that have been adopted by the Board of Directors, the chair of each committee is responsible for providing leadership to that committee, facilitating the flow of information between the committee and the Board of Directors, managing any outside advisors retained by the committee, overseeing the planning and organization of meetings of the committee and consulting annually with the Chair of the Board of Directors with respect to the effectiveness, performance, composition and mandate of their respective committees. The Chair of the Compensation and Governance Committee has an additional role in consulting from time to time with the Chair of the Board of Directors with respect to the assessment of the effectiveness of the Board as a whole and the composition, mandate and terms of reference for each of the committees.

Each of the committees of the Board of Directors has adopted the practice of holding meetings of the independent committee members at which management is not in attendance. The following summarizes the number of meetings of independent directors held by each committee in 2013:

- Compensation and Governance Committee – four (4) meetings of independent directors
- Audit Committee – four (4) meetings of independent directors
- Health, Safety and Environment Committee – three (3) meetings of independent directors

Written terms of reference for each committee have been adopted, are reviewed at least annually and are updated as needed. An overview of the terms of reference for each committee is provided below and the full text of the terms of reference for each committee is available on the Keyera website at www.keyera.com. In addition, the full text of the terms of reference for the Audit Committee is disclosed in the Annual Information Form, which is available on SEDAR at www.sedar.com.

Audit Committee

Committee Mandate. The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight role and other responsibilities in relation to, among other things:

- Audit of the financial statements of Keyera and its affiliates, on a consolidated basis, managing the relationship with the auditors and meeting with the auditors as required in connection with the audit services provided by the auditors;
- Approval of any non-audit services that may be provided by the auditors, including the development of policies and recommendations regarding the engagement of the auditors and maintaining the auditors' independence;
- Dividend policy, financial structure and financing strategy for Keyera;
- Adequacy of disclosure controls, internal controls and accounting procedures of Keyera; and
- Financial risk assessment and management programs of Keyera.

The Audit Committee has an annual work plan which is reviewed from time to time and reports to the Board quarterly on its activities, findings and recommendations. In 2013, the Audit Committee successfully addressed all matters on its work plan. Highlights of the Audit Committee's activities for 2013 include:

- Reviewing core disclosure documents, including the quarterly and annual financial statements and management's discussion and analysis, the Annual information Form and the Information Circular;
- Receiving reports from the external auditors, approving the external audit plan, monitoring non-audit services provided by the auditor and reviewing auditor independence;
- Receiving reports from the internal auditor, approving the internal audit plan and approving the adoption of an internal audit charter;
- Receiving legal reports (including reports from the reporting concerns hotline) and approving new legal reporting guidelines;
- Assessing Keyera's significant financial risks and risk management/mitigation processes;
- Receiving risk management reports on Keyera's hedging program;
- Reviewing Keyera's tax forecasts and taxability reports;
- Reviewing new accounting standards and Management's assessment of the impact of those new standards on Keyera;
- Reviewing Keyera's corporate insurance program, including the establishment of a management insurance committee and the revised renewal schedule;
- Holding in-camera sessions without management present following each meeting, as well as holding in-camera sessions without management present with the internal auditor and the external auditor; and
- Approving Keyera's 2013 financing strategy and initiatives, including private debt placements (including amendments to its uncommitted private debt facility with Prudential and the amendment and extension of Keyera's credit facility).

Committee Membership. Until August 7, 2013, the Audit Committee was comprised of Neil Nichols (Chair), Michael Davies, Donald Nelson and William Stedman. Effective August 7, 2013, the Board of Directors approved changes to the Audit Committee, with Michael Norris replacing William Stedman. The Board of Directors has determined that all of these directors are financially literate within the meaning of *National Instrument 52-110 Audit Committees* ("**NI 52-110**"). In considering whether a member of the Audit Committee is financially literate, the Board of Directors considers the ability to read a set of financial statements of a breadth and complexity similar to that of Keyera's financial statements. All of the Audit Committee members are also independent within the meaning of NI 52-110 and none received, directly or indirectly, any compensation from Keyera other than for services carried out as a director of Keyera. Further, none of the Audit Committee members have any direct or indirect relationship with the external auditors of Keyera. (See "Matters to be Acted Upon - Election of Directors" for more information on each Audit Committee member.)

Risk Oversight. The Audit Committee's annual work plan is designed such that every quarter it has the opportunity to assess Keyera's financial risks and mitigation strategies. As part of its financial risk oversight responsibilities, the Audit Committee receives quarterly reports with respect to financial performance, hedging and risk management contracts, insurance, legal matters, fraud prevention, internal controls and disclosure controls. It also has the opportunity to meet in camera with both the internal and external auditors, as well as with senior members of management. The Audit Committee reports quarterly to the Board of Directors on these matters. In addition, the Audit Committee reviews, at least annually, a risk matrix that identifies the major categories of financial risk faced by Keyera and the corresponding steps that Keyera takes to mitigate those risks.

Compensation and Governance Committee

Committee Mandate. The purpose of the Compensation and Governance Committee is to assist the Board of Directors in fulfilling its oversight role and other responsibilities in relation to, among other things:

- Adequacy and appropriateness of the compensation of Directors and officers of Keyera;
- Quality and effectiveness of the governance practices and policies of Keyera;
- Adoption of a strategic planning process and the review of strategic plans; and
- Identification and recommendation of nominees for election or appointment to the Board of Directors.

The Compensation and Governance Committee recognizes the importance of maintaining sound governance practices and of developing a solid framework for the administration of the executive compensation programs. To this end, it has adopted processes that enhance the Compensation and Governance Committee's ability to carry out its responsibilities. These processes include:

- Holding in-camera sessions without management present following every Compensation and Governance Committee meeting;
- Retaining external consultants and advisors to provide advice and information to the Compensation and Governance Committee and inviting such consultants and advisors to attend Compensation and Governance Committee meetings as required or to make presentations to the Committee from time to time;
- Reviewing and approving an annual work plan and timetable for all regularly occurring accountabilities;
- Conducting detailed reviews of the executive compensation program at least annually;
- Scheduling periodic updates from management with respect to regulatory changes and evolving good governance principles;
- Reviewing models of compensation outcomes and organizational performance prior to making recommendations with respect to salaries and incentive compensation; and
- Reporting to the Board of Directors on matters relating to compensation and governance.

The Compensation and Governance Committee has adopted an annual work plan and in 2013 successfully completed all matters on its agenda. Highlights of Compensation and Governance Committee's activities for 2013 include:

Governance Matters:

- Advancing director succession initiatives resulting in the nomination and election of two new directors in 2013 and the appointment of an additional director in January 2014;
- Reviewing all of Keyera's governance policies and guidelines, including recommending age guidelines as part of the director nomination procedures;
- Reviewing Keyera's Business Conduct Policies;
- Providing direction with respect to Keyera's director assessment practices and approving the director skills matrix;
- Providing input into Keyera's strategic planning process, including the agenda for the annual strategic planning session;
- Reviewing Keyera's Board Mandate, Committee Terms of Reference and Chair Position descriptions;
- Reviewing the CEO job description and management succession plans; and
- Receiving regular updates on governance trends, practices, regulation and public policy matters.

Compensation Matters:

- Providing direction with respect to Keyera's overall compensation objectives, trends and strategies;
- Reviewing overall employee salary and wage levels and recommending executive base salaries for 2013;

- Reviewing an independent analysis of Keyera's executive compensation program;
- Recommending short term incentive plan performance targets and recommending the size of the 2013 bonus pool and bonuses to be paid to executive officers;
- Reviewing and recommending performance targets for the 2013 long term incentive plan and developing recommendations with respect to executive LTIP grants;
- Completing a comprehensive independent review of director compensation and developing recommendations with respect to director fees; and
- Reviewing Executive Employment Agreements for competitiveness and appropriateness.

Committee Membership. Up to August 7, 2013, the Compensation and Governance Committee was comprised of Nancy Laird (Chair), Neil Nichols and William Stedman. Effective August 7, 2013, the Board of Directors approved changes to the composition of the Committee, adding Douglas Haughey as a member. All of the Committee members are independent, financially literate and knowledgeable about Keyera's compensation programs. None of the Committee members are active chief executive officers with any publicly-traded entity. Committee members are appointed with a view to maintaining an appropriate level of financial and human resources literacy.

All members of the Compensation and Governance Committee are knowledgeable about Keyera's compensation programs and have been determined by the Committee to possess human resources literacy, meaning a thorough understanding of compensation theory and practice, people development and management, succession planning and executive development. Such knowledge and capability includes (i) current or prior experience working as senior officers of major organizations (which provide significant financial and human resources experience), (ii) involvement on board compensation committees of other entities, and (iii) experience or education related to financial accounting and reporting and familiarity with internal financial controls. All members of the Committee also have experience as directors of publicly traded companies, have served on compensation and governance committees and have a thorough understanding of governance matters. (See "Matters to Be Acted Upon - Election to the Board of Directors" for additional information on each Compensation and Governance Committee member).

Risk Oversight. The Compensation and Governance Committee has responsibility for overseeing risks related to the design and operation of Keyera's compensation plans, as well as overall governance structures and practices. To assist it in fulfilling this mandate, the Compensation and Governance Committee receives reports from independent advisors with respect to compensation philosophy and design and the operation of Keyera's compensation programs. The Committee also receives presentations on governance matters and best practices. The Committee reports to the Board of directors following each of its meetings. For more information on the Committee's approach to compensation risk mitigation please refer to the Compensation Discussion and Analysis.

Health, Safety and Environment Committee

Committee Mandate. Keyera is committed to conducting its business in a manner that emphasizes the health and safety of our employees and the communities in which we operate. Keyera also strives to be a leader in responsible environmental stewardship. The purpose of the Health, Safety and Environment Committee is to assist the Board of Directors in fulfilling its oversight role and other responsibilities in relation to health, safety and environmental matters. The Health, Safety and Environment Committee engages in a number of activities designed to carry out this role, including:

- Periodically reviewing Keyera's health, safety and environmental policies, practices and procedures and assessing whether they (i) comply with applicable legislation, regulatory requirements, and industry standards, (ii) meet Keyera's goals, (iii) adequately prevent or mitigate losses, and (iv) are being effectively implemented;
- Reviewing and receiving reports from management on Keyera's health, safety and environmental performance and reviewing the responses of management to changes in Keyera's performance;
- Reviewing Keyera's greenhouse gas reporting and compliance;
- Reviewing the effectiveness of Keyera's responses to health, safety and environmental issues;

- Consulting external advisors on health, safety and environmental issues as appropriate;
- Holding in-camera sessions without management present following every Health, Safety and Environment Committee meeting;
- Reviewing management's assessment of significant operational risks and exposures and the steps taken to mitigate those risks, including pipeline, facility and pressure vessel integrity management programs, operator training/competency development programs and transportation of dangerous goods;
- Reviewing Keyera's asset retirement obligations and estimates, as well as the processes employed by management in quantifying those obligations;
- Reporting and making recommendations to the Board of Directors on health, safety and environmental matters; and
- Reviewing Keyera's reserves reports and overseeing reporting or other obligations that may arise under National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities.

The Health, Safety and Environment Committee has adopted an annual work plan and in 2013 successfully completed all work on its plan. Highlights of the Health, Safety and Environment Committee's work for 2013 included:

- Reviewing and making recommendations with respect to Keyera's operational risk matrix and risk mitigation strategies;
- Participating in the Keyera Safety Symposium and site tours of Keyera facilities;
- Overseeing Keyera's regulatory compliance record;
- Reviewing the results of Keyera's 2013 safety audit and endorsing the 2014 safety goals;
- Reviewing and reporting to the Board of Directors on Keyera's asset retirement obligations and its liability management program;
- Reviewing Keyera's rail operations and risk mitigation strategies in relation to same; and
- Reviewing Keyera's reserves report and confirming that the reserves are not material from a financial or reporting perspective.

Committee Membership. The Health, Safety and Environment Committee is comprised of William Stedman (Chair), Donald Nelson and Nancy Laird. All Committee members are independent. (See "Matters to Be Acted Upon - Election to the Board of Directors" for additional information on each Health, Safety and Environment Committee member).

Risk Oversight. The Health, Safety and Environment Committee has the primary responsibility for overseeing Keyera's approach to and management of health, safety, environmental and operational risks. The work plan for the Committee is designed such that a core area of operational risk is addressed at each of its meetings. The Committee receives detailed reports with respect to each of these areas of risk and has the opportunity to meet directly with Keyera's management and employees with responsibility in each area. Committee members participate in various site visits throughout the year to supplement their understanding of Keyera's operations. In addition, the Health, Safety and Environment Committee has adopted the practice of reviewing a risk matrix that identifies the primary operational risks faced by Keyera and summarizes Keyera's risk mitigation strategies in each area. The Committee reports to the Board on these matters following each of its meetings.

Director Board and Committee Attendance

The following table provides an overview of the attendance record of all directors at Board and Committee meetings in 2013. Mr. O'Connor was appointed as a director effective January 6, 2014, he is not included in the table.

Director	Board	Audit Committee	Compensation and Governance Committee	Health, Safety & Environment Committee	Total No. of Meetings Attended	Percentage
James V. Bertram	10/10	-	-	-	10/10	100%
Robert B. Catell	9/10	-	-	-	9/10	90%
Michael B.C. Davies	9/10	3/4	-	-	12/14	86%
Douglas Haughey(1)	5/5	-	1/1	-	6/6	100%
Nancy M. Laird	10/10	-	4/4	3/3	17/17	100%
Donald J. Nelson	10/10	4/4	-	3/3	17/17	100%
H. Neil Nichols	10/10	4/4	4/4	-	18/18	100%
Michael J. Norris(2)	5/5	1/1	-	-	6/6	100%
William R. Stedman(3)	10/10	4/4	4/4	3/3	21/21	100%
Total Percentage	78/80 98%	16/17 94%	13/13 100%	9/9 100%	116/119	97%

Note:

(1) Mr. Haughey was elected as a director of Keyera at the Annual and Special meeting of Shareholders held on May 7, 2013 and attended all Board meetings held in 2013 from and after his election. Mr. Haughey was appointed as a member of the Compensation and Governance Committee on August 7, 2013 and attended the only meeting of that Committee held in 2013 after his appointment.

(2) Mr. Norris was elected as a director of Keyera at the Annual and Special meeting of Shareholders held on May 7, 2013 and attended all Board meetings held in 2013 from and after his election. Mr. Norris was appointed as a member of the Audit Committee on August 7, 2013 and attended the only meeting of that Committee held in 2013 after his appointment.

(3) Mr. Stedman was a member of the Audit Committee until August 7, 2013 and attended all three meetings of that Committee held during that time.

Selection and Nomination of Directors

In accordance with its terms of reference, the Compensation and Governance Committee has overall responsibility for identifying and recommending qualified individuals as nominees to be directors of Keyera and has adopted a written procedure outlining the selection and nomination process.

Each year the Compensation and Governance Committee considers and makes recommendations to the Board of Directors with respect to the director nominees to be presented for election at the annual meeting of the Shareholders. The Board of Directors, acting on the advice of the Compensation and Governance Committee, then selects the director nominees to be nominated for election. In the event there is a vacancy prior to an annual meeting, the Compensation and Governance Committee may make a recommendation to the Board of Directors with respect to a replacement nominee to fill the vacancy.

The Compensation and Governance Committee reviews, from time to time, the size, composition and profile of the Board of Directors and, in conjunction with the Chair of the Board of Directors, periodically assesses the skills of current Board members to identify any additional skill sets from which the Board of Directors could benefit. In considering potential nominees for election as directors, the Compensation and Governance Committee reviews the qualifications of proposed director nominees in light of the foregoing and submits recommendations for nominees as directors to the Board of Directors. To assist the Compensation and Governance Committee in fulfilling its mandate, a list of potential director nominees is maintained by management. In addition, Keyera maintains a director skills matrix and asks each individual director to provide input on his or her skills in relation to the matrix annually.

In addition to drawing on the list of potential candidates maintained by management and the director skills matrix, an independent advisor was engaged to assist with the identification, recruitment and selection of potential candidates in late 2012. As a result of this comprehensive search: (i) two new director candidates were nominated and elected as directors at the May 2013 Annual and Special Shareholder Meeting, and (ii) an additional new director was appointed in January 2014.

Director Orientation and Education

The Board of Directors recognizes the importance of director orientation and education. The Compensation and Governance Committee is responsible for assisting the Board of Directors in the ongoing development of the orientation and education program. To this end, an orientation and education program has been approved by the Compensation and Governance Committee. The goal of the orientation and education program is to assist directors in becoming knowledgeable about the business, operations, strategic direction and financial position of Keyera and to build upon their understanding of the roles and responsibilities of directors in an evolving regulatory environment. The key elements of this program include:

- an orientation program for new directors involving meetings with Keyera's key leaders and directors, site visit(s);
- regular management presentations;
- an annual off-site strategy session;
- one or more site tours of Keyera's facilities annually;
- a Board of Directors manual; and
- periodic presentations by internal or external experts on topical matters.

Some of the specific educational opportunities for directors in 2013 included:

Description	Presenter(s)	Attendance
Director and officer liability and associated insurance	Management and External	Compensation and Governance Committee
Emerging trends, best practices and regulatory developments with respect to corporate governance and disclosure matters	Management and External	Board of Directors Compensation and Governance Committee
Executive compensation design and practices	External	Compensation and Governance Committee
Canadian and U.S. natural gas, crude oil and natural gas liquids markets, trends and shifts in market fundamentals	Management	Board of Directors
Trends in North American natural gas liquids midstream markets	Management	Board of Directors
Safety Symposium	Management and External	Health Safety and Environment Committee
Analysis of financial risks and associated risk management strategies	Management	Audit Committee
Analysis of operational risks and associated risk mitigation strategies	Management	Health, Safety and Environment Committee
Recent developments in accounting standards and implications for Keyera	Management	Audit Committee
Site tour of the South Cheecham Rail and Truck Terminal	Management	Health, Safety and Environment Committee
Site tour of Edmonton facilities	Management	New Directors
Capital markets overview and financing strategies and trends	Management	Board of Directors Audit Committee
Environmental legislative and regulatory developments	Management	Health, Safety and Environment Committee
Transportation of Dangerous Goods	Management	Health, Safety and Environment Committee

Keyera's orientation and education program also provides financial support for directors to attend courses and conferences that are relevant to the fulfilment of their responsibilities as directors. Management is authorized to approve the reimbursement of expenditures incurred by directors for these kinds of courses, conferences and certification programs up to a maximum of $5,000 per year. Where warranted, Keyera may provide funding in excess of this recommended maximum. Where practical, Keyera also maintains memberships in professional or business associations which offer seminars, presentations and other educational material and directors have the opportunity to take advantage of the educational opportunities offered through Keyera's membership in such associations.

Director Assessment and Board Effectiveness

Keyera recognizes that a well-functioning Board of Directors, comprised of competent, well-informed directors, is an essential element of good corporate governance. At a basic level, each director has an obligation to fulfill the legal requirements and obligations associated with being a director, including the responsibilities of: (a) acting honestly and in good faith with a view toward the best interests of Keyera; and (b) exercising the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. Beyond these legal requirements, Keyera believes that an effective and engaged Board of Directors that has a clear understanding of its roles and responsibilities is an essential element of its long-term success. The quality of the Board's performance is demonstrated by its effectiveness in providing stewardship and oversight of management and operations, including consideration of whether the risks are appropriately identified and mitigated and whether business objectives, strategies, policies and practices are appropriate and executed effectively. The assessment process is an opportunity to consider how actively the Board embraces its responsibilities, bringing its collective skills and experience to bear in providing objective and thoughtful insight and guidance to Keyera.

The Compensation and Governance Committee has endorsed an annual review process that includes a written evaluation. The written evaluation process is seen as an opportunity to review past performance, recognize successes and identify areas for improvement for the Board, its Committees and individual directors.

The written evaluation process asks directors to evaluate overall Board and Committee performance, as well as to perform a self-evaluation of their individual skills and contributions. The Board assessment portion of the written evaluation focuses on the following areas:

Responsibilities and Mandate	Structure and Organization	Process and Information
• Strategic planning process • Assessment of business opportunities and risks • Identification of principal risks and adoption of risk management system • Succession planning for CEO and senior management • Communication policies • Disclosure controls • Internal controls and management information systems	• Constitution of the board • Board independence • Director succession • Board size • Board committees	• Assessment of Keyera's activities and management performance • Information is sufficiently detailed to facilitate informed decisions without being overly focused on minutia • Materials are provided in a manner so that the information can be used effectively

The self-assessment portion of the written evaluation asks directors to consider their own performance, including consideration of such factors as: contribution to Keyera's leadership and stewardship; contribution to achieving Keyera's objectives; understanding of Keyera's strategic plan and key issues; contribution to resolution of issues at meetings; clear communication of expectations and concerns; acquisition of adequate, relevant and timely information; promotion of Keyera's interests externally; development of interpersonal relationships with other directors and management; and attendance, confidentiality and preparation for meetings.

The results of these questionnaires are reviewed by the Chair of the Board and the Chair of the Compensation and Governance Committee. The Chair of the Board is responsible for following up on the results as appropriate. As part of the 2012 - 2013 evaluation process, the Chair of the Board met individually with directors to discuss performance matters. The results of this evaluation process were used to guide Keyera's director recruitment process, as well as to identify opportunities to maintain or enhance governance practices.

In addition to this formal evaluation process, Keyera has a number of other processes in place that are intended to enhance the Board's ability to effectively carry out its responsibilities. Examples of these processes include:

- Adopting a Board Mandate, Terms of Reference for each Committee of the Board and position descriptions for the Board Chair and each Committee Chair;
- Adopting a director skills matrix that is reviewed annually and against which directors are asked to assess their skills annually;

- Holding periodic informal meetings and discussions between directors with respect to performance matters;
- Engaging in periodic consultations between the Board Chair and the Chairs of each of the Committees with respect to the effectiveness, performance, composition, mandate and terms of reference for each Committee;
- Engaging in periodic consultations between the Board Chair and the Chair of the Compensation and Governance Committee with respect to Board and Committee effectiveness, succession planning and various other matters in accordance with the terms of reference and position descriptions that have been adopted;
- Holding in-camera sessions without management present following every scheduled meeting;
- Bringing in outside advisors and experts to assist the Board as necessary; and
- Holding annual off-site strategy sessions.

Director Resignation and Retirement

Keyera has adopted a majority voting policy. In accordance with this policy, any nominee who receives fewer "for" votes than "withheld" votes at a Shareholder meeting is required to promptly submit his or her resignation as a director. The Board of Directors has the discretion to accept or reject such a resignation and to take such other steps to respond to the resignation as it considers appropriate.

The Board of Directors believes that any decision with respect to the retirement of a director should be dealt with on a case by case basis in light of all the circumstances. In early 2013, as part of Keyera's director succession planning process, the Board of Directors adopted a guideline with respect to age limits for directors. Based on this guideline, candidates will generally not be nominated for election as a director if they are over the age of 72. The Board of Directors, on recommendation of the Compensation and Governance Committee, has the discretion to nominate candidates who are over 72 based on such considerations as the skills, experience, contribution and competencies of the candidate, the overall composition of the Board and the need or desire for continuity on the Board. In 2014, the Board determined that it was appropriate to nominate two incumbent directors over the age of 72 for election in order to provide appropriate balance, support continuity and encourage orderly director succession planning.

Management Succession Planning

Keyera has a succession planning process designed to identify succession candidates for all key leadership and management positions, including the Chief Executive Officer position. As part of the succession planning process, Keyera works with its leaders and future leaders on the creation and implementation of individual development plans. Keyera has also adopted a leadership education program designed to assist succession candidates and future leaders in further developing their skills to move into more senior and executive positions. Management reports at least annually on succession planning to the Compensation and Governance Committee and also reports to the Board of Directors.

Management maintains and reviews, at least annually, its list of succession candidates. In 2013 management reported to the Compensation and Governance Committee and the Board of Directors on its overall succession planning recommendations, as well as the status of Keyera's leadership development programs and individual development programs. These recommendations included succession plans for the Chief Executive Officer, as well as other executive officers.

In keeping with the succession planning process, in 2013 the Board of Directors appointed two new officers: Dion Kostiuk was promoted to the position of Vice President, Human Resources and Corporate Services and Brian Martin was promoted to Vice President, Business Development, NGL in 2013. As well, in early 2014, the Board approved the promotion of Eileen Marikar to the position of Vice President, Controller.

A written position description for the Chief Executive Officer has been approved by the Board of Directors. As part of the Compensation and Governance Committee's responsibility for overseeing executive succession planning, it annually reviews the roles, responsibilities and overall position description of the Chief Executive Officer. The Audit Committee has specific responsibility for making recommendations with respect to the Chief Financial Officer position.

Ethical Business Conduct

Keyera is committed to conducting business ethically and legally. Directors, officers, employees, contractors and consultants are expected not only to comply with all applicable laws and regulations, but also to avoid situations where their personal interests conflict or appear to conflict with their duties and responsibilities to Keyera and its affiliates.

Exercise of Independent Judgment

All of Keyera's directors, other than Mr. Bertram who is Keyera's Chief Executive Officer, are independent and each committee of the Board of Directors is comprised entirely of independent directors. Each director must disclose all actual or potential conflicts of interest and refrain from voting on any matter in which such director has a conflict of interest. In addition, where a director has a conflict of interest that would preclude him or her from voting on a matter, that director must excuse him or herself from any discussion or decision on that matter.

Code of Business Conduct and Related Policies

The Board of Directors has adopted a Code of Business Conduct (the "**Code**") which applies to all directors, officers, employees and contractors of Keyera and its affiliates. The Code is available on SEDAR at www.sedar.com (filed on January 4, 2011) and on Keyera's website at www.keyera.com. Copies of the Code may also be obtained free of charge from the Vice President, Investor Relations and Information Technology at Suite 600, 144 – 4th Avenue S.W., Calgary, Alberta T2P 3N4.

In support of the Code, Keyera has approved business conduct policies covering various matters, including but not limited to ethics, disclosure, insider trading and conflicts of interest, and has adopted a number of specific procedures and guidelines to facilitate compliance with the Code and the various policies. For example, Keyera's Insider Trading Procedures prescribe blackout periods and outline the circumstances in which Keyera's directors, officers, employees and consultants will be restricted or prohibited from trading in shares or other securities of Keyera. In accordance with the Insider Trading Procedures, directors, officers and certain other employees and consultants are required to notify and obtain the permission of the Chief Financial Officer before buying or selling any shares of Keyera. Another example is Keyera's Disclosure Procedures which are designed to facilitate broad, timely and informative dissemination of material information and to prevent selective disclosure, all in accordance with applicable securities rules and regulations.

The Board of Directors has also established a whistleblower hotline to provide a forum for employees, officers, contractors and consultants who have reason to believe that something may have been done illegally or contrary to Keyera policy to report these concerns to a neutral third party on a confidential basis for investigation. Quarterly reports from the whistleblower hotline are provided to the Audit Committee.

All new directors, officers, employees and certain contractors are required to receive an orientation about the Code and the related policies and procedures when they commence their engagement with Keyera. Keyera also requires employees, officers and certain contractors to periodically re-certify that they understand and have complied with the Conduct Policies. Such a re-certification was completed most recently in 2013.

Shareholder Engagement

Keyera maintains a comprehensive investor communications program and welcomes comments and feedback from Shareholders. Keyera regularly meets with Shareholders, and its website, www.keyera.com, contains a wide range of corporate and investor information, including: the annual Corporate Overview, the Annual Information Form, Quarterly Reports, the Information Circular, presentations and webcasts, dividend history, Keyera's Health Safety and Environment Policy, Board Mandate and Committee Terms of Reference, detailed business descriptions and a corporate profile, virtual tours of several of Keyera's facilities, Keyera's Code of Business Conduct and a video describing the midstream business. Keyera invites comments and questions and encourages Shareholders to direct their inquiries to:

Investor Relations
Telephone: 403-205-7670
Toll Free: 888-699-4853
Email: **ir@keyera.com**

COMPENSATION DISCUSSION AND ANALYSIS

The following compensation discussion and analysis ("**CD&A**") discusses the structure, policies, principles and elements of Keyera's executive compensation program, as well as the processes related to compensation decisions. Information about the compensation awarded to Keyera's Named Executive Officers ("**NEOs**") in 2013 can be found in the Summary Compensation Table, the Incentive Plan Awards Tables and the Pension Plan Table included in this Information Circular under the heading "Compensation of the Named Executive Officers".

This CD&A includes references to financial measures that are not calculated in accordance with Generally Acceptable Accounted Principles applicable to publicly traded companies in Canada. Therefore readers should refer to the section titled "Other Matters – Disclaimer: Presentation of Financial Information".

Compensation and Governance Committee Composition

Consistent with governance best practices, Keyera's Compensation and Governance Committee is comprised entirely of independent directors who are knowledgeable about issues related to compensation, governance, talent management, leadership development and risk management. For further information about the Committee members, refer to the biographies in the "Nominees for Election to the Board of Directors" and for additional information about the mandate, functions and composition of the Committee, refer to the overview of the Committee's roles and responsibilities in the "Report on Governance".

Objectives and Design of the Compensation Program

The objectives of Keyera's executive compensation program are to attract and retain high performing executives and to motivate them to contribute to Keyera's vision of becoming the North American leader in delivering midstream energy solutions through its strategy of creating stable value growth built on sustainable energy facilities. To achieve these objectives, Keyera's compensation programs are designed to:

1. **Achieve Alignment with Shareholder Interests**. The designs of Keyera's incentive compensation programs are based on performance metrics that are in line with the interests of long-term Shareholders. Metrics under Keyera's incentive compensation plans, including relative peer total shareholder return and distributable cash flow per share, are among the metrics that Keyera's Shareholders use to measure its performance.

2. **Reward Achievement of Business Objectives**. Keyera's executive compensation programs are linked to the achievement of strategic business objectives and Keyera's overall performance. Performance is assessed in light of financial, operational, strategic and safety performance, on both an absolute and comparative basis. Further, NEOs have a higher proportion of pay at risk, which supports their level of individual responsibility, reflects the potential impact each may have on corporate results and promotes the achievement of short and long term strategic objectives.

3. **Be Competitive**. Keyera recognizes the importance of competitively positioned compensation in order to attract, engage and retain talented leadership. Competitiveness is measured against a well-defined peer group, taking into account the relative performance of those peers compared to Keyera. The peer group reflects the pool of companies against which Keyera competes for talent.

4. **Promote Effective Risk Management**. While some risk taking is appropriate to achieve long term sustainability and Shareholder value, the overall design of Keyera's compensation plans mitigate excessive risk taking and align compensation performance periods with the risk horizon of business initiatives. For example, weighting toward long-term incentives mitigates the risk of encouraging short term goals at the expense of long-term sustainability; the nature of the primary financial performance metrics used in establishing the bonus pool (distributable cash flow) effectively ensures that Keyera will have the ability to fund the payments under the incentive programs; and there is discretion on the part of the Compensation and Governance Committee and the Board to make sure bonus payments are not overly influenced by a particular factor or unusual result.

5. **Pay for Performance**. Actual compensation is directly linked to results. Individual contribution, business unit performance and overall corporate performance are all factored into the assessment of incentive awards for each NEO.

Compensation Consultants

Keyera's compensation programs and assessment of competitive levels of compensation are determined with the assistance of a professional compensation advisor. As in prior years, the Compensation and Governance Committee retained Mercer (Canada) Limited ("**Mercer**") to provide advice with respect to 2013 executive compensation.

Mercer has been engaged by the Compensation and Governance Committee since 2003 to provide advice and recommendations with respect to Keyera's executive compensation program, including overall design, performance metrics and compensation levels for individual executives. The Committee has also retained Mercer to provide research, advice and recommendations with respect to compensation of the directors. The advice that the Committee received from Mercer was an important element in developing the Committee's recommendations to the Board with respect to executive compensation levels, performance metrics and overall program design; however, the Committee also considers many other relevant factors in fulfilling its mandate.

Fees paid to compensation consultants

In 2012 and 2013, fees billed for services provided to Keyera by compensation consultants were as follows:

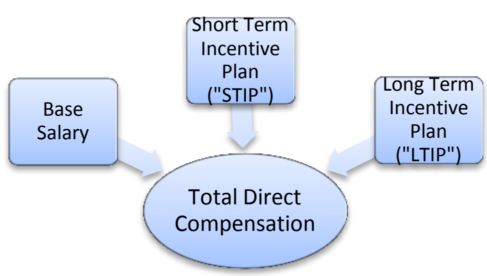
Year Ended December 31	2013	2012
Executive Compensation Fees	$59,451	$54,753
All Other Fees	$13,965	$11,803
Total	**$73,416**	**$66,556**

A description of the nature of the services provided under each category is as follows:

- Executive Compensation Fees: Fees for services related to the analysis of Keyera's director and officer compensation programs. The director compensation program was not reviewed in 2013.
- All Other Fees: Fees for Keyera's participation in the annual market surveys carried out by Mercer.

The Compensation and Governance Committee adopted a policy that it must pre-approve all significant engagements by management of any compensation consultant which is retained by the Committee to provide compensation advice. Authority to approve such engagements has been delegated to the Chair of the Committee.

Overview: Total Direct Compensation



The total direct compensation for executive officers consists of three primary components: base salaries, STIP and LTIP. Each of the components is intended to serve a different function in the overall compensation program and is determined based on distinct criteria.

Component	Description	Performance Period	Determination	Objective
Base Salary	Fixed	1 year	• Salary ranges are based on market competitiveness, are annually reviewed and are benchmarked against energy industry peer groups. • Individual salaries take into account individual roles, responsibilities and performance.	• Competitive annual compensation • Compensate for competency and fulfillment of responsibilities • Eligibility: All employees
Short Term Incentive Plan ("STIP")	Variable	1 year	• The STIP design is based on market competitiveness and performance. • Actual awards are based on organizational performance and individual performance. • Primary metric for corporate performance is after tax distributable cash flow per share.	• Reward financial and strategic achievements over a one-year period • Recognize contributions and achievements in the near term • Eligibility: All employees
Long Term Incentive Plan ("LTIP")	Variable	1 - 3 years 3 years	• The LTIP design is based on market competitiveness and performance. ➢ Restricted Awards(1) may be awarded annually based on individual and organizational performance. Restricted Awards vest in three equal installments following the anniversary of the grant. The actual payouts reflect: (i) the share value; and (ii) the reinvestment of notional dividends over the performance period. ➢ Performance Awards may be awarded annually based on individual and organizational performance. Actual payouts reflect: (i) the share value; (ii) the achievement of performance factors; and (iii) the reinvestment of notional dividends over the performance period. The primary metrics for corporate performance in 2013 were pre-tax distributable cash flow per share (as to 70%) and relative peer total shareholder return (as to 30%). (Collectively, all grants under the LTIP are referred to as "LTIP Awards")	• Align interests with Shareholders • Link compensation to longer-term performance • Encourage retention of talent • Motivate execution of long-term goals and strategic objectives over multiple years • Enhance symmetry between project timelines, risk horizons and compensation rewards; discourage short term excessive risk taking • Reward consistent high performance • Eligibility: Executives, leaders, succession candidates and certain other employees(2)

Notes:
(1) While the LTIP provides for the grant of both Restricted Awards and Performance Awards, Keyera only grants Performance Awards to the NEOs.
(2) While directors are technically eligible to participate in the LTIP, Keyera has adopted the practice of not granting directors awards under the LTIP.

The mix of fixed compensation, in the form of a base salary, and variable compensation, in the form of the STIP and LTIP, is intended to foster a performance-based culture by emphasizing compensation that is related to organizational performance and individual contribution. One of the ways Keyera emphasizes performance-based compensation is by targeting base salaries in a median range of comparative data, while providing the opportunity to achieve compensation above median through short and long term incentive plans.

Keyera's target compensation mix for NEOs is weighted toward performance-based compensation, with the majority of NEO compensation being "at risk". For instance, all LTIP Awards granted to Keyera's NEOs are Performance Awards with a three year performance period and no NEOs receive Restricted Awards. This approach reinforces the pay-for-performance link, while the combination of short and long term incentives mitigates against excessive short term risk taking. The combination and mix of components for each executive officer reflects the responsibility of the position and the associated ability to influence short and long term objectives. There is no guaranteed payment under either the STIP or the LTIP. If the targets or minimum thresholds established for either the STIP or LTIP are not met, the payout under such plan may be zero.

Compensation Approval Process

The approval process for each element of Keyera's executive compensation program typically begins with a detailed review of Keyera's performance and the performance of each of the business units prepared by management, along with a detailed analysis of executive salaries and incentive compensation prepared by Mercer. This analysis includes a position by position analysis of market data within the Comparator Group compared to Keyera's executives, along with an analysis of the relative performance of Keyera compared to the members of the Comparator Group. The Compensation and Governance Committee reviews the analysis and discusses overall corporate performance on a relative and absolute basis. The Committee also hears recommendations from management with respect to the proposed size of the incentive compensation pools (executive and non-executive) and from the Chief Executive Officer with respect to individual performance factors for each executive.

The Chief Executive Officer makes recommendations to the Compensation and Governance Committee with respect to base salary, STIP bonuses and LTIP Awards for the executive officers. The Compensation and Governance Committee assesses the individual recommendations, considers the appropriate internal equity between members of the executive team such that officers with similar responsibilities, experience and historical performance are rewarded comparably, and then makes recommendations to the Board of Directors in respect of each officer. The Compensation and Governance Committee also makes recommendations to the Board of Directors with respect to the base salary, STIP and LTIP for the Chief Executive Officer. In making these recommendations, the Compensation and Governance Committee evaluates the Chief Executive Officer's performance in light of Keyera's performance relative to corporate objectives and strategic business plans, as well as the Chief Executive Officer's individual performance. As discussed below, there are specific distributable cash flow targets set for the STIP and LTIP to measure corporate performance; however, there are no formal quantitative targets set for individual performance.

In making compensation recommendations, the Compensation and Governance Committee reviews the various elements of each executive officer's compensation (including the Chief Executive Officer) in the context of the total compensation package. The Compensation and Governance Committee and the Board of Directors exercise discretion based on Keyera's performance and the individual contributions of the executive officers in determining actual compensation.

With the assistance of Mercer, the Committee also analyzes the market competitiveness of Keyera's overall compensation packages, as well as the relationship between Keyera's performance and the annual earnings of the executive officers. Drawing on this analysis, the Committee evaluates whether:

- the intended relationship between compensation and performance is appropriate;
- there is appropriate symmetry between Keyera's risk profile and its compensation practices; and
- the compensation program and compensation levels are achieving the desired objectives.

This evaluation is carried out at various stages of the Committee's review of executive compensation, including: (i) during the selection of the Comparator Group, the identification of comparable functional matches for each officer position for benchmarking purposes and initial compensation analysis prepared by Mercer which is typically delivered to the

Committee in the fall each year; (ii) during the Committee's deliberations with respect to developing recommendations for Base Salary and STIP in the first quarter of each year; and (iii) during deliberations over LTIP thresholds, targets and grants during the second quarter of each year.

Selection of the Comparator Group for 2013

During its review of executive compensation packages, the Compensation and Governance Committee examines market compensation data gathered from organizations of comparable size and organizations with whom Keyera competes for executive talent. Mercer provides assistance to the Compensation and Governance Committee by identifying the appropriate comparator group and compiling benchmark market data, as well as providing general observations with respect to market trends and issues.

The comparator group for 2013 (the "**Comparator Group**") approved by the Compensation and Governance Committee included a set of 28 entities in the petroleum industry ranging between 50% and 300% of Keyera's total assets and market capitalization. The rationale for selecting the Comparator Group was based on the following factors: recognition of Keyera's significant growth, the complexity of Keyera's business, the limited number of true peers in Keyera's industry and the pool of entities with which Keyera competes for talent. The Comparator Group consisted of the following entities:

Alliance Pipeline Ltd.	AltaGas Ltd.	ARC Resources Ltd.
ATCO Midstream Ltd.	ATCO Pipelines	Athabasca Oil Corp.
Baytex Energy Corp.	Bonavista Energy Corporation	Enerplus Corporation
Ensign Energy Services Inc.	Gibson Energy ULC	Inter Pipeline Fund
Kinder Morgan Canada Inc.	MEG Energy	Paramount Resources Ltd.
Pembina Pipeline Corporation	Pengrowth Energy Corporation	Peyto Exploration & Development Corp.
Plains Midstream Canada	Precision Drilling Corporation	SemCAMS
ShawCor Ltd.	Spectra Energy Transmission	Trican Well Services Ltd.
Trilogy Energy Corp.	Veresen Inc.	Vermilion Energy Inc.
		Williams Energy (Canada), Inc.

Keyera's rank in relation to the Comparator Group with respect to certain key criteria was as follows:

- 33^{rd} percentile in total assets. [(1)]
- 70^{th} percentile in market capitalization. [(2)]
- Between the 75^{th} and 100^{th} percentile in revenue. [(1)]

Notes: (1) Based on 2013 reported assets and annual revenue
(2) Market capitalization and enterprise value as of August 31, 2013

Mercer based the compensation information of the Comparator Group on compensation data derived from its Survey, supplemented with publicly disclosed information derived from sources such as information circulars where available. The Compensation and Governance Committee does not know the extent to which the members of each Comparator Group participated in the Survey or which members of each Comparator Group comprise the benchmark for each position. The Committee uses this information as part of its horizontal benchmarking analysis, in order to review and consider how the compensation paid to Keyera's officers compares to compensation paid to executives performing similar roles across comparable companies.

Keyera's Approach to Base Salary

Keyera believes that a fixed annual base salary is an essential tool in retaining qualified employees. Base salaries for all employees, including the executive officers, are adjusted, as appropriate, based on performance, competencies, responsibilities and competitive market data. Keyera generally tries to target its base salaries at the median level range of the Comparator Group. While no formal mathematical weighting formula is used to determine base salaries, the Compensation and Governance Committee considers all factors that it deems relevant in formulating its recommendations, including the executive officer's performance and the Committee's analysis of factors such as: comparability of entities in the Comparator Group; the quality of data in the Comparator Group; and the quality of the job match. In setting base salaries, Keyera also examines data that could influence wages during the year, including such factors as the consumer price index, gross domestic product, unemployment rates, industry trends and the overall economic outlook.

Determination of 2013 Base Salaries

In determining its base salary recommendations in 2013, the Compensation and Governance Committee reviewed the salary ranges for all officers in the context of their individual competencies and comparable market data based on matches to similar roles in the Comparator Group. The salaries in the Comparator Group used in the analysis were based on 2013 actual salaries reported in the survey data and 2012 proxy data adjusted to reflect estimated salary increases for 2013. Keyera's target salary for its executive officers was in the median range within the Comparator Group, with adjustments based on considerations such as: the scope of the executive's position; length of service with Keyera and length of time in the current role; the executive's relevant competencies and experience; retention risk; and the executive's overall contribution to the management team and Keyera's performance. The table below sets out the 2012 and 2013 base salaries for each NEO, along with the percentage change.

Name and Position	2013 Base Salary (as of December 31)	2012 Base Salary (as of December 31)	% Change between 2012 and 2013
James V. Bertram Chief Executive Officer	$550,000	$472,500	16.40%
David G. Smith President and Chief Operating Officer	$378,420	$360,400	5.00%
Steven Kroeker Vice President, Chief Financial Officer	$286,200	$270,000	6.00%
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit(1)	$288,943	$275,184	5.00%
Mike Freeman Vice President, Commercial	$271,425	$258,500	5.00%

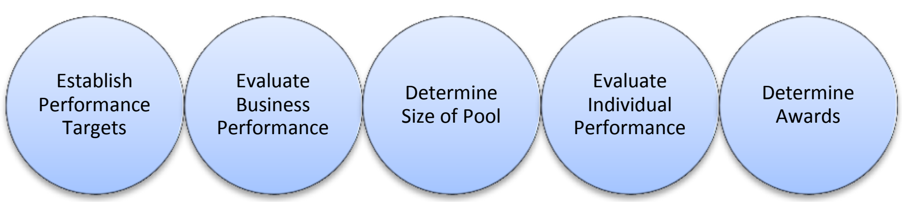
Notes:

(1) In 2013, Bradley Lock held the position of Senior Vice President, Liquids Business Unit until July at which time he was appointed Senior Vice President, Gathering and Processing Business Unit.

Based on the Comparator Group analysis prepared by Mercer in the fall of 2013, the base salary for most of Keyera's NEOs was near the 50th percentile, other than Mr. Kroeker, who was promoted to the position of Vice President, Chief Financial Officer in November 2012, whose base salary was near the 25th percentile in 2013.

Short Term Incentive Plan

The STIP is an annual cash bonus program in which all permanent employees, including the executive officers, are eligible to participate. It is intended to promote the achievement of short term corporate and operational goals by providing an annual financial incentive based on individual and corporate performance. It is also designed to help achieve the overall goals of Keyera's compensation program by providing short term incentives to attract, retain, motivate and reward employees.



Establish Performance Targets

The quantitative organizational performance measure underlying the STIP is after tax distributable cash flow per share which is cash flow from operating activities on an after tax basis, adjusted for changes in non-cash working capital, long-term incentive plan costs, inventory write-downs and maintenance capital expenditures. Some of the reasons for using this metric as the measure of corporate performance include:

- Management uses distributable cash flow as a supplemental financial measure in evaluating the level of cash flow generated from operations and to evaluate the adequacy of internally generated cash flow to fund dividends and growth initiatives;
- Given that Keyera publishes its distributable cash flow every quarter in its management's discussion and analysis (available on SEDAR at www.sedar.com), it offers transparency and a clear line of sight for executives, employees and Shareholders;
- Distributable cash flow is strongly correlated with Shareholder return, and therefore supports the alignment between executive compensation and Keyera's performance;
- It is the same performance metric that is used for STIP bonuses for all employees which supports internal alignment; and
- The STIP bonuses are paid out of distributable cash flow which addresses risks associated with ability to fund the payment of the bonuses.

At the beginning of the compensation cycle for the STIP, the Board of Directors, based on the advice and recommendations of the Compensation and Governance Committee, approves the distributable cash flow per share performance target. The approved target is derived from analysis provided by management, as well as assessments of Keyera's historical and anticipated performance, including growth capital plans, capital reinvestment requirements and industry trends.

Evaluate Business Performance

The Compensation and Governance Committee and the Board evaluate Keyera's performance, taking into account a range of relevant factors including but not limited to: Keyera's overall financial results; operational and financial performance of each business unit; total shareholder return; performance relative to similar companies within its industry (including within the Comparator Group); and the effect of significant upturns or downturns in organizational performance. The Compensation and Governance Committee uses the Comparator Group to help guide the decision making process in making recommendations to the Board and to put compensation decisions in context, but this data and benchmarking process are not determinative.

Determine Size of Pool

STIP bonuses are paid out of a pool approved annually by the Board of Directors. If actual performance meets the distributable cash flow per share performance target, the total size of the STIP pool is calculated using the target STIP percentage for each employee category. If actual performance exceeds or falls below the target, the STIP pool is adjusted accordingly.

The Board believes that the use of judgment when determining the overall size of the pool available for STIP payments to the executive officers is a critical element in making sure that overall STIP bonuses are appropriate. The Board, on the recommendation of the Compensation and Governance Committee, exercises discretion in setting the size of the pool with the goal of ensuring that the STIP pool is aligned with actual performance, adequately reflects risks, accommodates unexpected circumstances and mitigates the possibility of unintended awards arrived at by formula.

Evaluate Individual Performance

Individual performance of each executive officer is reviewed at least annually with the Chief Executive Officer and the President and Chief Operating Officer. Keyera does not assign formal weighting or quantitative measures to individual performance factors. The executive officers are evaluated based on a subjective assessment of their respective contribution to: the achievement of Keyera's overall business strategy, goals and financial performance; the performance of their business unit or particular reporting areas, including financial results, operations and health and safety performance; their management, mentoring and leadership skills; effectiveness of risk identification and mitigation; and their overall role as part of the leadership team. The results of these reviews are presented to the Compensation and

Governance Committee. The Compensation and Governance Committee is responsible for assessing the performance of the Chief Executive Officer and the President and Chief Operating Officer and has adopted the practice of meeting with both of them following each Committee meeting.

Determine Awards

In determining incentive awards under the STIP, Keyera has adopted guidelines with respect to the relative weighting of organizational performance and individual performance. These guidelines are reviewed each year by the Compensation and Governance Committee. The relative weight given to each of these factors varies depending on the position and an individual's ability to impact organizational results. As of December 31 2013, the respective weighting within the executive group was:

Executive Position	Corporate Performance	Individual Performance
Chief Executive Officer	90%	10%
President and Chief Operating Officer	90%	10%
Vice President, Chief Financial Officer	80%	20%
Senior Vice President, Gathering and Processing	80%	20%
Vice President, Commercial	80%	20%
Other Executives	80%	20%

Based on the individual performance assessments the executive officers receive an individual performance score, which is combined with the corporate performance score, to arrive at the proposed STIP calculation for each executive officer. To help provide an additional framework for this process, Keyera has adopted guidelines with respect to the recommended ranges for STIP bonuses for its NEOs. These ranges were adjusted by the Board of Directors in the second half of 2013 as follows:

- Chief Executive Officer and the President and Chief Operating Officer: between 0 and 140 percent of base salary;
- Vice President, Chief Financial Officer and the Senior Vice President, Gathering and Processing Business Unit: between 0 and 110 percent of base salary;
- All other executives: between 0 and 80 percent of base salary.

The Board believes that the use of judgment when determining individual awards is important in order to make sure that STIP bonuses for each executive are appropriate. Therefore, the Compensation and Governance Committee or the Board may exercise discretion to adjust individual awards (to the extent not addressed through the individual performance assessments) in light of the total compensation paid to an executive, comparative rankings to the Comparator Group and appropriate internal equity among members of the executive team such that officers with similar responsibilities, experience and historical performance are rewarded comparably. In some circumstances, this could mean that the STIP bonuses fall outside the guideline ranges as a percent of base salary. Further, because the actual awards granted under the STIP are discretionary, if organizational performance and/or individual performance is not satisfactory, actual bonus amounts payable to NEOs may be zero.

Determination of 2013 STIP Bonuses

2013 STIP Target

In 2013, the approved target level after tax distributable cash flow per share (basic) for the STIP was $3.17. The target was based on expectations with respect to Keyera's anticipated financial performance, expected growth in the business in light of its overall business strategy, recognition of multi-year capital projects, anticipated industry activity, the overall economic climate and continued competition for human resources. Actual annual after tax distributable cash flow per share in 2013 was $3.68, approximately 16% higher than the target approved by the Board of Directors.

Determination of Bonuses

In determining the size of the STIP pool, the Board evaluated the appropriate corporate performance rating in order to establish an STIP pool aligned with Keyera's overall performance. In making this determination, the Board recognized that Keyera exceeded its target after tax distributable cash flow per share by approximately 16%, while also delivering strong financial and operational results when measured by other metrics. While the primary factor that determined the corporate performance rating was the degree to which the target was exceeded, the Board also considered a number of other factors relevant to the size of the STIP pool, including:

- Growth Capital Program: successfully negotiated commercial agreements to underpin several major projects and advanced engineering and construction on a number of key capital projects.
- Financial Performance: delivery of 2013 earnings before interest, taxes, depreciation and amortization ("EBITDA") of $379 million, approximately 28% higher than the $297 million posted in 2012; increase in the dividend from $0.18 to $0.20 per share per month, the fourth increase in three years; and entered into private debt placements in excess of $500 million to fund Keyera's capital program (of which approximately $75 million is scheduled to close in April 2014).
- Business and Operational Performance: delivered record results in the Gathering and Processing and NGL Infrastructure segments; increased throughput levels in the Gathering and Processing business in spite of weak natural gas fundamentals; successfully maintained a conservative risk management strategy to minimize basis risk in Keyera's Marketing segment; achieved excellent results in the first full year of operation at AEF in spite of two unscheduled outages.

Based on careful analysis of these considerations, the Board of Directors approved a corporate performance rating of 1.5. This corporate performance rating, when combined with its assessment of the individual contributions of each NEO, resulted in significantly larger bonuses compared to 2012. This is consistent with Keyera's financial performance in 2013 compared to 2012, when Keyera did not achieve its after tax distributable cash flow per share target. Actual bonuses paid to the NEOs for 2013 performance as a percentage of 2013 base salary as compared to bonuses paid for 2012 performance as a percentage of 2012 base salary are summarized in the following table.

Name and Position	2013 STIP Bonus	Percentage of 2013 Base Salary	2012 STIP Bonus	Percentage of 2012 Base Salary	Potential STIP Range Percentage of Base Salary
James V. Bertram Chief Executive Officer	$577,500	105.0%	$248,181	52.5%	0-140%
David G. Smith President and Chief Operating Officer	$410,586	108.5%	$189,300	52.5%	0-140%
Steven Kroeker Vice President, Chief Financial Officer(1)	$245,560	85.8%	$112,320	41.6%	0-110%
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit(2)	$247,913	85.8%	$116,678	42.4%	0-110%
Mike Freeman Vice President, Commercial	$162,855	60.0%	$103,400	40.0%	0-80%

Note:

(1) Steven Kroeker was Vice President, Corporate Development until November 2012, at which time he was appointed Vice President, Chief Financial Officer.

(2) Bradley Lock was Senior Vice President, Liquids Business Unit until July 2013, at which time he was appointed Senior Vice President, Gathering and Processing Business Unit

Long Term Incentive Plan

LTIP Overview and Types of Awards

To encourage executive officers to remain focused on long-term Shareholder value and promote payment of actual compensation that is reflective of risk-adjusted performance over time, a significant portion of their total compensation is delivered through Keyera's LTIP. The principal purposes of Keyera's LTIP include: (a) attracting and retaining qualified officers and employees; (b) promoting a proprietary interest in Keyera by such officers and employees and encouraging them to put forth maximum efforts for the success of Keyera's business; and (c) further focusing management on ongoing operational and financial performance and total long-term Shareholder return.

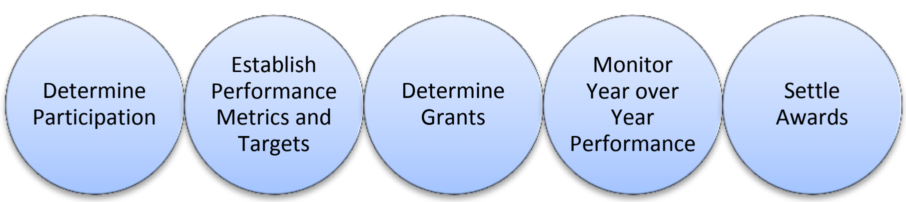
The LTIP is intended to reward executive officers and other key employees for superior performance over a three year performance period and for their ongoing contributions to Keyera's success. LTIP Awards are granted on an annual basis and are designed to reward performance that is aligned with Shareholder objectives by linking the value of each LTIP Award to Shareholder returns over the performance period. The three year time horizon takes into account the fact that many of Keyera's capital growth projects can take 1 to 3 years to develop, construct or integrate. There are two types of LTIP Awards:

1. Restricted Awards are deliverable in three equal instalments on or before the September 1st following the first, second and third anniversaries of the grant date. Restricted Awards are subject to an adjustment ratio which takes into account the accumulation of dividends over the period from the date of the grant to the delivery date.

2. Performance Awards are deliverable on or before the September 1st following the third anniversary of the grant date. The Performance Awards are tied to the performance of Keyera over a three year performance period which enhances the long term pay-for-performance link and aligns with the risk horizon of longer-term strategic projects.

   Performance Awards are subject to two adjustments: an adjustment ratio which takes into account the accumulation of dividends between the time the Awards are granted and the date they are delivered; and a payout multiplier which is tied directly to Keyera's performance during the three year performance period. Depending on Keyera's performance, if the minimum threshold approved by the Board is not met as of the end of the performance period, the actual number of shares delivered on the delivery date would be zero.

The Compensation and Governance Committee administers the LTIP and makes recommendations to the Board of Directors with respect to such matters as: determining who is entitled to receive LTIP Awards; the times at which LTIP Awards will be granted and the number of shares to be covered by each LTIP Award; establishing performance metrics and performance targets; and prescribing amendments for each grant cycle.



Participation

All executive officers participate in the LTIP. While directors are technically eligible to receive LTIP Awards, the Board of Directors has adopted the practice of not making LTIP Awards to directors. The Board has made it a practice to only grant Performance Awards to the NEOs. None of the NEOs have any outstanding Restricted Awards.

Performance Metrics and Targets

In 2011, in response to the recommendations coming out of the detailed review of Keyera's compensation plans, Keyera amended its LTIP to change the performance metrics associated with Performance Awards granted on or after

June 7, 2011. Prior to these amendments, the sole performance metric for Performance Awards was based on three year average annual pre-tax distributable cash flow per share (described below).

The changes to the LTIP approved by the Board in 2011 gave the Board the ability to select one or more performance metrics for each set of Performance Award grants and to establish the relative weighting of each such metric. For 2011, 2012 and 2013 the Board, based on the advice of the Compensation and Governance Committee, selected the three year average annual pre-tax distributable cash flow per share metric and a relative peer total shareholder return metric.

The decision to combine the three year average annual pre-tax distributable cash flow per share metric and a relative peer total shareholder return metric was based on the following considerations:

- Adding a relative peer total shareholder return metric provides a mix of an internal absolute financial performance measure and an external relative financial performance measure;
- Look-back analysis of Performance Awards granted based on a single financial performance measure showed that payouts were at times not aligned with performance as a result of such factors as: challenges associated with forecasting distributable cash flow three years out, investments in projects or acquisitions that have a longer horizon before cash flows are realized, and a corporate shift toward balancing growth and yield compared to the historic emphasis on delivering high yield under Keyera's former income trust structure;
- The STIP is also based on distributable cash flow per share metrics, resulting in both variable compensation plans being tied to a similar metric (recognizing that the STIP metric is calculated on an after tax basis and the LTIP metric is calculated on a pre-tax basis); and
- Diversification of absolute and relative performance measures for variable incentive compensation is considered a best practice.

Grants made prior to June 7, 2011 were not affected by this amendment. The performance metrics associated with pre and post June 7, 2011 LTIP Awards are discussed in more detail below.

LTIP Awards Granted under the 2010 LTIP Plan – For LTIP Awards made under the 2010 LTIP program, the payout multiplier, and hence the number of shares to be delivered pursuant to a Performance Award, was based on the three year average annual pre-tax distributable cash flow per share. The Board of Directors set the threshold level for the payout multiplier applicable to Performance Awards to be granted in the ensuing twelve months prior to granting those Performance Awards. In the event that the actual average pre-tax distributable cash flow per share was less than the minimum amount determined by the Board in connection with the approval of the grant of the LTIP Award, the payout multiplier would have been zero. The maximum payout multiplier was two.

For the purposes of the LTIP, "Pre-tax distributable cash flow" means the amount, calculated for Keyera on a consolidated basis, equal to the cash flow from operating activities in accordance with GAAP, adjusted by (i) adding any current income tax expense and any reduction in non-cash working capital; (ii) subtracting any current period LTIP expense and adding any current period LTIP recovery; (iii) subtracting any current income tax recovery, maintenance capital, any distributable cash flow attributable to a non-controlling interest and any increase in non-cash working capital; (iv) subtracting any cash flow resulting from the disposition of any assets that have not been or would not be classified on the balance sheet of Keyera as "current assets"; and (v) making certain adjustments for inventory write-downs and financial instruments relating to such inventory. Keyera reports on its distributable cash flow quarterly in its financial statements and related management discussion and analysis available on SEDAR at www.sedar.com. The performance metric is determined by taking the average over the three year performance period which starts on the July 1 grant date.

The table below illustrates the relationship between the three year average annual pre-tax distributable cash flow per share and the payout multiplier for the Performance Awards granted in in 2010:

Three-Year Average Annual Pre-Tax Distributable Cash Flow Per Share	
July 1, 2010 Grant	**Payout Multiplier**
Less than $2.65	Nil
$2.65 - $2.93	50% - 99%
$2.94 - $3.50	100% - 199%
$3.51 and greater	200%

Performance Awards granted as part of the 2010 grant were settled in August 2013.

LTIP Awards Granted under the 2011, 2012 and 2013 LTIP Plans – For Performance Awards made under the 2011, 2012 and 2013 LTIP programs, the payout multiplier, and hence the number of shares to be delivered pursuant to a Performance Award, is determined by reference to two performance metrics: three year average annual pre-tax distributable cash flow per share and relative peer total shareholder return.

For all of the 2011, 2012 and 2013 grants, the payout multiplier is based 70% on the average annual pre-tax distributable cash flow per share over the performance period and 30% on the relative peer total shareholder return in a defined peer group over the performance period. With respect to the average annual pre-tax distributable cash flow per share metric, the maximum performance level, based on the 70% weighting, is 1.4 times.

The relative peer total shareholder return metric is calculated as follows:

- The three year performance period begins on the July 1st grant date (same performance period as the average annual pre-tax distributable cash flow per share).
- Total shareholder return is calculated for Keyera and each of the companies in the defined peer group by taking the weighted average trading price for the last 20 trading days of the performance period, plus all dividends paid during the performance period less the weighted average trading price for the last 20 trading days prior to the grant date, divided by the weighted average trading price for the last 20 trading days prior to the grant date.
- The relative peer total shareholder return metric is then calculated using a percentile ranking method compared to a defined peer group. The defined peer groups for each of 2011, 2012 and 2013 are outlined below:

2011 Defined Peer Group for the Relative Peer Total Shareholder Return Metric	2012 Defined Peer Group for the Relative Peer Total Shareholder Return Metric	2013 Defined Peer Group for the Relative Peer Total Shareholder Return Metric
• Pembina Pipeline Corp. • Altagas Ltd. • Inter Pipeline Fund • Veresen Inc. • Enbridge Income Fund Inc. • Enbridge Inc. • TransCanada Corp.	• Pembina Pipeline Corp. • Altagas Ltd. • Inter Pipeline Fund • Veresen Inc. • Enbridge Income Fund Inc. • Enbridge Inc. • TransCanada Corp. • Gibson Energy Inc.	• Pembina Pipeline Corp. • Altagas Ltd. • Inter Pipeline Fund, • Veresen Inc. • Enbridge Income Fund Inc. • Enbridge Inc. • TransCanada Corp. • Gibson Energy Inc.

Note:

(1) Provident Energy Ltd. was included in the original 2011 peer group, but it has since been amalgamated into Pembina Pipeline Corp.

The maximum performance level of this metric, based on the 30% weighting, is 0.6 times. The overall payout multiplier is determined by adding the results of the average annual pre-tax distributable cash flow per share multiplier and the relative peer total shareholder return multiplier. The maximum payout multiplier is two times.

The tables below describe the determination of the payout multiplier for the 2011, 2012 and 2013 grants.

2011 Performance Award Payout Multiplier			
70% Performance Weighting		30% Performance Weighting	
Three-year average annual pre-tax distributable cash flow per share	Payout Multiplier	Relative peer total shareholder return Percentile Rank	Payout Multiplier
Less than $2.80	Nil	Less than 25th	Nil
$2.80 – $3.07	50% – 99%	25th – 49th	50% – 99%
$3.08 – $3.65	100% – 199%	50th – 74th	100% – 199%
$3.66 and greater	200%	75th and greater	200%

2012 Performance Award Payout Multiplier			
70% Performance Weighting		30% Performance Weighting	
Three-year average annual pre-tax distributable cash flow per share	Payout Multiplier	Relative peer total shareholder return Percentile Rank	Payout Multiplier
Less than $2.75	Nil	Less than 25th	Nil
$2.75 – $2.94	50% – 99%	25th – 49th	50% – 99%
$2.95 – $3.34	100% – 199%	50th – 74th	100% – 199%
$3.35 and greater	200%	75th and greater	200%

2013 Performance Award Payout Multiplier			
70% Performance Weighting		30% Performance Weighting	
Three-year average annual pre-tax distributable cash flow per share	Payout Multiplier	Relative peer total shareholder return Percentile Rank	Payout Multiplier
Less than $3.20	Nil	Less than 25th	Nil
$3.20 – $3.52	50% –99%	25th – 49th	50% – 99%
$3.53 – $4.19	100% –199%	50th – 74th	100% – 199%
$4.20 and greater	200%	75th and greater	200%

Determine LTIP Grants

In determining the number of Performance Awards to grant to each executive officer, the Compensation and Governance Committee and Board of Directors take into account such factors as: individual performance; performance of the executive's business unit or area of responsibility; overall financial and organizational performance; the position of the officer; the roles and responsibilities assumed by the officer; comparative data and Comparator Group benchmarks; internal equity within the executive team; and the contributions of the officer to the executive team and to Keyera overall. There is no formal weighting assigned to these criteria.

The Board of Directors has adopted general guidelines to provide a framework for the size of LTIP Grants to its NEOs as a percentage of base salary. As of the date hereof, the guideline with respect to LTIP Award values for the Chief Executive Officer and the President and Chief Operating Officer is a range between 100% and 250% of base salary, and the range for the other NEOs is between 80% and 200% of base salary.

Monitor Year over Year Performance

The Compensation and Governance Committee receives periodic reports on the status of the payout multipliers under each grant of Performance Awards in order to monitor the year over year value of those Awards. This assists the Committee's understanding of the overall compensation of each executive officer and also facilitates the Committee's ongoing evaluation of the LTIP program, including how the program is satisfying its objectives.

Settlement of LTIP Awards

Under the terms of the LTIP, LTIP Awards may, at the discretion of the Board of Directors, be settled by delivery of shares to the recipient of the LTIP Awards or by payment of cash. The Board of Directors has adopted the practice of providing participants with the option to receive settlement in cash or shares (or a combination thereof). Keyera does not have the ability to issue shares from treasury to settle LTIP Awards and therefore, if the LTIP Awards are settled by delivery of shares, those shares are acquired in the open market. If LTIP Awards are settled, in whole or in part, by payment of cash, the recipient of the LTIP Award will be paid an amount equal to the aggregate current market value of the shares that would otherwise have been delivered on the delivery date (based on the closing price of the shares on the TSX on the day immediately preceding such delivery date) in consideration of the recipient surrendering the right to receive shares under the LTIP Award. Regardless of whether the LTIP Awards are settled in shares or cash, a cash amount equal to the applicable withholdings is withheld and remitted to the appropriate taxing authorities.

Plan participants are generally required to continue in a qualifying position throughout the performance period and to be employed by Keyera at the time of settlement as a condition of receiving the shares in settlement of the LTIP Awards. However, if a participant's employment terminates earlier due to the participant's retirement, disability or death, or if he or she is terminated without cause, or a change of control transaction occurs, settlement of LTIP Awards and the number of shares deliverable to such participant is calculated in the manner specified in the plan. See "Compensation of the Named Executive Officers - Termination and Change of Control". A participant who voluntarily resigns or whose employment is terminated for just cause forfeits all rights to any LTIP Awards granted under the plan.

Determination of 2013 LTIP Awards

LTIP Awards Granted in 2013

In determining LTIP Awards in 2013 for Keyera's officers, the Compensation and Governance Committee and the Board of Directors took into account the total compensation of each officer in relation to the Comparator Group in the context of Keyera's overall performance in relation to the Comparator Group and market indices. In looking at Keyera's overall corporate performance, the Board considered performance measures such as: annualized total return, total shareholder return, dividends per share and distributable cash flow per share over various performance periods. The Board also reviewed historical LTIP grant and payout values. In determining the number of LTIP Awards granted to each NEO, the Board also considered the factors described under the subheading "Determine LTIP Grants" above.

The following table outlines the total number of Performance Awards granted to the NEOs in 2013 along with the applicable delivery dates.

Name and Position	Total Number of Performance Awards Granted in July 2013	Delivery Date (on or before)
James V. Bertram Chief Executive Officer	21,675	September 1, 2016
David G. Smith President and Chief Operating Officer	18,350	September 1, 2016
Steven Kroeker Vice President, Chief Financial Officer	6,800	September 1, 2016
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit(1)	7,200	September 1, 2016
Mike Freeman Vice President, Commercial	5,000	September 1, 2016

Notes:

(1) Bradley Lock was Senior Vice President, Liquids Business Unit until July 2013, at which time he was appointed Senior Vice President, Gathering and Processing Business Unit.

Settlement of LTIP Awards in 2013

In 2013, Keyera settled the Performance Awards that were granted in 2010. The settlement value of the 2010 Performance Awards was calculated based on the following:

- A share price of $57.99: the closing price on August 16, 2013, the last trading day before the delivery date;
- A payout multiplier of 1.30785: reflecting Keyera's actual average three year distributable cash flow performance from July 2010 and through the end of June 2013, which was above the target set in 2010; and
- An adjustment ratio of 1.16066: reflecting the value of the dividends paid during the three year performance period.

The following table summarizes the 2010 Performance Awards that were settled with NEOs in 2013.

Name and Position	Number of Performance Awards Settled in 2013	Grant Date Value[1] (2010)	Value of Performance Awards Settled in 2013
James V. Bertram Chief Executive Officer	25,000	$699,500	$2,200,721
David G. Smith President and Chief Operating Officer	18,500	$495,430	$1,628,475
Steven Kroeker Vice President, Chief Financial Officer[2]	10,000	$267,800	$880,288
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit[3]	11,500	$307,970	$1,012,331
Mike Freeman Vice President, Commercial	8,000	$214,240	$704,173

Notes:

(1) The effective date of the 2010 grants was July 1, 2010. The dollar amount disclosed for the 2010 grants is based on a share price of $26.78, which was the share closing price on July 2, 2010, the first trading day after the effective date of the awards.

(2) Steven Kroeker was Vice President, Corporate Development in 2010 at the time of the grant and settlement. He was promoted to Vice President, Chief Financial Officer in November 2012.

(3) In 2013, Bradley Lock was Senior Vice President, Liquids Business Unit until July, at which time he was appointed Senior Vice President, Gathering and Processing Business Unit.

Outstanding Number of LTIP Awards

As of December 31, 2013, there were a total of 465,072 Performance Awards and 63,186 Restricted Awards outstanding under the LTIP. In accordance with the LTIP, no person may be granted any LTIP Award which, together with all LTIP Awards then held by such person, would entitle him or her to receive a number of shares which exceeds 5% of the outstanding shares (calculated on an undiluted basis).

2013 Actual Total Direct Compensation: Pay for Performance

Executive compensation was tested against Keyera's performance in a number of ways. In 2013, the Compensation and Governance Committee compared STIP bonuses and total direct compensation paid between 2004 and 2013 to Keyera's distributable cash flow per share, total cumulative Shareholder return and EBITDA. (See "Other Matters – Disclaimer: Presentation of Financial Information"). These are measures commonly used to measure organizational profitability and performance and are therefore considered appropriate measures against which to evaluate executive compensation. The following table shows the relationship between Keyera's distributable cash flow performance, the primary performance measure used by Keyera in its incentive compensation programs, and NEO compensation for the last three years.

	Distributable Cash Flow[1] (millions)	Total NEO Compensation[2] (millions)	Total NEO Compensation as a Percentage of Distributable Cash Flow
2011	$202.2	$5.36	2.7%
2012	$199.9	$5.81	2.9%
2013	$288.1	$6.94	2.4%

Notes:

(1) Distributable cash flow is cash flow from operating activities adjusted for changes in non-cash working capital, long-term incentive plan costs, inventory write-down and maintenance capital expenditures. See Keyera's 2013 Annual Financial Statements and Management Discussion and Analysis for a full discussion of Keyera's calculation of distributable cash flow and a reconciliation to its nearest GAAP measure. See "Other Matters – Disclaimer: Presentation of Financial Information".

(2) Total NEO compensation includes base salary, STIP, LTIP Awards at grant date value and pension value. The calculations for 2011 and 2012 are based on the compensation paid to the individuals who were NEOs in those years. Steven Kroeker and Mike Freeman were not NEOs in 2011 or 2012. The 2012 total compensation includes the total compensation paid to six NEOs during that year as Keyera reported the total compensation paid to Mr. Kroeker, who had been promoted from Vice President, Corporate Development to Vice President, Chief Financial Officer in November 2012, as well as his predecessor, who resigned as Vice President, Chief Financial Officer earlier that year.

In addition, the Committee considered Keyera's financial performance relative to: (i) the S&P/TSX Composite Index (see "Compensation Discussion and Analysis – Performance Graph and Performance Analysis); and (ii) the publicly traded companies within the Comparator Group. The following table highlights Keyera's performance relative to the publicly traded companies within the Comparator Group based on the analysis prepared as of August 2013 by Mercer to assist the Committee in its analysis of comparable pay-for-performance:

Keyera's Performance Relative to the Comparator Group			
Measure[1]	**1 year**	**3 year**	**5 year**
Revenue Growth	Near 25th percentile	Near 75th percentile	Above 75th percentile
EBITDA Growth	Above 50th percentile	Above 50th percentile	Above 75th percentile
Earnings per Share Growth	Near 75th percentile	Near 75th percentile	Above 75th percentile
Return on Assets	Near 75th percentile	Near 75th percentile	Near 75th percentile
Return on Equity	Between 75th and 100th percentile	Between 75th and 100th percentile	Near 100th percentile
Return on Investment	Near 75th percentile	Between 75th and 100th percentile	Between 75th and 100th percentile
Total Shareholder Return[2]	Near 75th percentile	Near 100th percentile	100th percentile

Notes:

(1) Measured as of August 2013 for the preceding 12 month period.

(2) As of August 13, 2013.

As can be seen above, Keyera's overall performance compares very favourably to the Comparator Group by almost all metrics over one, three and five year horizons. Keyera has generally achieved results near or above 75th percentile. However, based on the benchmarking analysis prepared by Mercer for the prior two years, total direct compensation of Keyera's NEOs has tended to be notably less than 75th percentile compared to the Comparator Group (typically total direct compensation of NEOs has been between the 25th percentile and the 50th percentile).

The Board of Directors recognizes the importance of (i) offering a competitive compensation program that will achieve its objectives; (ii) compensating NEOs for the very strong business, operational and financial success Keyera has had, including the ambitious growth program that is underway and the dividend increases that have been implemented; and (iii) managing the timing of completion of and realization of cash flow from major capital projects, and rewarding the work associated with the development of these projects. These considerations will continue to inform the Board of Directors' approach to executive compensation and the establishment of targets under Keyera's incentive compensation programs in 2014.

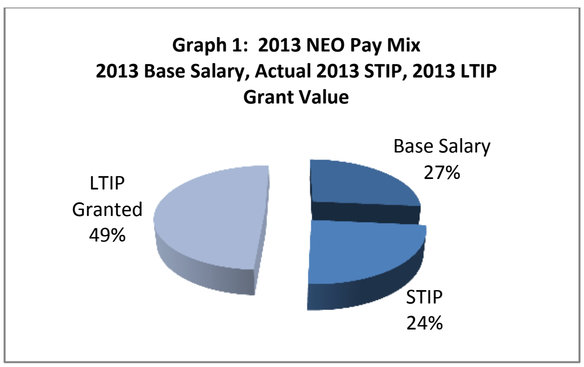
Pay Mix

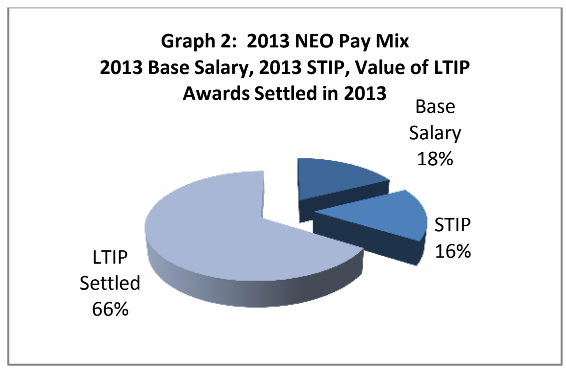
The target pay mix for Keyera's NEOs is more heavily weighted to variable incentive compensation which aligns with Keyera's pay-for-performance model. Within the variable compensation mix, there is greater weight on long-term incentive compensation which aligns with Keyera's approach to mitigating compensation risk. With respect to Keyera's long-term incentive mix, Keyera only grants Performance Awards (with a three year performance period) to its NEOs and does not grant time vested Restricted Awards. The actual total direct pay mix varies depending on Keyera's performance.

The following graphs illustrate the total direct compensation pay mix for Keyera's current five NEOs as a group in 2013 on the basis of:

(1) Graph 1: 2013 base salary, actual 2013 STIP and grant date value of the 2013 LTIP Awards (all as presented in the Summary Compensation Table under "Compensation of the Named Executive Officers"); and

(2) Graph 2: 2013 base salary, actual 2013 STIP (as presented in the Summary Compensation Table under "Compensation of the Named Executive Officers") and the value of LTIP Awards settled in 2013 (as presented in the Share Based Awards: Value Delivered During the Year table under the heading "Compensation of the Named Executive Officers - Incentive Plan Awards").

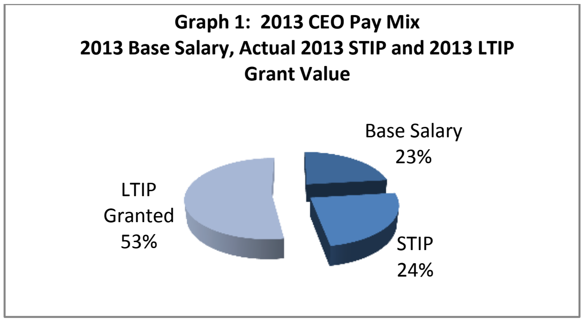


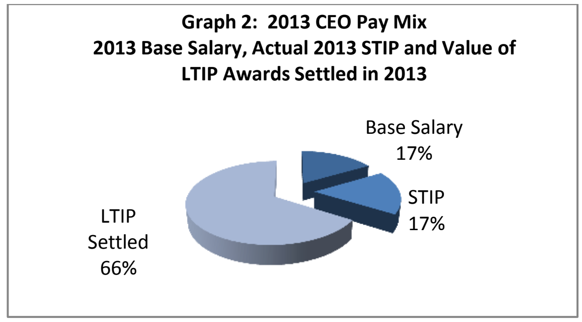


With respect to compensation of the Chief Executive Officer in particular, key factors that contributed to the determination of Mr. Bertram's actual total direct compensation levels in 2013 included: the very strong financial performance of Keyera in all its business lines, including record results in Keyera's facilities segments; the continued refinement of Keyera's risk management program in the Marketing business; Keyera's strong share price performance; the execution of key strategic business initiatives and organic growth projects (See "Compensation Discussion and Analysis – Performance Analysis"); and the strong leadership and interpersonal skills demonstrated by Mr. Bertram on a consistent basis. Consistent with prior years and Keyera's overall approach to NEO compensation, Mr. Bertram's actual total direct compensation in 2013 was weighted to variable incentive compensation. The following graphs illustrate the total direct compensation pay mix for Mr. Bertram on the basis of:

(1) Graph 1: 2013 base salary, actual 2013 STIP and grant date value of the 2013 LTIP Awards (all as presented in the Summary Compensation Table under "Compensation of the Named Executive Officers"); and

(2) Graph 2: 2013 base salary, actual 2013 STIP (as presented in the Summary Compensation Table under "Compensation of the Named Executive Officers") and the value of LTIP Awards settled in 2013 (as presented in the Share Based Awards: Value Delivered During the Year table under the heading "Compensation of the Named Executive Officers - Incentive Plan Awards").





Pension and Benefits

In keeping with the principles of transparency and simplicity, Keyera does not offer an extensive range of pension and benefit options. For the most part, except as described in this Information Circular, Keyera's executive officers participate in the same pension and benefit programs as other Keyera employees. Keyera's pension plan is a defined contribution pension plan. Keyera does not offer a defined benefit pension plan to any of its employees, including the NEOs.

Keyera makes pension contributions on behalf of all employees, including the NEOs, based on a combination of age plus years of credited service. The contributions made on an employee's behalf into his or her choice of investment options are accumulated with investment earnings to provide a fund to be used at retirement to secure a monthly pension for the employee. The contribution rates are as follows:

Age plus years of credited service	Percentage of Base Earnings
Less than 45 years	6% of base earnings
45 or more but less than 55	8% of base earnings
55 or more	10% of base earnings

As a general rule, Keyera does not recognize extra years of credited service in the context of its pension benefits except in specific circumstances, including in the context of acquisitions in order to retain or attract key employees involved in the acquired entity or assets.

In accordance with applicable laws, each year there is a maximum amount that can be contributed by or on behalf of any individual into a registered pension plan (the "**Contribution Limit**"). Because the pension contribution that Keyera makes on behalf of its executive officers is based on a percentage of earnings, the pension contribution amounts calculated in accordance with the formulas identified above may exceed the Contribution Limit. When this situation arises, Keyera pays the excess pension amount, subject to tax withholdings, to the affected officer in cash along with their regular pay each month. The maximum amount that could be contributed to a registered pension plan in 2013 was $24,270. Actual pension contributions and excess pension amounts for each NEO are discussed further under "Compensation of the Named Executive Officers – Pension Benefits".

In addition to participating in benefits programs that are generally available to all employees, the executive officers are eligible for certain other benefits including additional life insurance, perquisite allowances and an executive medical program. The total value of these additional benefits can be found in the Summary Compensation Table.

Employment Contracts

Each NEO has an employment agreement with Keyera. These agreements provide for base salary, benefits, and participation in the STIP and LTIP. They also set out the consequences of termination of employment in various scenarios. All of the employment agreements are for an indefinite term which reflects Keyera's expectations with respect to the long term commitment of the executive officers to the organization.

The basic terms of these employment agreements are the same for all executive officers, except Mr. Bertram. Each of these agreements (other than Mr. Bertram's) contains a "double-trigger" change of control provision such that, if there is a change of control (excluding an internal reorganization) and the officer has good reason (defined as termination without cause or constructive dismissal which includes: a material decrease in the title, position, reporting relationship, responsibilities or powers of the executive, a requirement to relocate to another city, province or country, any material reduction in the value of the executive's benefits, salary, plans and programs, or a failure by Keyera to pay when due any material amount payable under the agreement), the officer is entitled to treat the employment relationship as terminated upon serving 30-days notice and would be entitled to termination payments. Only Mr. Bertram's employment agreement has a "single-trigger" change of control provision. This provision reflects Mr. Bertram's position as Chief Executive Officer and his leadership role in the organization. See "Compensation of the Executive Officers – Termination and Change of Control Benefits" for illustrative examples of the termination payments payable to each NEO in various termination scenarios.

In accordance with the employment agreements, each NEO, including Mr. Bertram, has agreed that, in the event of termination for any reason, he will observe certain non-solicitation and non-disclosure obligations and will refrain from influencing or attempting to influence the management, Board of Directors or policies of Keyera for a period of 18 months following the date of termination.

Share Ownership Guidelines for Officers

Keyera has share ownership guidelines for its executive officers. The intent of the guidelines is to reinforce the alignment of the interests of the executive officers with the interests of the Shareholders. The Compensation and Governance Committee reviews these guidelines annually. Officers are given five years from the date of their appointment as officers to comply with the share ownership guidelines after which time they are expected to maintain compliance for the duration of their employment as an executive officer.

All of the NEOs meet the ownership guidelines. The following table sets forth the share ownership guidelines and share holdings of the NEOs.

Named Executive Officer(1)	Minimum Share Ownership Requirement	Number of Shares Beneficially Owned or Controlled as of March 3, 2014	Total Value of Shares as of March 3, 2014(2)	Value of Shares as of March 3, 2014 as a Multiple of Annual Base Salary(3)
James V. Bertram Chief Executive Officer	3 x base salary	351,587	$23,496,559	43 times
David G. Smith President and Chief Operating Officer	3 x base salary	217,048	$14,505,318	38 times
Steven Kroeker Vice President, Chief Financial Officer	2 x base salary	24,983	$1,669,614	6 times
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit	2 x base salary	53,726	$3,590,509	12 times
Mike Freeman Vice President, Commercial	2 x base salary	24,059	$1,607,863	6 times

Notes:

(1) Messrs. Bertram and Smith have been officers of Keyera since March 28, 2003. Mr. Lock has been an officer of Keyera since July 2, 2004, and a Senior Vice President since June 6, 2011. Mr. Kroeker has been an officer of Keyera since June 20, 2006 and Chief Financial Officer of Keyera since November 7, 2012.

(2) Value based on the closing price of shares on March 3, 2014 which was $66.83 per share.

(3) Multiple calculated by dividing the total value of shares as of March 3, 2014 by the base salary paid to each NEO in 2013 as identified in the compensation table under the heading "Compensation of the Named Executive Officers – Summary Compensation Table", rounded to the nearest whole number.

Hedging Guidelines

The Board of Directors has adopted a guideline to the effect that directors and officers of Keyera are generally not permitted to buy, sell or enter into:

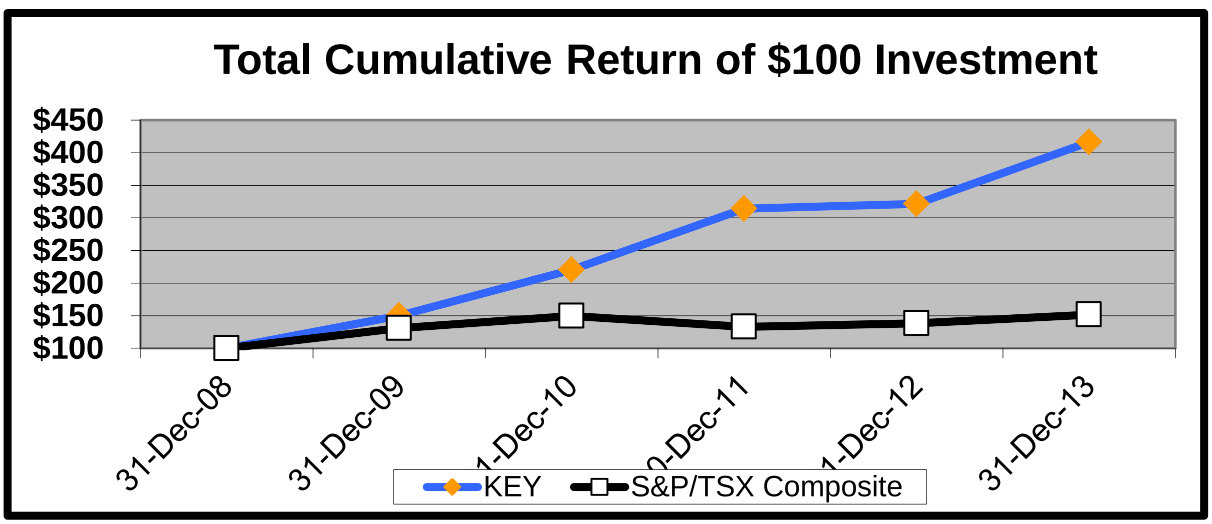
(a) any derivative instruments, agreements or securities, the market price, value or payment obligations of which are derived from, referenced to or based on the value of securities of Keyera; or

(b) any other derivative instruments, agreements, arrangements or understandings (commonly known as equity monetization transactions) the effect of which is to alter, directly or indirectly, the director's or officer's economic interest in securities of Keyera, or the director's or officer's economic exposure to Keyera.

Any exception to this guideline must be approved by the Compensation and Governance Committee. In the event an exception is granted, the director or officer is required to comply with Keyera's Insider Trading Policy and related Insider Trading Procedures, as well as applicable laws in respect of insider trading.

Performance Graph

The following graph compares the total cumulative return, including dividends, to Shareholders for $100 invested in shares with the total cumulative return, including dividends, of the S&P/TSX Composite Index for the period from December 31, 2008 through December 31, 2013. On December 31, 2013, which was the last trading day in 2013, the closing price of the shares on the TSX was $63.93. The shares are listed on the TSX under the symbol KEY.



	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11	30-Dec-12	31-Dec-13
KEY	$100	$150	$220	$314	$321	$416
S&P/TSX Composite	$100	$131	$150	$133	$138	$152

Performance Analysis

The Board of Directors and Compensation and Governance Committee are of the view that Keyera's management, including each of the NEOs, have delivered excellent value to Shareholders in 2013. As evidenced by the Performance Graph above, Keyera's shares significantly outperformed the TSX Composite Index. In addition, Keyera made some very notable strides in the execution of its strategic business plan and demonstrated strong performance in all categories. The following table highlights the achievements in five performance categories.

<table>
<tr><th>Performance Category</th><th>Examples of Performance Measures</th><th>Highlights of Results Achieved in 2013</th></tr>
<tr><td>Financial Performance</td><td>Earnings
Distributable cash flow
EBITDA
Total shareholder return
Dividends</td><td>Strong financial performance in 2013 including:
Earnings before interest, taxes, depreciation and amortization (EBITDA)[(1)] of $379.3, 28% higher than 2012
Net earnings of $146.8 million or $1.87per Share (basic)
Annual distributable cash flow[(1)] of $288.1 million or $3.68 per Share (basic), 44% higher than 2012
Total annual shareholder return[(1)] in 2013 was approximately 34%, for a three year total shareholder return of 100% and a five year total shareholder return of 317%
Dividend increase, bringing monthly dividends from $0.18 per share per month to $0.20 per share per month
Dividends declared in 2013 were $177.1 million or $2.26 per Share (basic), resulting in a payout ratio[(1)] of 61%</td></tr>
<tr><td>Operational Excellence</td><td>Safety
Costs
Environment
Compliance</td><td>Increased overall throughput at Keyera's Gathering and Processing segment by 7% to over 1 billion cubic feet per day
Achieved record results in the NGL Infrastructure segment
Completed or advanced all 2013 Health and Safety goals and objectives
Successfully completed turnarounds at three facilities
Continued to work with producer customers to enhance netbacks and meet the growing demand for services in certain areas</td></tr>
<tr><td>Generating Growth Opportunities</td><td>Internal growth
Acquisitions
Capital expenditures</td><td>Total growth capital investment of approximately $331.7 million, of which $31.9 million was in relation to acquisitions and the balance was on organic growth projects,
Advanced work on several key projects, including: the 30,000 bbls/d de-ethanizer and a 35,000 bbls/d fractionation expansion at Keyera Fort Saskatchewan; a 400 MMcf/d turbo expander at the Rimbey gas plant; expansion projects at the Simonette Gas Plant; the Wapiti pipelines; two sulphur handling projects at the Strachan Gas Plant; the Wilson Creek pipeline system; the Cochin condensate pipeline connection at Keyera Fort Saskatchewan; the Alberta Crude Terminal; and redevelopment of the Hull Terminal
Secured contractual underpinnings for several key growth projects
Increased rail deliveries of iso-octane and increased utilization at the Alberta EnviroFuels facility, in spite of two unplanned outages
Significantly advanced Keyera's storage facilities at Fort Saskatchewan, including commissioning Keyera's 12th underground storage cavern, continuing the washing of the 13th cavern, drilling the well bore for the 14th cavern and substantially completing the construction of a brine pond
Completed construction of the South Cheecham Rail and Truck Terminal</td></tr>
</table>

Performance Category	Examples of Performance Measures	Highlights of Results Achieved in 2013
Financial Stability	• Liquidity • Cash flow • Investor confidence	• Increased the "Debt to EBITDA" covenant in Keyera's unsecured revolving term credit facility and extended the term to 2017 • Secured amendments to the private uncommitted debt placement shelf agreement, increasing the maximum amount that can be borrowed to US$350 million and extending the term • Completed private debt placements in the principal amount of approximately $431 million, with an additional $75 million scheduled to close in April 2014 (subject to standard closing conditions) • Maintained a prudent payout ratio of 61%(1) • Reached another all-time high share price compared to historical trading
Risk Management	• Financial risk mitigation • Operational risk mitigation	• Maintained a conservative hedging strategy and successfully executed Keyera's financial risk management program to mitigate inventory and price risk associated with various products • Utilized physical assets to help mitigate inventory risk • Implemented a new propane purchase pricing model designed to reduce price risk exposure
Strong Leadership Team and Business Model	• Building relationships • Ability to execute business strategy • Corporate governance and reputation	• Recognized as one of Alberta's "Top 65 Employers" • Continued to implement consistent flexible business strategy • Executed succession planning and leadership development initiatives, including the appointment of new officers and formalizing a mentorship program • Continued to build positive relationships with communities, customers and business partners • Started the first year of a 5 year sponsorship of the Rimbey Community Centre

Note:

(1) EBITDA, distributable cash flow, total shareholder return and payout ratio are not standard measures under GAAP. (See "Other Matters - Disclaimer: Presentation of Financial Information.

In light of Keyera's strong financial and operational performance, combined with the growth projects, risk management strategies and leadership initiatives that were undertaken in 2013, the Compensation and Governance Committee and the Board of Directors were of the view that the increase in actual total direct compensation for NEOs compared to 2012 was appropriate.

Mitigating Compensation Risk

Keyera's compensation programs are founded on principles that support the management and mitigation of risk, while recognizing that some level of risk taking is necessary to achieve outcomes that are in Shareholders' best interests. Over the past year, the Board and its Committees have continued to focus on risk management and to strengthen the alignment of Keyera's compensation and governance practices with its approach to risk mitigation.

- Compensation plans incorporate elements of discretion for the Board thereby permitting risk adjustments to be made so that payouts are not overly influenced by an unusual result in a given area.

- The Audit Committee carries out a review, at least annually, of the financial risks associated with Keyera's business and the Health, Safety and Environment Committee is responsible for overseeing operational and business risks as part of its mandate. These analyses inform compensation decisions by virtue of the overlap of Committee members on these Committees and the Compensation and Governance Committee, together with the formal reporting to the Board.

- Weighting toward long-term incentives mitigates the risk of encouraging short-term goals at the expense of the long-term sustainability and profitability of Keyera. Further, executive officers only receive Performance Awards under the LTIP which have three year performance periods, which aligns with the risk horizon of many of Keyera's major projects.
- The nature of the primary financial measures used to calculate incentive compensation (distributable cash flow per share) is also a measure of Keyera's ability to pay. Compensation to executive officers is a small percentage of both revenue and distributable cash flow.
- Guidelines with respect to maximum bonuses or grants (as a percentage of base salary) have been established for both the STIP and the LTIP.
- The LTIP has a maximum corporate performance multiplier of 2 times.
- The Compensation and Governance Committee receives regular updates on the status of expected payout multipliers under the LTIP to understand (i) the potential value of outstanding LTIP Awards in light of potential future performance, and (ii) the effectiveness of the LTIP.
- Regular independent comparative reviews of Keyera's incentive plans and corresponding targets and milestones help to ensure continued relevance and applicability.
- Regular assessments of pay mix for executive officers ensures there is appropriate alignment between pay-at-risk based on incentive compensation plan targets and base pay.
- Keyera's compensation philosophy is based on maintaining a common structure for employees, including the executive officers. This means that the compensation across all business units is the same and all executive officers participate in the same compensation plans as all other employees.
- Anti-hedging guidelines, together with Keyera's Insider Trading Policy and Procedures, ensure continued alignment of executives' incentives with Shareholder objectives.

COMPENSATION OF THE NAMED EXECUTIVE OFFICERS

Summary Compensation Table

The following table provides a summary of compensation information for the executive officers for the most recently completed three years. All compensation values are expressed in Canadian dollars and are derived from compensation plans and programs that are described in detail in the balance of this section and under the section entitled "Compensation Discussion and Analysis".

Name and Position	Year	Salary[(1)] ($)	Equity Incentive Plan Compensation: Share-Based Awards[(2)] ($)	Equity Incentive Plan Compensation: Option-Based Awards ($)	Non-Equity Incentive Plan Compensation: Annual Incentive Plans[(3)] ($)	Non-Equity Incentive Plan Compensation: Long-Term Incentive Plans ($)	Pension Value[(4)] ($)	All Other Compen-sation[(5)] ($)	Total Compen-sation ($)
James V. Bertram Chief Executive Officer	2013	550,000	1,252,382	Nil	577,500	Nil	52,788	N/A	2,432,670
	2012	472,501	774,900	Nil	248,181	Nil	47,250	N/A	1,542,832
	2011	450,000	885,000	Nil	216,000	Nil	46,604	N/A	1,597,604
David G. Smith President and Chief Operating Officer	2013	378,420	1,060,263	Nil	410,586	Nil	37,848	N/A	1,887,117
	2012	360,400	602,700	Nil	189,300	Nil	35,747	N/A	1,188,147
	2011	340,000	663,750	Nil	163,200	Nil	35,288	N/A	1,202,238
Steven Kroeker[(6)] Vice President, Chief Financial Officer	2013	286,200	392,904	Nil	245,560	Nil	22,743	N/A	947,407
	2012	245,561	393,840	Nil	112,320	Nil	19,296	N/A	771,017
	2011	223,211	309,750	Nil	107,141	Nil	17,856	N/A	657,958
Bradley W. Lock[(7)] Senior Vice President, Gathering and Processing Business Unit	2013	288,943	416,016	Nil	247,913	Nil	28,896	N/A	981,768
	2012	273,420	365,925	Nil	116,678	Nil	27,342	N/A	783,365
	2011	245,000	398,250	Nil	112,700	Nil	24,703	N/A	780,653
Mike Freeman Vice President, Commercial	2013	271,425	288,900	Nil	162,855	Nil	27,144	Nil	750,324
	2012	258,500	319,995	Nil	103,400	Nil	25,850	Nil	707,745
	2011	235,000	309,750	Nil	94,000	Nil	23,083	Nil	661,833

Notes:

(1) Amounts shown are paid in cash as base salary to each NEO. There is no non-cash component to the base salary of any of the NEOs.

(2) The effective date of the 2013 grants under the LTIP was July 1, 2013. The dollar amount disclosed for the 2013 grants is based on a share price of $57.78, which was the share closing price on July 2, 2013, the first trading day after the effective date of the awards. As of December 31, 2013, the share closing price was $63.93 and therefore the grant values of all 2013 LTIP Awards as of the financial year end were: James Bertram - $1,385,683; David Smith - $1,173,116; Steven Kroeker - $434,724; Bradley Lock - $460,296 and Mike Freeman - $319,650. The effective date of the 2012 grants under the LTIP was July 1, 2012. The dollar amount disclosed for the 2012 grants is based on a share price of $49.23, which was the share closing price on July 3, 2012, the first trading day after the effective date of the awards. The effective date of the 2011 grants under the LTIP was July 1, 2011. The dollar amount disclosed for the 2011 grants is based on a share price of $44.25 which was the share closing price on July 4, 2011, the first trading day after the effective date of the awards.

(3) The amounts reported for each fiscal year are for performance in that fiscal year but are paid to the NEOs in the first quarter of the following year. For a further discussion see "Compensation Discussion and Analysis – STIP". Keyera does not have any non-equity long term incentive plans.

(4) All NEOs participate in Keyera's defined contribution pension plan on the same terms as all other salaried Keyera employees participate.

(5) None of the NEOs received perquisites that, in the aggregate, were worth $50,000 or more or which were worth 10% or more of their total base salary in 2011, 2012 or 2013.

(6) Mr. Kroeker was appointed as Vice President, Chief Financial Officer in November 2012. Prior thereto he held the position of Vice President, Corporate Development.

(7) In 2011 through February 2012, Mr. Lock was Senior Vice President, North Central Business Unit; in February 2012 he was appointed Senior Vice President, Liquids Business Unit; and in July 2013 he was appointed Senior Vice President, Gathering and Processing Business Unit.

Incentive Plan Awards

Keyera has two incentive compensation plans in which NEOs are entitled to participate. See "Compensation Discussion and Analysis – Short Term Incentive Plan" and "Compensation Discussion and Analysis – Long Term Incentive Plan". Keyera does not have an option plan and does not grant stock options to its directors, officers or employees. The following table sets forth the total number of unvested LTIP Awards granted to each NEO, along with the value of those awards.

Name and Position	Share Based Awards - Number of LTIP Awards that have not Vested(1)	Share Based Awards – Market or Payout Value of LTIP Awards that have not Vested(2)	Share Based Awards – Market or Payout Value of Vested LTIP Awards not Paid Out or Distributed(3)
James V. Bertram Chief Executive Officer	59,675	$4,315,285	Nil
David G. Smith President and Chief Operating Officer	47,350	$3,422,922	Nil
Steven Kroeker Vice President, Chief Financial Officer	21,800	$1,576,710	Nil
Bradley W. Lock(4) Senior Vice President, Gathering and Processing Business Unit	24,700	$1,787,411	Nil
Mike Freeman Vice President, Commercial	18,500	$1,339,100	Nil

Notes:

(1) The only share-based awards granted under Keyera's compensation plans are LTIP Awards. All LTIP Awards granted to the NEOs are Performance Awards. The number of shares (or cash equivalent) that will actually be delivered at the end of the performance period will be adjusted in accordance with the terms of the LTIP. The number of LTIP Awards granted in 2013 is outlined under the heading "Compensation Discussion and Analysis – Determination of LTIP Awards".

(2) The value of the LTIP Awards has been calculated using a base case scenario which assumes a share price of $63.93 (which was the closing price of Keyera shares on December 31, 2013), a payout multiplier of 1x and an adjustment ratio that reflects the Keyera's current dividend of $0.20 per month being maintained through the time of settlement. The actual value of the LTIP Awards at the time of settlement will be subject to adjustments in accordance with the terms of the LTIP. See "Compensation Discussion and Analysis – Long Term Incentive Plan".

(3) LTIP Awards do not "vest" until the delivery date when they are settled. See "Compensation Discussion and Analysis – Long Term Incentive Plan".

(4) Bradley Lock was Senior Vice President, Liquids Business Unit until July 1, 2013, at which time he was appointed Senior Vice President, Gathering and Processing Business Unit.

The following table sets out the value of LTIP Awards granted to NEOs that were settled during 2013, along with the value of the STIP awards that were earned for 2013.

Name and Position	Share Based Awards – Value Delivered During the Year	Non-Equity Incentive Plan Compensation – Value Earned during the Year(1)
James V. Bertram Chief Executive Officer	$2,200,721	$577,500
David G. Smith President and Chief Operating Officer	$1,628,475	$410,586
Steven Kroeker Vice President, Chief Financial Officer	$880,288	$245,560
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit	$1,012,331	$247,913
Mike Freeman Vice President, Commercial	$704,173	$162,855

Note:

(1) Keyera's only non-equity incentive plan is the STIP. The amounts shown in this column reflect the STIP awards that were earned for 2013 performance, but which were paid to the NEOs in cash in the first quarter of 2014.

Pension Benefits

NEOs participate in Keyera's defined contribution pension plan. The following table sets out the pension values and the contributions made by Keyera on behalf of each NEO.

Name and Position	Accumulated value at start of year ($)	Compensatory(1) ($)	Accumulated value at year end ($)
James V. Bertram Chief Executive Officer	419,529	52,788	578,376
David G. Smith President and Chief Operating Officer	420,631	37,848	550,533
Steven Kroeker Vice President, Chief Financial Officer	105,225	22,743	135,810
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit	205,026	28,896	272,247
Mike Freeman Vice President, Commercial	231,027	27,144	289,238

Notes:

(1) The amounts reported in this column include the pension contribution that Keyera makes on behalf of each NEO plus any excess pension contribution amount. Messrs. Bertram, Smith, Lock and Freeman reached the Contribution Limit before the end of the year. Therefore, the excess amount was paid to these NEOs in cash, subject to tax withholdings. There were no above-market or preferential earnings.

All full time employees participate in the pension plan. Plan participants have a choice as to how the contributions made by Keyera on their behalf will be invested. The normal retirement date under the plan is the first day of the month coincident with the plan participant's 65th birthday. If a plan participant has reached the age of 55 and completed 24 months of continuous service he or she may elect to retire and have pension payments commence at any time before the normal retirement date. Payments must commence by the end of the calendar year of the participant's 69th birthday. For employees who were employed by Keyera's predecessor organizations, and have continued uninterrupted employment with Keyera, the years of service include the years of service with the predecessor organizations. The following table outlines the pension plan service dates for each NEO.

Name and Position	Pension Plan Service Date[1]
James V. Bertram Chief Executive Officer	May 29, 1996
David G. Smith President and Chief Operating Officer	September 2, 1991
Steven Kroeker Vice President, Chief Financial Officer	June 20, 2006
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit	June 15, 1987
Mike Freeman Vice President, Commercial	February 2, 1998

Note:

(1) Messrs. Bertram, Smith and Lock all have been recognized for their years of service with Keyera's predecessor organizations. The service dates for Messrs. Bertram and Smith include their years of service with the following predecessor organizations: Gulf Canada Resources Limited, Gulf Midstream Services and KeySpan Energy Canada Partnership. Mr. Lock's service date reflects his years of service with EnerPro Midstream Company which was acquired by Keyera in June 2004.

Insurance and Indemnification of Directors and Officers

The directors and officers of Keyera and its affiliates are covered under directors' and officers' insurance policies. In addition, each director and officer of Keyera is indemnified in accordance with Keyera's bylaws and there are formal indemnification agreements in place between Keyera and each director and officer. Pursuant to these indemnification agreements, each director and officer is indemnified against liability and costs in respect of any action or suit against him or her in connection with the execution of his or her duties of office, subject to certain usual limitations.

Termination and Change of Control Benefits

The executive employment agreements between Keyera and each NEO set out the consequences associated with the termination in various scenarios, including termination due to incapacity for a period of more than twelve consecutive months; termination upon death; termination for cause; termination without cause and change of control. The agreements contemplate that LTIP Awards will be settled in accordance with the terms of the LTIP. All of the executive employment agreements contain the same terms, except Mr. Bertram's agreement.

The following discussion summarizes how termination payments payable to NEOs would be calculated in various termination scenarios. Also included are illustrative calculations of the termination payments in these scenarios based on the following assumptions:

- The termination event occurred on December 31, 2013.
- Where applicable, "other benefits" are calculated based on an amount equal to the annual cost for a club membership, parking, executive life insurance (as applicable) and other perquisites historically paid to each NEO multiplied by 3 years for Mr. Bertram and 2 years for the other NEOs. In addition, there is a flat amount of $20,000 allocated per officer for career transition which may be applied to counselling or retraining services or, at the election of the NEO, paid out in cash.
- Where applicable, and unless otherwise indicated, the calculations of LTIP payout amounts have been completed using a share price of $63.93 (which was the closing price of shares on December 31, 2013), a payout multiplier based on performance during the applicable period and an adjustment ratio based on actual dividends paid during the applicable period. In all cases, the settlement of LTIP Awards may, at the discretion of the Compensation and Governance Committee, be by delivery of shares or a cash settlement amount in lieu of shares.

As discussed in the Compensation Discussion and Analysis, in accordance with the employment agreements, each NEO, including Mr. Bertram, has agreed that, in the event of termination for any reason, he will observe certain non-solicitation and non-disclosure obligations and will refrain from influencing or attempting to influence the management, Board of Directors or policies of Keyera for a period of 18 months following the date of termination.

Voluntary Resignation

In the case of a voluntary resignation, the executive officer would not be entitled to any severance or termination payments under the employment agreements. Further, the right to settlement of LTIP Awards which may have otherwise been settled after resignation is forfeited.

Voluntary Resignation	Bertram ($)	Smith ($)	Kroeker ($)	Lock ($)	Freeman ($)
Salary/Severance STIP Other Benefits LTIP TOTAL PAYOUT	Nil	Nil	Nil	Nil	Nil

Retirement

In the event of retirement, the employment agreements do not entitle the executive officer to any incremental salary. Under the STIP, an executive officer is eligible for a bonus payment for the performance year (January – December) in which he or she retires provided that: he or she is at least 55 years of age at the time of retirement, has worked at least three months in the performance year and provides at least three months written notice of retirement. The STIP bonus payment is paid in the normal STIP payment cycle (i.e. in the February following the performance year) and would be pro-rated in accordance with the time worked in the performance year. Under the LTIP, in the event of retirement on the executive officer's normal retirement date (as defined in the LTIP), the right to settlement of LTIP Awards which would have been otherwise settled after the date of retirement under existing LTIP Awards continues unaffected. If the executive retires in accordance with early retirement provisions of a pension plan sponsored by Keyera, the right to and manner of settlement of LTIP Awards is determined by the Compensation and Governance Committee in its discretion.

Retirement	Bertram ($)	Smith ($)	Kroeker ($)	Lock ($)	Freeman ($)
Salary/Severance	0	0	0	0	0
STIP	577,500	410,586	245,560	247,913	162,855
Other Benefits	0	0	0	0	0
LTIP(1)	5,494,086	4,302,081	2,112,859	2,389,008	1,810,499
TOTAL PAYOUT	6,071,586	4,712,667	2,358,419	2,636,922	1,973,354

Note:

(1) The LTIP payments under this retirement scenario are not paid out in a lump sum, rather satisfaction of any outstanding LTIP Awards continues to be made on the normal delivery dates as if the NEO continued to be employed. The LTIP values illustrated in this scenario are based on the following assumptions: (i) a share price of $63.93 which is the closing price of the shares on December 31, 2013; (ii) that current dividends of $0.20 per share are maintained through the time of settlement of the Performance Awards for the purposes of the adjustment ratio; (iii) an estimated payout multiplier at target (i.e. a 1 times multiple); and (iv) that retirement occurs at normal retirement age.

Death

In the event of the death of the executive, the executive's estate would be entitled to be paid any base salary earned up to the date of death. At the discretion of the Compensation and Governance Committee, an STIP bonus could be paid in respect of the period of time during the performance year that the executive officer was employed. The executive's estate would also be entitled to be paid certain amounts under the LTIP. For Performance Awards, these settlement amounts would be calculated as follows: if the death occurs prior to the first anniversary of the grant date, 33.33% of the shares; if the death occurs after the first anniversary, but prior to the second anniversary of the grant date, 66.66% of the shares; and if the death occurs after the second anniversary 100% of the shares.

Death	Bertram ($)	Smith ($)	Kroeker ($)	Lock ($)	Freeman ($)
Salary/Severance	0	0	0	0	0
STIP	577,500	410,586	245,560	247,913	162,855
Other Benefits	0	0	0	0	0
LTIP[(1)]	3,344,572	2,566,198	1,299,497	1,515,154	1,164,464
TOTAL PAYOUT	3,922,072	2,976,783	1,545,056	1,763,067	1,327,319

Note:

(1) The STIP payments in this scenario assume that the Compensation and Governance Committee exercises its discretion to pay the bonus for the 2013 performance.

Termination for Cause

Keyera has the ability to terminate an executive for cause as defined at common law. In such an event, the executive would not be entitled to severance or any other termination payments.

Termination For Cause	Bertram ($)	Smith ($)	Kroeker ($)	Lock ($)	Freeman ($)
Salary/Severance STIP Other Benefits LTIP TOTAL PAYOUT	Nil	Nil	Nil	Nil	Nil

Termination Without Cause

NEOs other than Mr. Bertram. Under the executive employment agreements (other than Mr. Bertram's), termination without cause is defined as termination for any reason other than cause, including: a material decrease in the title, position, reporting relationship, responsibility or powers of the executive; a requirement to relocate to another city, province or country; a material reduction in the value of the executive's benefits, salary, plans and programs; or a failure by Keyera to pay when due a material amount payable to the executive under the agreement. In the event of termination without cause, an executive officer would be entitled to receive:

- severance equal to one month's base salary multiplied by the number of years of service with Keyera or its predecessors subject to a minimum entitlement equal to 24 months base salary and a maximum of 30 months base salary; plus
- an amount equal to the value of the benefit plans provided to the executive by Keyera for a period equal to one month for every year of service with Keyera or its predecessors subject to a minimum entitlement equal to 24 months of benefits value and a maximum entitlement equal to 30 months of benefits value; plus
- an amount equal to two times the greater of the officer's target bonus under the STIP or his most recent annual bonus under the STIP; plus
- outplacement counselling services up to a maximum value of $20,000, or cash in lieu thereof; plus
- all amounts, if any, that would be payable in accordance with the terms of the LTIP. For Performance Awards, these amounts would be calculated as follows: if termination occurs prior to the first anniversary of the grant date, 33.33% of the shares; if termination occurs after the first anniversary, but prior to the second anniversary of the grant date, 66.66% of the shares; and if termination occurs after the second anniversary 100% of the shares.

Mr. Bertram. In the event of termination without cause, Mr. Bertram would be entitled to receive:

- severance equal to 36 months base salary; plus
- an amount equal to the value of the benefit plans provided to Mr. Bertram for a period of 36 months; plus

- an amount equal to three times the greater of his target bonus under the STIP or his most recent annual bonus under the STIP; plus
- outplacement counselling services up to a maximum value of $20,000, or cash in lieu thereof; plus
- all amounts, if any, that would be payable in accordance with the terms of the LTIP. For Performance Awards, these amounts would be calculated as follows: if termination occurs prior to the first anniversary of the grant date, 33.33% of the shares; if termination occurs after the first anniversary, but prior to the second anniversary of the grant date, 66.66% of the shares; and if termination occurs after the second anniversary 100% of the shares.

Termination without cause	Bertram ($)	Smith ($)	Kroeker ($)	Lock ($)	Freeman ($)
Salary/Severance	1,650,000	756,840	572,400	626,043	542,850
STIP	1,155,000	529,788	314,820	317,837	217,140
Other Benefits	90,649	61,257	63,383	64,410	60,460
LTIP	3,344,572	2,566,198	1,299,497	1,515,154	1,767,708
TOTAL PAYOUT	6,240,220	3,914,083	2,250,099	2,523,445	2,588,158

Change of Control

Double Trigger – NEOs other than Mr. Bertram. In each of the employment agreements (other than Mr. Bertram's), in the event of a change of control, an executive is only entitled to termination payments if the change of control also results in any one of the following: a material decrease in the title, position, reporting relationship, responsibility or powers of the executive; a requirement to relocate to another city, province or country; a material reduction in the value of the executive's benefits, salary, plans and programs; or a failure by Keyera to pay when due a material amount payable to the executive under the agreement. In these circumstances, the executive would be entitled to receive:

- severance equal to one month's base salary multiplied by the number of years of service with Keyera or its predecessors subject to a minimum entitlement equal to 24 months base salary and a maximum of 30 months base salary; plus
- an amount equal to the value of the benefit plans provided to the executive by Keyera for a period equal to one month for every year of service with Keyera or its predecessors subject to a minimum entitlement equal to 24 months of benefits value and a maximum entitlement equal to 30 months of benefits value; plus
- an amount equal to two times the greater of the officer's target bonus under the STIP or his most recent annual bonus under the STIP; plus
- outplacement counselling services up to a maximum value of $20,000, or cash in lieu thereof.

In addition, the executive officer would also potentially be entitled to settlement of LTIP Awards previously granted under the LTIP. Specifically, the LTIP states that in the event of a change of control transaction, and provided that the executive officer continues to make his services available for 60 days following the date of the change of control, the delivery date for all outstanding LTIP Awards would be accelerated to the earlier of: the next applicable delivery date (as defined in the LTIP) and the date immediately following the expiry of the 60 day period. A change of control transaction under the LTIP means:

- a transaction or series of transactions involving the sale of all or substantially all of the assets of Keyera or Keyera Partnership;
- a liquidation, dissolution or winding up of Keyera or Keyera Partnership;
- an amalgamation, arrangement, merger or other combination in which the Shareholders as a group would not immediately thereafter control more than 50% of the voting securities or the directors of Keyera immediately thereafter would not constitute a majority of the directors of the new governing body;

- a business transaction in which Keyera Partnership is no longer controlled by Keyera;
- an acquisition by a third party of 50% or more of the outstanding shares of Keyera;
- the acquisition by a third party of 50% or more of the outstanding interests in Keyera Partnership;
- election by Shareholders of directors, the majority of whom were not nominated by the prior Board of Directors; or
- a takeover transaction, as defined in the Securities Act (Alberta).

Single Trigger – Mr. Bertram. Change of control is defined in Mr. Bertram's employment agreement as the acquisition of majority ownership in or control of Keyera or substantially all of the assets of Keyera Partnership, by any means, directly or indirectly, in one transaction or a series of transactions, by any entity or group of entities. In the event of a change of control, Mr. Bertram would be entitled to receive:

- severance equal to 36 months base salary; plus
- an amount equal to the value of the benefit plans provided to Mr. Bertram for a period of 36 months; plus
- an amount equal to three times the greater of his target bonus under the STIP or his most recent annual bonus under the STIP; plus
- outplacement counselling services up to a maximum value of $20,000, or cash in lieu thereof.

In addition, Mr. Bertram would be entitled to the settlement of LTIP Awards granted to him under the LTIP on the same terms and conditions as all other NEOs as more particularly described above.

Change of Control	Bertram ($)	Smith ($)	Kroeker ($)	Lock ($)	Freeman ($)
Salary/Severance	1,650,000	756,840	572,400	626,043	542,850
STIP	1,155,000	529,788	314,820	317,837	217,140
Other Benefits	90,649	61,257	63,383	64,410	60,460
LTIP	5,198,088	4,065,691	1,999,577	2,265,292	1,718,142
TOTAL PAYOUT	8,093,736	5,413,576	2,950,180	3,273,582	2,538,593

Incapacity

If the executive officer is incapacitated for a period of more than twelve consecutive months during which time he is unable to perform essential duties of his position, Keyera may terminate the employment agreement on 30 days written notice and the executive would be entitled to all benefits provided under Keyera's disability and pension plans. If the event of termination would impair the executive's ability to receive such benefits, he would be placed on unpaid leave in lieu of termination. The right to settlement of LTIP Awards is unaffected and would continue to be settled on the regular delivery dates associated with each grant.

OTHER MATTERS

Interest of Certain Persons in Matters to be Acted Upon

None of the directors or executive officers of Keyera, or any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting except as otherwise disclosed in this Information Circular.

Interest of Informed Persons in Material Transactions

Except as disclosed in this Information Circular, none of Keyera, any director, nominee for director, or executive officer of Keyera, or any associate or affiliate of any of them, has a material interest in any transaction since January 1, 2013 or in any proposed transaction that has materially affected or would materially affect Keyera or its subsidiaries or their predecessors.

Indebtedness of the Directors and Officers of Keyera

None of the directors or executive officers of Keyera, nor any associate or affiliate of any one of them, is or was indebted, directly or indirectly, to Keyera or its predecessors at any time since January 1, 2013.

Additional Information

Financial information relating to Keyera is provided in the consolidated annual financial statements of Keyera. An overview of Keyera and its business operations is contained in its Annual Information Form. Keyera files its annual information forms, financial statements, management's discussion and analysis, information circulars and press releases with Canadian securities regulatory authorities. Copies of such documents and additional information related to Keyera may be obtained on SEDAR at www.sedar.com, on Keyera's website at www.keyera.com or by contacting the Vice President, Investor Relations and Information Technology of Keyera at Suite 600, 144 – 4th Avenue S.W., Calgary, Alberta, T2P 3N4 (Toll Free: 1-888-699-4853).

Disclaimer: Presentation of Financial Information

This Information Circular refers to certain financial measures that are not determined in accordance with Generally Acceptable Accounting Principles applicable to publicly traded companies in Canada ("GAAP").

Measures such as, distributable cash flow (cash flow from operating activities adjusted for changes in non-cash working capital, long-term incentive plan costs, inventory write-down and maintenance capital expenditures), total shareholder return (share price appreciation and dividends paid), EBITDA (earnings, excluding unrealized gains/losses from commodity related risk management contracts, before interest, taxes, depreciation, amortization, accretion and other non-cash charges) and payout ratio (dividends declared to Shareholders divided by distributable cash flow) are not standard measures under GAAP and, therefore, may not be comparable to similar measures reported by other entities. Management believes that these supplemental measures facilitate the understanding of Keyera's results of operations, leverage, liquidity and financial position. Distributable cash flow is used to assess the level of cash flow generated from ongoing operations and to evaluate the adequacy of internally generated cash flow to fund dividends. Total shareholder return is a concept that is often used to compare the performance of different companies' shares over time. EBITDA is a measure used as an indication of earnings generated from operations after consideration of administrative and overhead costs. As well, Keyera uses distributable cash flow in the context of setting performance targets under its STIP and LTIP, and uses total shareholder return as part of the performance target under its LTIP.

Readers are cautioned that these measures should not be construed as an alternative to measures, such as net earnings, determined in accordance with GAAP as an indication of Keyera's performance. Readers should refer to Keyera's 2013 annual financial statements and associated management discussion and analysis filed on SEDAR at www.sedar.com for a full discussion of Keyera's financial performance, for a reconciliation of these measures to their most closely related GAAP measures.

SCHEDULE "A"
QUESTIONS AND ANSWERS ON VOTING AND PROXIES

Your participation at the Meeting is very important to Keyera. The following questions and answers provide guidance on how you can vote your shares. Because Keyera primarily utilizes a book-based system, most Shareholders are "beneficial Shareholders". Beneficial Shareholders should pay particular attention to questions 7, 8 and 9 for information on how to vote at the Meeting.

1) Am I entitled to vote?

All Shareholders at the close of business on the Record Date (March 24, 2014) are entitled to vote at the Meeting, or at any adjournment of that Meeting, on the items of business set forth in the Notice. Even if you disposed of your shares after the Record Date, you are still entitled to receive notice of and vote at the Meeting. If you acquired shares after the Record Date, you are not entitled to receive notice of or vote at the Meeting.

2) What am I voting on?

As stated in the Notice, you are being asked to vote on: (i) appointment of the auditors of Keyera for the ensuing year; (ii) the election of each of the directors of Keyera; (iii) the Shareholder Rights Plan Resolution; and (iv) the Advisory Resolution on Say on Pay. Shares may be voted for or withheld from voting on the appointment of auditors and the election of directors. **As discussed in this Information Circular, management is recommending that Shareholders**:

- **VOTE FOR the appointment of auditors;**
- **VOTE FOR the election of directors;**
- **VOTE FOR the Shareholder Rights Plan Resolution; and**
- **VOTE FOR the Say on Pay Advisory Resolution.**

3) How will the votes be counted?

A simple majority of votes cast (50% plus one vote) by Shareholders, in person or by proxy, is required the appointment of auditors, the election of each director and the Shareholder Rights Plan Resolution. The Say on Pay Advisory Resolution is not a binding resolution.

4) How many votes am I entitled to?

You are entitled to one vote for every share that you hold as of the Record Date.

5) Am I a registered or beneficial Shareholder?

A registered Shareholder holds shares in his or her own name and such ownership is reflected in a share certificate or by other means of direct registration of the shares. A beneficial Shareholder holds shares which are registered in the name of a nominee such as a bank, trust company, securities broker or other intermediary, and the holdings are recorded in an electronic system.

At present, Keyera primarily utilizes a book-based system administered by CDS. In Canada, CDS acts as nominee for many banks, trust companies and brokerage firms through which beneficial Shareholders hold their shares. Consequently, most shares are registered under the name of CDS & Co. (the registration name for CDS) or its nominee. Keyera does not know for whose benefit the shares registered in the name of CDS & Co. are held. Shares registered in the name of CDS & Co. can only be voted at the direction of the beneficial Shareholder. Therefore, without specific instructions from you delivered through your broker or its nominee, your shares cannot be voted. **Please refer to Question No. 7 for further information about how you, as a beneficial Shareholder, can vote your shares**.

6) How do registered Shareholders vote?

Registered Shareholders can vote in person at the Meeting or by proxy. If you wish to vote in person at the Meeting, do not complete and return the form of proxy but simply attend the Meeting where your vote will be taken and counted. Be sure to register with Computershare, our registrar and transfer agent, when you arrive at the meeting. If you do not wish to attend the Meeting or do not wish to vote in person, you can vote by proxy. To vote by proxy, you can convey your voting instructions by mail, telephone, facsimile or internet and by doing so your shares will be voted at the Meeting by James V. Bertram or David G. Smith, who are the appointees set forth in the form of proxy. Instructions as to how to convey your voting instructions by any of these means are set forth on the form of proxy and should be carefully followed. A proxy must be in writing and must be signed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized. **To ensure that your vote is recorded, your proxy must be received by Computershare Trust Company of Canada at the address specified in the proxy by no later than 2:00 p.m. (Calgary time) two business days (48 hours) preceding the day of the Meeting, or any adjournment of that Meeting.** This means that the proxy cut off time for the Meeting is May 2, 2014 at 2:00 p.m. (Calgary time) or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned or postponed Meeting.

All shares represented by properly executed proxy forms received by Computershare prior to such time will be voted for or withheld from voting in accordance with your instructions as specified in the proxy form on any matter dealt with at the Meeting.

7) As a beneficial Shareholder, how do I vote?

As a beneficial Shareholder, your shares will likely be registered under the name CDS through the name of your broker or an agent of that broker. **Your shares can only be voted if you provide voting instructions through your broker or intermediary. If you do not provide specific voting instructions, your broker or other intermediary (or their nominee) is prohibited from voting your shares.**

As a beneficial Shareholder, applicable regulatory policy requires brokers/intermediaries to seek your voting instructions in advance of the Meeting. Every broker/intermediary has its own mailing procedures and provides its own return instructions which should be carefully followed in order to ensure that your shares are voted. Often, brokers/intermediaries use voting instruction forms similar to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder on how to vote on behalf of the beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from their clients to Broadridge Financial Solutions Inc. ("**Broadridge**") which typically mails a voting instruction form in lieu of the form of proxy. Upon receipt of the voting instruction form, you will have the option of completing and returning it by mail or facsimile, or you have the option of following specific telephone, internet or other voting procedures to vote your shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. As discussed in Question 8 below, you cannot use the voting instruction form to vote shares directly at the Meeting, rather you must complete the voting instruction form and following the instructions provided by Broadridge.

8) As a beneficial Shareholder can I vote in person at the Meeting?

As a beneficial Shareholder, you can only vote in person at the Meeting by making arrangements with your intermediary/broker well in advance of the Meeting in accordance with their procedures. Keyera does not know for whose benefit the shares registered in the name of CDS are held and cannot recognize you at the Meeting for purposes of voting your shares in person or by way of depositing a form of proxy unless you have made such arrangements.

If you wish to attend and vote at the Meeting, you should insert your name as a special appointment on the voting instruction form and carefully follow the instructions provided. Once you have appointed yourself as a proxy, be sure to register with Computershare when you arrive at the Meeting.

9) Can I appoint someone other than the management nominees, James V. Bertram and David G. Smith, to act as my proxyholder at the Meeting?

Each of the persons named as proxyholders in the enclosed form of proxy is a director and/or officer of Keyera. **A registered Shareholder wishing to appoint some other person as his or her representative at the Meeting who need not be a Shareholder may do so either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed proxy to Computershare no later than 2:00 p.m. (Calgary time) on Friday, May 2, 2014 (or, in the event the Meeting is adjourned, at least 48 hours, excluding Saturdays, Sundays and holidays, before the beginning of any reconvened meeting).**

A beneficial Shareholder wishing to appoint someone other than the management nominees as proxyholder should insert the name of the person you wish to appoint as your proxy as a special appointment on the voting instruction form and carefully follow the instructions provided. Note that voting by telephone is not available if you wish to appoint someone other than the management nominees as a proxy. It is important to ensure that any other person you appoint is attending the Meeting, and any adjournment or postponement thereof, and is aware that his or her appointment has been made to vote your shares. Be sure that your proxyholder registers with Computershare when he or she arrives at the Meeting.

10) Who is soliciting my proxy?

Management of Keyera is soliciting proxies to be used at the Meeting and at any adjournment or postponement thereof. Solicitation of proxies will be primarily by mail, but may also be solicited by personal interviews, telephone, facsimile or other means of communication by directors and officers of Keyera, without special compensation. The cost of this solicitation will be borne by Keyera. Keyera will not reimburse Shareholders, nominees or agents for the cost incurred in obtaining authorization to execute forms of proxy from their principals.

11) How will my proxy be voted?

The persons named in the proxy form must vote or withhold from voting your shares in accordance with your voting instructions. **In the absence of specific instructions, your shares will be voted:**

- **FOR the election of directors;**
- **FOR the appointment of auditors**
- **FOR the Shareholder Rights Plan Resolution; and**
- **FOR the Say on Pay Advisory Resolution.**

12) What if there are amendments or variations to the items of business set forth in the notice or other matters are brought before the Meeting?

The form of proxy confers discretionary authority upon the persons appointed with respect to amendments to the matters identified in the Notice and with respect to any other matters which may properly come before the Meeting. Keyera knows of no matters to come before the Meeting other than the matters identified in the Notice of the Meeting. If any matters which are not known should properly come before the Meeting, the persons named in the enclosed form of proxy will vote on such matters in accordance with their best judgment.

13) Can I change my mind once I have submitted my proxy or voting instructions?

Yes, you can revoke your proxy at any time before it is acted upon. **For registered Shareholders,** if your proxy was submitted by facsimile or mail, you can revoke it by instrument in writing executed by you, or by your attorney authorized in writing, or if the Shareholder is a corporation, under corporate seal or by an officer or attorney duly authorized, and deposit such instrument in writing with Computershare at the address specified in the proxy or at the registered office of Keyera at Suite 600, 144 – 4th Avenue S.W., Calgary, Alberta. If you conveyed your voting instructions by telephone or internet, then conveying new instructions will revoke prior instructions.

Instructions can be revoked at any time up to and including 2:00 p.m. (Calgary time) two business days preceding the Meeting, or any adjournment of that Meeting; or by depositing the revoking instrument with the Chair of the Meeting on the day of the Meeting, or any adjournment of that Meeting; or in any other manner permitted by law, including personal attendance at the Meeting, or any adjournment of that Meeting. If an instrument of revocation is deposited with the Chair, it will not be effective with respect to any item of business that has been voted upon prior to the deposit.

For beneficial Shareholders, you must follow the procedures established by your broker/intermediary if you wish to revoke voting instructions that you have given to them. Normally, brokers/intermediaries require written notice of a revocation well in advance of the Meeting. Therefore, if you wish to revoke a proxy or voting instructions that you have given to your broker/intermediary, you should consult the instructions on the voting instruction form and contact your intermediary/broker prior to the Meeting to determine how you can do so.

14) Who counts the votes?

Computershare, as Keyera's transfer agent and registrar, will act as scrutineer at the Meeting and will count the votes.

15) How will my shares be voted if a ballot is called at the Meeting on any of the items of business?

Your shares will be voted as you specified in your proxy. If no such specification is made, then your shares will be voted as follows:

- **FOR the appointment of auditors;**
- **FOR the election of each director;**
- **FOR the Shareholder Rights Plan Resolution; and**
- **FOR the Say on Pay Advisory Resolution.**

16) How many shares are outstanding?

As of the date of this Information Circular, Keyera had 79,417,229 issued and outstanding common shares and, to the best of the knowledge of Keyera and its directors and executive officers, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the issued and outstanding shares.

17) Who can I contact if I have any further questions on voting at the Meeting?

For Beneficial Shareholders, you should contact your broker directly for most questions about procedures for submitting your voting instructions. All Shareholders may also contact Computershare, our transfer agent and registrar, if you have questions:

- By email: service@computershare.com
- By phone: 1-800-564-6253

SCHEDULE "B"
BOARD MANDATE

Introduction

In this Mandate, Keyera and its subsidiaries are collectively referred to as "Keyera".

Primary Responsibility and Authority

The Board of Directors (the "Board") of Keyera is responsible for the stewardship of Keyera by providing effective, independent supervision of the management of Keyera's business and affairs. The Board's responsibility is to foster the long-term success of Keyera by supervising the management of Keyera's business and affairs in a manner that:

a. is intended to advance the collective interests of the owners of Keyera while recognizing that, in order for the enterprise to continue to be able to serve its owners' interests, the collective interests of employees, customers, suppliers, the communities in which Keyera operates and the general public must also be taken into account; and

b. promotes the achievement of Keyera's long-term goals to grow value responsibly in a sustainable manner.

These responsibilities are primarily discharged through Board oversight of Keyera's officers and management who are responsible for the day-to-day conduct of the business. The Board delegates certain of its authority to management, while reserving certain powers to itself, and oversees management's actions and their utilization of the powers delegated to them. The Board fulfils some of its responsibilities by delegation to Board Committees. Each Committee's terms of reference contain the responsibilities that are permanently delegated to that Committee. Any responsibilities that are not specifically delegated to the Chief Executive Officer or a Board committee remain Board responsibilities.

Operations of the Board

The Board is responsible for managing its affairs, including:

a. planning its composition and size;

b. selecting its Chair;

c. seeing that an effective Board is maintained by nominating candidates for election to the Board;

d. establishing Board committees (including committees required by applicable securities requirements and policies), appointing directors to those committees, establishing committee terms of reference and establishing position descriptions for the Committee Chairs;

e. establishing and modifying as necessary the Board's mandate and the position description for the Board Chair;

f. determining director compensation; and

g. assessing the effectiveness of the Board and its committees in fulfilling their responsibilities.

Management and Human Resources

The Board's management and human resources responsibilities are set out below.

1. Appoint the Chief Executive Officer (the "CEO") and provide advice and counsel to the CEO in the execution of his or her duties.

2. Approve terms of reference for the CEO and delegate powers to the CEO in order to permit the effective management of Keyera's business.

3. Evaluate the CEO's performance regularly against agreed written objectives and, with only independent members of the Board present, determine and approve the CEO's compensation level based on this evaluation.

4. Approve certain decisions relating to senior management, including:
   a. the appointment and replacement of senior officers;
   b. senior officers' compensation and benefits; and
   c. employment, consulting, retirement and severance agreements for senior officers and other special arrangements for senior officers.
5. Oversee the establishment and maintenance of succession planning and management development programs for the CEO and the other senior officer positions.
6. Approve certain matters relating to all employees, including:
   a. the annual salary and incentive programs/policies;
   b. new pension and benefit programs or material changes to existing programs;
   c. material changes to retirement plans; and
   d. material benefits granted to retiring employees outside of benefits received under approved retirement and other benefit programs.

Strategy, Planning and Budgeting

The Board's strategic, planning and budgeting responsibilities are set out below.

1. Participate with management in the development of Keyera's strategic plan.
2. Approve annual capital and operating budgets and the business plans within the context of the strategic plan.
3. Approve expenditures, acquisitions and divestitures that are not within the authority delegated to the CEO.
4. Approve the entry into or withdrawal from lines of business that are (or are likely to be) material to Keyera.
5. Approve financial and operating objectives used in determining compensation.
6. Approve mergers and similar arrangements involving unaffiliated parties.
7. Participate with management in monitoring Keyera's progress toward its strategic objectives.

Financial and Corporate Issues

The Board's financial and corporate responsibilities are set out below.

1. Oversee the assessment by management of the integrity and effectiveness of Keyera's internal control and management information systems, including the evaluation and assessment of information provided by management and others (such as internal audit resources and external auditors) about the integrity and effectiveness of Keyera's internal control and management information.
2. Review operating and financial performance relative to budgets and objectives.
3. Approve annual financial statements and quarterly financial results and approve their release.
4. Declare dividends.
5. To the extent not delegated to the CEO, approve financings, changes in authorized capital, issuance and repurchase of shares, issuance of debt securities, listing of shares and other securities, and related prospectuses and trust indentures.
6. Recommend appointment of external auditors and approve auditors' fees.
7. Approve banking resolutions and significant changes in banking relationships.
8. Approve appointments of or material changes in relationships with transfer agents and corporate trustees.

9. Approve significant contracts, transactions, and other arrangements or commitments that are not within the authority delegated to the CEO.
10. Approve the commencement or settlement of litigation that may be expected to have a material impact on Keyera.
11. Oversee the development by management of corporate financial strategy, including:
    a. capital structure management - the maintenance of reasonable financial flexibility and prudence while achieving an appropriate cost of capital; and
    b. dividend policy.

Risk Management

The Board's risk management responsibilities are set out below.

1. Understand the material risks associated with Keyera's business and review the balance between risk and return.
2. Review management's processes to identify the risks associated with Keyera's business and review management's implementation of appropriate systems to manage and mitigate those risks.
3. Oversee Keyera's approach to emergency response planning and emergency preparedness.
4. Review coverage, deductibles and key issues regarding corporate insurance policies.
5. Receive, at least annually, reports from management on matters relating to, among others, ethical conduct, environmental management, and employee health and safety.

Policies and Procedures

The Board's policy and procedures responsibilities are set out below.

1. Oversee the establishment and maintenance by management of a high standard of corporate governance and legal and ethical conduct for Keyera, by:
    a. establishing appropriate policies relating to corporate governance and legal and ethical conduct;
    b. taking reasonable steps to monitor compliance with applicable laws and regulations and Keyera's constitutional documents and policies and procedures;
    c. establishing systems for monitoring legal and ethical performance; and
    d. complying with legal, regulatory and stock exchange requirements.
2. Oversee the establishment and maintenance by management of appropriate environmental, health and safety policies.
3. Review compliance with key policies and procedures.

Compliance Reporting and Corporate Communications

The Board's compliance reporting and corporate communications responsibilities are set out below.

1. Oversee the establishment and maintenance of effective communication processes with Shareholders, the investing public, other stakeholders and financial, regulatory and other institutions and agencies.
2. Approve formal interaction with Shareholders on all items requiring Shareholder approval.
3. Approve the content of Keyera's major communications to Shareholders and the investing public, including information circulars, annual information forms, prospectuses, and significant information contained in documents incorporated by reference in prospectuses.
4. Take reasonable steps to oversee the accurate and fair reporting of the financial performance to Shareholders, the investing public, other security holders and regulators on a timely and regular basis.

5. Oversee the establishment and maintenance of effective processes for timely reporting of other material developments or changes.
6. To the extent Keyera is engaged in oil and gas activities (as defined in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101")), oversee Keyera's compliance with NI 51-101, including receiving periodic reports from the committee responsible for reserves and approving any reports required to be publicly filed.

Independent Advisors

The Board and its committees have the right at any time to retain independent legal, financial or other advisors to advise the board independently on any matter. The Board shall have the sole authority (subject to its power to specifically delegate this power to a Committee or others as the Board considers reasonable) to retain and terminate such consultants or advisors, including sole authority to approve an advisor's fees and other retention terms.