KEYERA CORP.

Notice of Meeting and Information Circular

in respect of the

ANNUAL MEETING OF SHAREHOLDERS

to be held on May 8, 2018

Dated March 23, 2018

YOUR VOTE IS VERY IMPORTANT!

WE ENCOURAGE YOU TO VOTE AS EARLY AS POSSIBLE SO THAT YOUR SHARES WILL BE REPRESENTED AT THE MEETING. PLEASE COMPLETE, SIGN AND RETURN YOUR PROXY OR VOTING INSTRUCTION FORM TO VOTE YOUR SHARES.

YOU WILL FIND DETAILED VOTING INSTRUCTIONS FOR REGISTERED AND NONREGISTERED SHAREHOLDERS IN SCHEDULE "A" TO THIS INFORMATION CIRCULAR

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MESSAGE FROM THE CEO

March 23, 2018

Dear Fellow Shareholders:

It is an exciting year at Keyera as we are celebrating our 20th anniversary as an independent midstream organization. Looking back over the years, I can say that we have always taken a long-term view of our business. This is true of how we approach our financial performance and our capital investments, as well as how we build and manage relationships with our stakeholders, including our employees, customers, shareholders, neighbours and the communities we call home.

We are very proud of our track record and know it provides us with a strong foundation upon which to pursue our vision of being the North American leader in delivering midstream energy solutions. We also recognize we cannot rest on past performance for future success. As we continue to execute our business strategy, we know the importance of anticipating trends and opportunities, being responsive to the expectations and priorities of our stakeholders, effectively deploying capital, and delivering safe, efficient and cost-effective services.

I believe the collaboration, creativity and customer service that our team consistently demonstrates is unmatched in our industry. I would like to thank everyone at Keyera for their commitment to our vision and the contributions they have made to our successes.

On behalf of my fellow Board members and our officer team, I welcome you to participate in our upcoming annual general meeting scheduled for **May 8, 2018 at 2:00 p.m. in Calgary at the Sun Life Plaza Conference Centre** (Plus 15 level, 144 – 4th Avenue S.W.). Detailed information about how you can cast your vote are included in the attached information circular. We encourage you to participate in the meeting, either in person or by proxy.

Following the meeting we will continue our tradition of presenting a brief business update along with a question and answer session. You are also welcome to join us for a reception where you will have the opportunity to engage in informal discussions with our Directors and our management team, and enjoy some light refreshments. We value your input and welcome this opportunity.

Sincerely,

(signed) ***"David G. Smith"***
David G. Smith
President and Chief Executive Officer

MESSAGE FROM THE BOARD OF DIRECTORS

March 23, 2018

Dear Fellow Shareholders:

As Keyera marks its 20^{th} year as an independent business, it is our pleasure to welcome you, on behalf of the entire Board of Directors, to our 2018 annual general meeting to be held in Calgary on May 8, 2018.

Reflecting on the past year, three key themes emerge: strategy , stewardship and sustainability.

Strategy

Keyera's business strategy emphasizes four main platforms for growing shareholder value:

- leveraging our existing assets,
- building a stronger foothold in the Montney and Duvernay geological zones in northwestern Alberta, which are among the most economic plays in North America,
- continuing to build our strategic presence in liquids hubs in North America, and
- pursuing opportunities to expand and integrate our value chains.

Integral to these value platforms are Keyera's investments in leadership, operational excellence, asset and margin optimization, technology and community. As a Board, our responsibility is to act in the best interests of Keyera and in so doing, we take a holistic, long-term view of our business.

Stewardship

In the two decades since Keyera was originally formed, the pace of change has been remarkable: technology has revolutionized everything from the way we communicate to the way we develop oil and gas; the geo-political landscape continues to be re-drawn; the fundamentals in most industries have shifted; and public opinions on governance, environmental and social priorities are redefining expectations of businesses around the world. Through this time, Keyera's culture, which blends prudent risk management with creative business spirit, has been an enduring source of strength and stability.

We recognize the value of Keyera's cultural characteristics and the role Keyera's culture has played in navigating the tides of change. As a Board, we are committed to providing leadership that supports this culture and contributing to the effective stewardship of Keyera's overall performance, including the financial, operational, environmental, governance and social aspects of our business.

Sustainability

Both our strategy and our commitment to effective stewardship can be tied back to principles of sustainability: a sustainable business model, sustainable financial performance and sustainable operational, environmental, social and governance performance. The Board understands the dynamics in which we operate and the long-term value creation opportunities that Keyera brings to its stakeholders.

We look forward to seeing you at the annual general meeting as we continue the conversation and also say goodbye to one of our long-serving directors, Nancy Laird. Nancy has been a valuable member of the Board since 2003 and we are going to miss her contribution.

On behalf of the Board of Directors, thank you for your continued support.

Sincerely,

(signed) "*James Bertram*"	**(signed) "*Douglas Haughey*"**
James Bertram Chair	Douglas Haughey Independent Lead Director

KEYERA CORP.
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

DATE:	**May 8, 2018**
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, 2017 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, in an advisory, non-binding capacity, Keyera Corp.'s approach to executive compensation; and
5. 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 23, 2018 (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 22, 2018** 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 23rd day of March 2018.

KEYERA CORP.

(signed) "*Suzanne Hathaway*"
Senior 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, 2017. These financial statements have been audited by Deloitte LLP, Chartered Professional 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 Chartered Professional Accountants of Alberta and has served as auditors of Keyera since its formation on April 3, 2003.

Principal Accountant Fees and Services

In 2016 and 2017, fees billed for audit, audit-related, tax and other services provided to Keyera by Deloitte LLP were as follows:

Year Ended December 31	2016	2017
Audit Fees[1]	$530,971	$520,047
Audit Related Fees[2]	$106,492	$104,047
Tax Fees[3]	$0	$0
All Other Fees[4]	$0	$95,768
Total	**$637,463**	**$719,862**

Notes:

(1) Audit Fees: Fees for the annual audit and quarterly review of Keyera financial statements and for audit services related to ongoing regulatory filings.

(2) Audit Related Fees: Fees for review and translation services related to non-routine regulatory filings such as prospectuses.

(3) Tax Fees: Fees for advice and assistance in preparing transfer pricing documentation for Keyera’s U.S. subsidiary and advice related to income tax and commodity taxes.

(4) All 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, 2017 that were required to be pre-approved were pre-approved in accordance with the policies and Terms of Reference of the Audit Committee.

The results of the 2017 vote on the appointment of auditors was as follows:

Votes For	Percent	Votes Withheld	Percent
103,592,418	99.23%	801,228	0.77%

Voting Recommendation: **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, our Board of Directors (also referred to as our "Board") must consist of a minimum of three directors and a maximum of twelve directors. At this time, Keyera has determined that ten is the appropriate number of directors and has put forward the following ten nominees: James Bertram, Douglas Haughey, Gianna Manes, Donald Nelson, Michael Norris, Thomas O'Connor, Charlene Ripley, David Smith, William Stedman and Janet Woodruff. 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.

Director Nominees at a Glance:

	Bertram	Haughey	Manes(2)	Nelson	Norris	O'Connor	Ripley	Smith	Stedman	Woodruff
Date first Appointed	2003(1)	2013	2017	2008	2013	2014	2017	2015	2003	2015
Citizenship	Canada	Canada	USA	Canada	Canada	USA	Canada	Canada	Canada	Canada
Board Interlocks	None	None	None	None	None	None	None	None	None	None
Independent	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Age (as of the date hereof)	61	61	53	69	65	62	53	60	66	61
Gender	Male	Male	Female	Male	Male	Male	Female	Male	Male	Female
Audit Committee					Chair	Member				Member
Compensation and Governance Committee		Member		Member					Chair	
Health, Safety Environment Committee			Member	Chair			Member		Member	
2017 Board and Committee Attendance Record	100%	100%	80%	100%	100%	100%	100%	100%	100%	100%
Other	Chair of the Board	Ind. Lead Director						President & CEO		

Notes:

(1) From 2003 to January 1, 2015 Mr. Bertram was also CEO and from January 1, 2015 to June 1, 2016 he was Executive Chair. He retired as an officer effective June 1, 2016.

(2) Ms. Manes is a United States citizen and is a permanent resident in Canada. She was unable to attend one out of the four Board meetings that were held following her election to the Board in May 2017 due to unanticipated events. She did attend the May 2017 Board meeting as a guest immediately prior to her election.

For full information about each of the nominees, including a summary of their experience, please refer to the section below titled "Director Nominees". Additional information about our existing directors is also included in our Annual Information Form which is available on our website at www.keyera.com and was filed on February 15, 2018 on SEDAR at www.sedar.com

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. 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 the 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.

The results of the 2017 advisory vote on executive compensation were as follows:

Votes For	Percent	Votes Against	Percent
101,833,752	98.52%	1,532,870	1.48%

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 NOMINEES

The following table identifies all persons 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. All of the proposed directors are financially literate.

Nominee	Brief Biography
 **James Bertram** Not Independent Director Since 2003 Age: 61	Mr. Bertram has been a director since March 28, 2003 and a non-executive director since January 1, 2015. He held the role of Executive Chair from January 1, 2015 until June 1, 2016. Prior to that, Mr. Bertram was the Chief Executive Officer of Keyera since its inception in 1998. He 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.

Board/Committee Membership	Attendance	
Chair, Board of Directors	7 out of 7	100%

Key Areas of Expertise[1]
• Oil, Gas and Midstream • Marketing • Corporate Responsibility • Risk Management

Shares and Deferred Share Units Beneficially Owned or Controlled[2]	March 1, 2018	March 1, 2017
Shares	919,400	854,104
DSU	Nil	Nil

Residency	2017 Voting Results
Calgary, Alberta, Canada	Votes For: 102,274,735 (98.94%) Votes Withheld: 1,091,887 (1.06%)

Nominee	Brief Biography
 **Douglas Haughey** Independent Director since 2013 Age: 61	Mr. Haughey has been a director since May 7, 2013 and was appointed Independent Lead Director on January 1, 2015. 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 the 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 chair of Fortis Inc. and chaired its wholly owned subsidiary Fortis Alberta Inc. He has an ICD.D designation from the Institute of Corporate Directors.

Board/Committee Membership	Attendance	
Independent Lead Director, Board of Directors	7 out of 7	100%
Compensation and Governance Committee	4 out of 4	100%

Key Areas of Expertise[1]
• Oil, Gas and Midstream • Marketing • Governance • Financial Acumen

Shares and Deferred Share Units Beneficially Owned or Controlled[2]	March 1, 2018	March 1, 2017
Shares	11,140	11,140
DSU	6,387	3,318

Residency	2017 Voting Results
Calgary, Alberta, Canada	Votes For: 103,295,06 (99.93%) Votes Withheld: 71,555 (0.07%)

Nominee	Brief Biography
 **Gianna Manes** Independent Director since 2017 Age: 53	Ms. Manes has been a director since 2017. Ms. Manes has been the President and CEO of ENMAX Corporation since 2012 and has 30 years of experience in the energy sector. Prior to joining ENMAX, she held a number of executive positions with Duke Energy, a large North American power company based in Charlotte, North Carolina, including Senior Vice President and Chief Customer Officer from 2008 to 2012. Ms. Manes has an ICD.D designation from the Institute of Corporate Directors.

Board/Committee Membership	Attendance	
Board of Directors	3 out of 4	75%
Health, Safety and Environment Committee[3]	1 out of 1	100%

Key Areas of Expertise[1]	
• Oil, Gas and Midstream	• Risk Management
• Governance	• Compensation and Human Resources

Shares and Deferred Share Units Beneficially Owned or Controlled[2]	March 1, 2018	March 1, 2017
Shares	Nil	Nil
DSU	2,929	Nil

Residency	2017 Voting Results	
Calgary, Alberta, Canada	Votes For:	103,315,746 (99.95%)
	Votes Withheld:	50,876 (0.05%)

Nominee	Brief Biography
 **Donald Nelson** Independent Director since 2008 Age: 69	Mr. Nelson has been a director since May 14, 2008. Mr. Nelson is a professional engineer with over 40 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 also a director of Perpetual Energy Inc.

Board/Committee Membership	Attendance	
Board of Directors	7 out of 7	100%
Chair, Health, Safety and Environment Committee	3 out of 3	100%
Compensation and Governance Committee	4 out of 4	100%

Key Areas of Expertise[1]	
• Oil, Gas and Midstream	• Governance
• Corporate Responsibility	• Compensation and Human Resources

Shares and Deferred Share Units Beneficially Owned or Controlled[2]	March 1, 2018	March 1, 2017
Shares	80,780	77,885
DSU	Nil	Nil

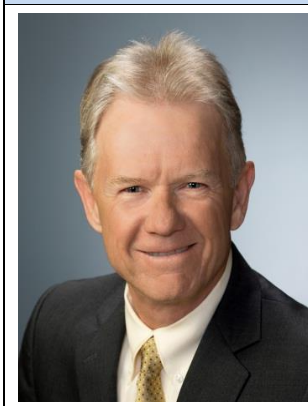
Residency	2017 Voting Results	
Calgary, Alberta, Canada	Votes For:	103,296,890 (99.93%)
	Votes Withheld:	69,732 (0.07%)

Nominee	Brief Biography
	Mr. Norris has been a director since May 7, 2013. Mr. Norris 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. Prior to RBC, Mr. Norris held roles at Mobil Oil and Gulf Canada Resources. Mr. Norris also sits on the Board of Cara Operations Limited.
Michael Norris Independent Director since 2013 Age: 65	

Board/Committee Membership	Attendance	
Board of Directors	7 out of 7	100%
Chair, Audit Committee	4 out of 4	100%

Key Areas of Expertise[1]	Shares and Deferred Share Units Beneficially Owned or Controlled[2]		
		March 1, 2018	March 1, 2017
• Accounting and Audit • Risk Management	Shares	7,370	7,059
• Financial Acumen • Governance	DSU	10,531	5,015

Residency	2017 Voting Results
Toronto, Ontario, Canada	Votes For: 103,332,210 (99.97%) Votes Withheld: 34,412 (0.04%)

Nominee	Brief Biography
	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 boards of 8point3 Energy Partners LP and New Jersey Resources.
Thomas O`Connor Independent Director since 2014 Age: 62	

Board/Committee Membership	Attendance	
Board of Directors	7 out of 7	100%
Audit Committee	4 out of 4	100%

Key Areas of Expertise[1]	Shares and Deferred Share Units Beneficially Owned or Controlled[2]		
		March 1, 2018	March 1, 2017
• Oil, Gas and Midstream • Governance	Shares	8,500	8,500
• Financial Acumen • Risk Management	DSU	5,347	2,546

Residency	2017 Voting Results
Evergreen, Colorado, USA	Votes For: 103,214,989 (98.85%) Votes Withheld: 151,633 (0.15%)

Nominee	Brief Biography
	Ms. Ripley has been a director since 2017 and is the Executive Vice President, General Counsel at Goldcorp. Prior to Goldcorp, Ms. Ripley served as Senior Vice President and General Counsel at Linn Energy (Houston) and as Vice President General Counsel, Corporate Secretary and Chief Compliance Officer at Anadarko Petroleum Corporation (Houston). Ms. Ripley is a member of the Law Society of British Columbia, the Law Society of Alberta, Texas State Bar and Canadian Bar Association.
Charlene Ripley Independent Director since 2017 Age: 53	

Board/Committee Membership	Attendance	
Board of Directors	4 out of 4	100%
Health, Safety and Environment Committee[3]	1 out of 1	100%

Key Areas of Expertise[1]	Shares and Deferred Share Units Beneficially Owned or Controlled[2]		
		March 1, 2018	March 1, 2017
• Oil, Gas and Midstream • Risk Management	Shares	Nil	Nil
• Compensation and Human Resources • Legal/Regulatory	DSU	2,617	Nil

Residency	2017 Voting Results
Vancouver, British Columbia, Canada	Votes For: N/A Votes Withheld: N/A

Nominee	Brief Biography
 **David Smith** Not Independent Director since 2015 Age: 60	Mr. Smith is the President and Chief Executive Officer of Keyera Corp. and has been a director since January 1, 2015. Mr. Smith has more than 35 years of experience in the energy industry in Canada and has held senior executive roles with Keyera and its predecessors since the company's inception in 1998. Mr. Smith is also a director of Crew Energy Inc. He has an ICD.D designation from the Institute of Corporate Directors.

Board/Committee Membership	Attendance	
Board of Directors	7 out of 7	100%

Key Areas of Expertise[1]	
• Oil, Gas and Midstream	• Risk Management
• Financial Acumen	• Marketing

Shares and Deferred Share Units Beneficially Owned or Controlled[2]	March 1, 2018	March 1, 2017
Shares	577,341	521,504
DSU	Nil	Nil

Residency	2017 Voting Results
Calgary, Alberta, Canada	Votes For: 102,955,855 (99.60%) Votes Withheld: 410,767 (0.40%)

Nominee	Brief Biography
 **William Stedman** Independent Director Since 2003 Age: 66	Mr. Stedman has been a director since April 2, 2003. From 2001 to 2014, Mr. Stedman was Chairman and Chief Executive Officer of ENTx Capital Corporation, a private holding company specializing in the electric power industry. In March 2018 he was also appointed interim CEO of Tundra Energy Marketing Ltd., a private energy company. Previously, he was President and Chief Executive officer of Pembina Pipeline Corporation, the operating company of Pembina Pipeline Income Fund.

Board/Committee Membership	Attendance	
Board of Directors	7 out of 7	100%
Health, Safety and Environment Committee	3 out of 3	100%
Chair, Compensation and Governance Committee	4 out of 4	100%

Key Areas of Expertise[1]	
• Corporate Responsibility	• Oil, Gas and Midstream
• Governance	• Compensation and Human Resources

Shares and Deferred Share Units Beneficially Owned or Controlled[2]	March 1, 2018	March 1, 2017
Shares	114,184	114,184
DSU	10,531	5,015

Residency	2017 Voting Results
Calgary, Alberta, Canada	Votes For: 102,638,591 (99.30%) Votes Withheld: 728,031 (0.70%)

<table>
<tr><th>Nominee</th><th colspan="4">Brief Biography</th></tr>
<tr><td rowspan="8">
Janet Woodruff
Independent
Director Since 2015
Age: 61</td><td colspan="4">Ms. Woodruff has been a director since June 9, 2015. She is a corporate director with over 30 years of experience in the energy, transportation and health sectors, including her most recent role as acting Chief Executive Officer of Transportation Investment Corporation. Previously, Ms. Woodruff held executive roles at BC Hydro, B.C. Transmission Corporation, Vancouver Coastal Health and Westcoast Energy. She is a director of Altus Group Limited and Ballard Power Systems, plus she sits on the boards of Fortis BC Inc. and Fortis BC Energy Inc. (both of which are wholly owned by Fortis Inc., but which have public debt securities outstanding) and Capstone Infrastructure Corporation (a wholly owned subsidiary of Irving Infrastructure Corp., but which has preferred shares which are publicly traded on the TSX). Ms. Woodruff holds the ICD.D designation from the Institute of Corporate Directors and is a Fellow Chartered Professional Accountant of British Columbia.</td></tr>
<tr><td>Board/Committee Membership</td><td colspan="3">Attendance</td></tr>
<tr><td>Board of Directors
Health Safety and Environment Committee
Audit Committee</td><td colspan="2">7 out of 7
2 out of 2
2 out of 2</td><td>100%
100%
100%</td></tr>
<tr><td>Key Areas of Expertise[1]</td><td colspan="3">Shares and Deferred Share Units Beneficially Owned or Controlled[2]</td></tr>
<tr><td rowspan="2">• Accounting and Audit
• Marketing
• Financial Acumen
• Corporate Responsibility</td><td></td><td>March 1, 2018</td><td>March 1, 2017</td></tr>
<tr><td>Shares
DSU</td><td>553
5,347</td><td>536
2,546</td></tr>
<tr><td>Residency</td><td colspan="3">2017 Voting Results</td></tr>
<tr><td>West Vancouver, British Columbia, Canada</td><td colspan="3">Votes For: 103,321,418 (99.96%)
Votes Withheld: 45,204 (0.04%)</td></tr>
</table>

Notes:

(1) The "key areas of expertise" reflect the four areas that each director has identified from Keyera's skills matrix that reflect the primary skills they bring to the Board in addition to the category of "Leadership and Strategic Thinking". See "Report on Governance" for further information.

(2) For any directors who participate in the Premium Dividend and Dividend Reinvestment Plan™, each total does not include shares that may have been acquired under that Plan in 2018, as those shares are typically tabulated and reported annually in the first quarter of the following year. DSUs reported for 2018 include DSUs credited to each participating director in the first quarter in connection with the payment of dividends.

(3) Committee Composition was adjusted effective after the second quarter. Ms. Manes and Ms. Ripley were appointed to the Health, Safety and Environment Committee effective with the third quarter. Ms. Woodruff came off the Health, Safety and Environment Committee and was appointed to the Audit Committee at the same time.

Independence and Interlocking Directorships: All of the nominees other than Messrs. Bertram and Smith are independent. Mr. Bertram was Keyera's Chief Executive Officer until 2015 and served as Executive Chair from January 1, 2015 to June 1, 2016 and is therefore not independent. Mr. Smith is the President and Chief Executive Officer of Keyera and is therefore 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 or instituted 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. Further, 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, 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.

DIRECTOR COMPENSATION

Highlights:

- Non-employee directors receive an annual retainer
- Non-employee directors do not participate in Keyera's incentive compensation plans and do not receive a pension
- Directors do not receive any bonus or incentive payments when they join the Board
- Keyera does not grant stock options
- Directors are subject to Keyera's anti-hedging guidelines
- Directors are required to own shares equal to at least 3x their base annual retainer within five years of joining the Board
- At least 60% of total annual retainer is to be paid in Deferred Share Units for non-employee directors who have not met share ownership guidelines

How We Compensate Non-Employee Directors

Keyera believes in a compensation structure that is effective and transparent. Keyera's non-employee director compensation program is designed to attract and retain qualified people to serve as directors. Our compensation structure is based on flat fees for each role, rather than individual meeting fees. The fees are paid in quarterly instalments, in arrears, and are pro-rated from the date of the director's appointment to the Board or particular Committee. Keyera's non-employee directors do not participate in any of Keyera's short or long term incentive plans and do not receive a pension. They are entitled to be reimbursed for out of pocket expenses incurred to attend Keyera Board and Committee meetings.

The compensation payable to each non-employee director in 2017 was calculated based on the following schedule of fees:

Description	Amount
Base annual retainer for each director	$150,000
Annual retainer for the Chair of the Board	$115,000
Annual retainer for the Independent Lead Director	$50,000
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 two hours taken by a director to attend a board or committee meeting	$750 (per flight, up to a maximum of $1,500 per meeting)
"Extraordinary" meeting fees – If, in the opinion of the Chair, in consultation with the Independent Lead Director, 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)

The following table[1] sets out the gross fees earned by each of our non-employee directors in 2017 based on the approved schedule of fees set out above. As Mr. Smith is the President and CEO of Keyera, he does not receive any director fees.

Name	Base Annual Retainer ($)	Board Chair Independent Lead Director Annual Retainer ($)	Committee Chair Annual Retainer ($)	Committee Member Annual Retainer ($)	Travel Fees ($)	Extra-ordinary Meeting Fees ($)	Total Compen-sation excluding Travel Fees ($)
James Bertram	150,000	115,000				Nil	265,000
Douglas Haughey	150,000	50,000		15,000		Nil	215,000
Nancy Laird[2]	150,000			22,500		Nil	172,500
Gianna Manes[3]	100,000			7,500		Nil	107,500
Donald Nelson	150,000		30,000	15,000		Nil	195,000
Michael Norris	150,000		45,000		7,500	Nil	195,000
Tom O'Connor	150,000			15,000	7,500	Nil	165,000
Charlene Ripley[4]	87,500			7,500		Nil	95,000
William Stedman	150,000		30,000	15,000		Nil	195,000
Janet Woodruff	150,000			15,000		Nil	165,000

Notes:

(1) Because Keyera's non-employee directors do not participate in any of Keyera's short or long term incentive plans and do not receive a pension or other reportable perquisites, the columns dealing with such forms of compensation (as prescribed by Form 51-102F6) have been deleted. The additional information in the table is intended to provide readers with a more precise and relevant breakdown of the compensation paid to Keyera's non-employee directors in 2017. As described below, Directors may elect to receive a portion of their retainer in Deferred Share Units

(2) Ms. Laird ceased to be a member of the Health, Safety and Environment Committee effective as of the third quarter of 2017. She is not standing for reelection in 2018.

(3) Ms. Manes was elected to the Board in May 2017 and was appointed as a member of the Health, Safety and Environment Committee effective as of the third quarter of 2017.

(4) Ms. Ripley was appointed to the Board in June 2017 and was appointed as a member of the Health, Safety and Environment Committee effective as of the third quarter of 2017.

Compensation Program Review: The Compensation and Governance Committee considers the director compensation program annually, but typically does not carry out a detailed review or adjust compensation annually. When the Committee determines that a detailed review is warranted, it engages the assistance of an outside consultant. These detailed reviews will generally include a discussion of the structure of the program and the fees paid, including benchmarking to a peer group of publicly traded companies. The Compensation and Governance Committee completed a comprehensive review of director compensation in 2017. This review resulted in fees being maintained at current levels.

Equity Compensation: Since 2016, non-employee directors have had the ability to elect to receive all or a portion of their annual retainer in the form of deferred share units ("**DSUs**") pursuant to Keyera's Deferred Share Unit Plan ("**DSUP**") that was adopted in late 2015. DSUs are phantom share units that track the price of shares, receive additional DSUs when dividends are paid on shares and have no voting rights. DSUs are valued using the twenty (20) day weighted average trading price for the shares immediately prior to the quarterly grant date (or dividend payment date as the case may be). DSUs are delivered quarterly in arrears, which is consistent with the timing for payment of cash fees. DSUs vest and are settled in cash immediately after the director ceases to hold office.

Alignment with Shareholder Interests: Share Ownership Guidelines for Directors

We have adopted share ownership guidelines for our directors. In keeping with these guidelines, our non-employee directors are expected to hold shares with a value of at least three (3) times their Base Annual Retainer and are expected to reach this ownership level within five years of joining the Board of Directors. Directors who are also officers are subject to share ownership guidelines associated with their management position. (See "Compensation Discussion and Analysis – Share Ownership Guidelines for Officers).

DSUs are considered the equivalent of common shares for the purposes of the director share ownership guidelines. Directors who have not attained the required share ownership threshold are required to receive at least 60% of their total Annual Retainer (including the Base Annual Retainer and any Committee Annual Retainers) in DSUs. Directors are also subject to Keyera's hedging guidelines. (See Compensation Discussion and Analysis – Hedging Guidelines). The following table sets out the share ownership levels of each non-employee director as of March 1, 2018.

Name	Number of Shares Beneficially Owned or Controlled(1)	Number of DSUs(2)	Total Value of Shares and DSUs(3) ($)	Value of Shares and DSUs as a Multiple of 2017 Base Annual Retainer(4)	Compliance with Share Ownership Guidelines	2017 DSU Election (as a percent of total Annual Retainer)
James Bertram	919,400	Nil	31,213,630	208 times	Meets	0%
Douglas Haughey	11,140	6,387	595,042	4 times	Meets	60%
Nancy Laird	55,122	2,854	1,968,285	13 times	Meets	30%
Gianna Manes	Nil	2,929	99,440	<1 times	Must meet by May 9, 2022	100%
Donald Nelson	80,780	Nil	2,742,481	18 times	Meets	0%
Michael Norris	7,370	10,531	607,739	4 times	Meets	100%
Thomas O'Connor	8,500	5,347	470,106	3 times	Meets	50%
Charlene Ripley	Nil	2,617	88,847	<1 times	Must meet by June 13, 2022	100%
William Stedman	114,184	10,531	4,234,074	28 times	Meets	100%
Janet Woodruff(4)	553	5,347	200,305	1 times	Must meet by June 9, 2020	60%

Notes:

(1) Number of shares beneficially owned or controlled as of March 1, 2018 (excluding shares acquired pursuant to the Premium Dividend™ and Dividend Reinvestment Plan to date in 2018 for those directors who are enrolled in that plan as shares received through that plan are typically reported in summary form following the end of the year in which they are acquired).

(2) The number of DSUs has been rounded to the nearest whole number and includes DSUs credited to each director in the first quarter of 2018 in connection with the payment of dividends.

(3) In accordance with Keyera's Share Ownership Guidelines, the value of the securities is based on the 30 day average closing price of shares up to and including March 1, 2018 which was $33.95 per share.

(4) The multiples in this column are arrived at by dividing the value of shares by $150,000, which is the amount of the 2017 base annual retainer (rounded to the nearest whole number).

(5) Ms. Woodruff joined the Board on June 9, 2015. Ms. Manes joined the Board on May 9, 2017. Ms. Ripley joined the Board on June 13, 2017.

REPORT ON GOVERNANCE

Keyera believes that sound governance is fundamental to the success of our business and to building stakeholder confidence. Our governance practices are designed to align the interests of the Board and management with those of our shareholders, to promote a culture or integrity and ethical behaviour and to facilitate effective risk management. The table below indicates where you can find more information about the key elements of our governance practices.

Element	Highlights	Section Page #
Board Mandate	The Board's role is one of overall stewardship and oversight of Keyera's strategic direction .	16, 82
Code of Conduct	We have high standards of integrity and ethical behaviour for directors, management and employees.	34
Board Independence	9/11 directors (and 8/10 director nominees) are independent.	7, 24
Board Committee Independence	Each Committee is composed entirely of independent directors.	7, 17, 24
Independent Lead Director	Douglas Haughey is Keyera's Independent Lead Director.	7, 24
Director Attendance	All directors had perfect attendance at Committee meetings in 2017 and we had a 99% attendance rate at Board meetings.	7, 19
Director Orientation and Education	We have established director orientation processes, as well as ongoing education programs.	31
Board Skills Matrix	As part of our Board succession planning and nomination processes, individual competencies and experience are tracked.	26
Board and Executive Diversity	Our Board Renewal Policy includes a written policy on diversity. We have made progressive advancement in achieving the objectives of this policy, with 3 of our 10 director nominees being women.	26
Board Tenure	Our Board Renewal Policy includes guidelines with respect to years of service and age in considering nominees for election.	26
Majority Voting Policy	Director nominees in uncontested elections who do not receive majority approval must tender their resignation.	30
Board and Director Assessments	We have formal assessment processes, including written and interview components.	29
Director Compensation	Board compensation is simple and transparent. It is designed to recruit experienced, focused and talented directors and to align their interests with those of our shareholders.	12
Share Ownership Guidelines	Keyera has share ownership requirements in place. Collectively, our non-employee director nominees have more than $40 million invested in Keyera.	14
Say on Pay	We hold an annual advisory vote on executive compensation.	6
Risk Oversight	Our Board and each Committee have specific risk oversight responsibilities. An overall review of all enterprise risks is completed annually.	16, 17, 32
Shareholder Engagement	In addition to our comprehensive investor relations and communications program, shareholders may contact our Board through our investor relations email and our Board will meet with shareholders as appropriate.	34

Our Board of Directors

Keyera's Board of Directors is responsible for providing effective, independent supervision of Keyera's business and operations. Our Board is committed to advancing the interests of our shareholders. This includes contributing to Keyera's long-term goals of growing value in a responsible and sustainable manner and promoting a culture of safety, integrity and responsibility. The following table summarizes some of the key responsibilities and the activities that our Board undertakes in fulfilling its mandate.

Responsibility	Activities
Board Structure and Operations	• Planning Board and committee composition and size and terms of reference • Ensuring effective independent leadership through the appointment of an Independent Lead Director and independent committee chairs • Approving director compensation • Assessing Board effectiveness • Establishing appropriate structures and procedures to allow the board to function effectively and independently of management
Governance and Policies	• Providing leadership with respect to high standards of corporate governance and ethical conduct • Monitoring best practices in governance and adapting those practices for Keyera • Overseeing compliance with key policies, procedures and legal requirements • Supporting environmental, health and safety objectives
Management and Human Resources	• Overseeing succession planning processes for the CEO and management team • Annually reviewing the mandate and performance of the CEO • Evaluating and approving compensation of the CEO and management team in a manner consistent with Keyera's compensation philosophy • Receiving updates on employee retention, engagement, attrition, demographics and diversity • Receiving reports on Keyera's strategies and programs for leadership development • Engaging independent experts
Strategic Planning and Budgeting	• Overseeing Keyera's strategic direction, the formulation of our plans and priorities and ensuring appropriate risk analysis is integrated into strategic decision-making • Integrating Keyera's strategic vision into the Board's decision making processes in light of the opportunities and risks of the businesses • Approving Keyera's annual capital and operating budgets, major acquisitions and dispositions, and other business opportunities outside the authority delegated to management • Reviewing results of our business and operational performance and monitoring strategic initiatives
Financial and Corporate	• Approving our financing strategy, including debt and equity issuances • Overseeing the integrity and effectiveness of our internal controls, management information systems and disclosure controls • Approving significant contracts and transactions • Overseeing compliance with applicable audit, accounting and reporting requirements
Risk Management	• Understanding the material risks associated with our business and integrating appropriate risk assessment into decision making and analysis • Overseeing management's risk management processes and mitigation strategies, including receiving regular reports from management and updates from each committee with respect to the risk areas for which they are responsible (including each committee's annual review of our risk matrices) • Receiving updates on key risk areas
Compliance Reporting and Corporate Communications	• Contributing to effective communication processes with shareholders and other key stakeholders • Approving our major communications to shareholders • Overseeing fair, accurate and timely reporting of financial performance, as well as reporting of other material developments

Our Board Committees

Our Board has established three committees to assist it in fulfilling its mandate: an Audit Committee; a Compensation and Governance Committee; and a Health, Safety and Environment Committee.

Overview of our Committee Structure

We have adopted terms of reference for each committee and position descriptions for committee chairs. 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 and Independent Lead Director with respect to the effectiveness, performance, composition and mandate of their committee.

The Chair of the Compensation and Governance Committee has an additional role in consulting from time to time with the Chair and the Independent Lead Director with respect to Board effectiveness and the composition, mandate and terms of reference for each of the committees.

Written terms of reference and position descriptions are reviewed at least annually and are updated as needed. The full text of the terms of reference for each committee is available on the Keyera website at www.keyera.com. All committees have the ability to retain independent expert advice whenever they determine it would be appropriate.

Committee Membership

The Board of Directors has established membership criteria for each committee. This criteria is utilized in reviewing committee composition and appointing directors to serve on committees. The following table summarizes membership criteria for each committee. (See the biographies under "Matters to Be Acted Upon - Election to the Board of Directors" and the "Report on Governance – How we Maintain the Right Mix of Skills and Competencies" for additional information).

Committee	Membership Criteria	Description of Committee Membership Criteria	Assessment
Audit Committee • **Michael Norris (Chair)** • **Thomas O'Connor** • **Nancy Laird** • **Janet Woodruff**	Financial Literacy	• The Board considers the ability of each member to read a set of financial statements of a breadth and complexity similar to that of Keyera's financial statements.	Criteria Met
	Independence	• The Board assesses independence based on the criteria articulated in NI 52-110. • Members must not receive, directly or indirectly, any compensation from Keyera other than for services carried out as a director of Keyera. • Members must not have any direct or indirect relationship with the external auditors of Keyera.	Criteria Met
	Experience	• The Board looks for a combination of education, background and senior management or director level experience in the following areas: (i) financial accounting and reporting; (ii) internal financial controls; (iii) financial risk management and commodity markets; (iv) auditing, evaluating or analyzing financial statements; and (v) corporate finance, especially with respect to debt and equity markets.	Criteria Met

Committee	Membership Criteria	Description of Committee Membership Criteria	Assessment
Compensation and Governance Committee • **William Stedman (Chair)** • **Douglas Haughey** • **Donald Nelson**	Human Resources Literacy	• The Board considers whether each member has a thorough understanding of compensation theory and practice, people development and management, succession planning and executive development. • Factors considered in assessing human resources literacy include: (i) current or prior experience working as a senior officer of one or more major organizations; (ii) involvement on board compensation committees of other entities; and/or (iii) experience or education related to financial accounting and reporting and familiarity with internal financial controls (particularly as relates to compensation programs).	Criteria Met
	Financial Literacy	• The Board considers the ability of each member to read a set of financial statements of a breadth and complexity similar to that of Keyera's financial statements.	Criteria Met
	Independence	• The Board utilizes the criteria identified in NI 52-110 and NI 58-101 to assess independence. • Members must not receive, directly or indirectly, any compensation from Keyera other than for services carried out as a director of Keyera. • Members must not have any direct or indirect relationship with the external auditor. Members should not have any direct or indirect relationship with the compensation consultants of Keyera.	Criteria Met
	Not an Active CEO	• The Board does not appoint active Chief Executive Officers of any publicly-traded entity to the Committee.	Criteria Met
	Experience	• The Board looks for a combination of education, background and senior management or director level experience in the following areas: (i) benefit, pension and compensation design (with an emphasis on executive compensation); (ii) talent development, retention strategies and succession planning; (iii) corporate governance practices and disclosure requirements; (iv) financial accounting and reporting criteria and controls (particularly as relates to compensation plans); and (v) compensation risk management.	Criteria Met
Health, Safety and Environment Committee • **Donald Nelson (Chair)** • **William Stedman** • **Gianna Manes** • **Charlene Ripley**	Independence	• The Board utilizes the criteria identified in NI 52-110 and NI 58-101 to assess independence. • Members must not receive, directly or indirectly, any compensation from Keyera other than for services carried out as a director of Keyera. • Members must not have any direct or indirect relationship with the external auditor. Members should not have any direct or indirect relationship with the consultant engaged to prepare the independent reserves report.	Criteria Met
	Experience	• The Board looks for a combination of education, background and senior management or director level experience in the following areas: (i) workplace health and safety; (ii) asset and liability management; (iii) energy industry operations; (iv) overall corporate social responsibility, regulatory and reporting requirements; and (v) operational risk management and sustainable development.	Criteria Met

Director Board and Committee Attendance

The following table shows the attendance of each director at Board and committee meetings in 2017.

Director	Board	Audit Committee	Compensation and Governance Committee	Health, Safety & Environment Committee	Total No. of Meetings Attended	Percentage
James Bertram	7/7				7/7	100%
Douglas Haughey	7/7		4/4		11/11	100%
Nancy Laird(1)	7/7	4/4		2/2	13/13	100%
Gianna Manes(2)	3/4			1/1	4/5	80%
Donald Nelson	7/7		4/4	3/3	14/14	100%
Michael Norris	7/7	4/4			11/11	100%
Thomas O'Connor	7/7	4/4			11/11	100%
Charlene Ripley(2)	4/4			1/1	5/5	100%
David Smith	7/7				7/7	100%
William Stedman	7/7		4/4	3/3	14/14	100%
Janet Woodruff(1)	7/7	2/2		2/2	11/11	100%
Total (Percentage)	70/71 (99%)	14/14 (100%)	12/12 (100%)	12/12 (100%)	108/109 (99%)	99%

Notes:

(1) Ms. Laird and Ms. Woodruff were members of the Health, Safety and Environment Committee during the first two quarters of 2017 during which time there were two meetings of that Committee. Effective at the beginning of the third quarter of 2017, Ms. Woodruff was appointed to the Audit Committee and during the second half of 2017 there were two meetings of the Audit Committee.

(2) Ms. Manes was elected to the Board at the May 2017 Annual General Meeting and Ms. Ripley was appointed to the Board in June 2017. There were four Board meetings in 2017 from the time Ms. Manes and Ms. Ripley became Directors. In addition to the attendance reported above, Ms. Manes attended the May 2017 Board meeting as a guest immediately before her election as a director. Effective at the beginning of the third quarter of 2017, Ms. Manes and Ms. Ripley were appointed to the Health, Safety and Environment Committee (replacing Ms. Laird and Ms. Woodruff). During the second half of 2017 there was only one formal meeting of the Health, Safety and Environment Committee.

Audit Committee Report

Overview	
Members	Michael Norris (Chair), Thomas O'Connor, Nancy Laird and Janet Woodruff
Primary Responsibilities	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 • Financial risk assessment and management programs of Keyera
Meetings	Four regularly scheduled meetings annually, each of which includes: • an open session with the external auditor, the internal auditor and management • an in camera meeting with the internal and external auditors without management present • an in camera meeting with just the internal auditor • an in camera meeting with just the independent members

Audit Committee Highlights	The Audit Committee has an annual work plan and reports to the Board quarterly on its activities, findings and recommendations. Over the course of the year, the Audit Committee successfully addressed all matters in its work plan. Some of these activities are described below.
Financial Reporting	• Reviewed and recommended approval of Keyera's quarterly and annual financial statements (including the audit reports thereon), management's discussion and analysis and earnings releases • Received quarterly reports from the external auditors • Received quarterly reports from the internal auditor, covering matters including internal controls, disclosure controls and fraud prevention analysis
Audit Matters	• Approved the external audit plan, approved the non-audit services provided by the external auditor and reviewed auditor independence • Approved the internal audit plan and received quarterly status updates • Completed an assessment of the performance of the external auditor
Risk Oversight	• Assessed Keyera's significant financial risks and risk management/mitigation processes, including a review of Keyera's financial risk matrix identifying the major categories of financial risk faced by Keyera and the corresponding mitigation • Received quarterly risk management reports from Keyera's Risk Management Committee, with a particular emphasis on Keyera's Marketing business, including inventory levels and risk management contracts within Keyera's hedging program • Received a report on cyber security risk and mitigation strategies, as well as an update on Keyera's information technology investments and key projects • Completed quarterly reviews of Keyera's counterparty risk profile • Received updates from the internal auditor on the outcomes of Keyera's business life-cycle risk management assessment process, including recommended actions and the status of implementation of prior recommendations • Reviewed Keyera's tax forecasts and taxability reports • Reviewed Keyera's corporate insurance program • Received legal reports (including reports from Keyera's reporting concerns hotline)
Accounting Procedures	• Reviewed new accounting standards and Management's assessment of the impact of those new standards on Keyera • Oversaw adoption of IFRS 15: Revenue from contracts with customers
Financing Strategy	• Received quarterly updates on Keyera's 2017 financing strategy and initiatives • Recommended the renewal and filing of Keyera's base shelf prospectus • Recommended approval of: an equity offering (including review and approval of the prospectus supplement), a private debt placement, amendments to and extension of Keyera's credit facility, and amendments to existing private debt placement agreements • Reviewed Keyera's forecast capital requirements in relation to covenant calculations, including various stress tests and scenarios • Recommended the approval of a dividend increase
Other	• Reviewed and recommended approval of Keyera's Annual Information Form and certain sections of the Information Circular • Received a report on Keyera's Supply Chain initiative

Compensation and Governance Committee Report

Overview	
Members	William Stedman (Chair), Douglas Haughey and Donald Nelson
Primary Responsibilities	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 • Board functioning and effectiveness • Adoption of a strategic planning process and the review of strategic plans • Identification and recommendation of nominees for election or appointment to the Board of Directors
Meetings	Four regularly scheduled meetings annually, each of which includes: • an open session with management • an in camera session with the CEO • an in camera meeting with just the independent members The Committee invites its compensation consultant(s) to participate in most of its meetings and in 2017 there was compensation consultant participation in all but one meeting The Committee also regularly holds in camera sessions with its compensation consultant(s)

Compensation and Governance Committee Highlights	The Compensation and Governance Committee has an annual work plan and reports to the Board quarterly on its activities, findings and recommendations. Over the course of the past year, the Committee successfully addressed all matters on its work plan. Highlights of some of these activities are described below.
Governance Matters	• Successfully completed new director recruitment resulting in the election and appointment of two new women directors in 2017 • Reviewed all Keyera's governance policies and guidelines • Adopted new guidelines with respect to directors sitting on other boards or having other significant relationships with other companies • Amended the Board Renewal Guidelines to incorporate additional guidance with respect to overboarding, interlocking directorships, independence, potential conflicts of interest and reputational risks • Reviewed Keyera's Business Conduct Policies • Provided direction with respect to Keyera's Board and director assessment practices and received a summary report on the assessment outcomes • Provided input into Keyera's strategic planning processes, including the agenda for the annual strategic planning session and recommended adjustments to regular Board meeting agendas to enhance the time available for strategic discussions • Reviewed Keyera's Board Mandate, Committee Terms of Reference, Chair and Independent Lead Director position descriptions and the CEO job description • Received reports on management succession planning • Retained Korn Ferry to undertake a comprehensive executive leadership development and succession planning process which was initiated in 2017 and is continuing into 2018 • Received updates on governance trends, practices, regulation and public policy matters • Reviewed and approved Keyera's Information Circular and associated proxy materials • In early 2018, received a report on Keyera's approach to workplace harassment and added this as a scheduled item on the annual work plan

Compensation Matters	• Provided direction with respect to Keyera's overall compensation objectives, trends and strategies • Engaged Mercer to complete an analysis of Keyera's executive compensation program, including a review of the peer group and the relative competitiveness of Keyera's compensation • Engaged Hugessen to complete a review and analysis of the design of Keyera's LTIP and the overall elements of Keyera's executive compensation program • Reviewed overall employee salary and wage levels and recommended executive base salaries • In early 2017, in addition to setting the 2017 distributable cash flow per share target for the STIP, approved three non-financial performance indicators to be considered in the context of deciding 2017 executive STIP awards • Recommended the size of the 2017 STIP bonus pool, the corporate performance multiplier and the individual executive officer STIP bonuses • Reviewed and recommended performance targets for the 2017 LTIP, taking into account compensation outcomes associated with various corporate performance scenarios • Developed recommendations with respect to the size of the 2017 LTIP grant pool and individual executive LTIP grants • Engaged Mercer to complete a review of director compensation, resulting in a recommendation that director compensation be maintained at existing levels • Reviewed the Executive Employment Agreements for competitiveness and appropriateness • In early 2018, recommended the distributable cash flow per share target for the 2018 STIP and, having taken into account various performance scenarios, recommended that a greater degree of discretion may be required when determining the corporate performance multiplier for 2018 performance
Risk Oversight*	• Received reports from independent advisors with respect to compensation philosophy and design, as well as the operation of Keyera's compensation programs • Received updates on governance matters and best practices • Assessed risks related to the design and operation of our compensation plans, our approach to talent management (including succession planning) and our overall governance structures and practices, including completing a review of a risk matrix identifying the major categories of risk faced by Keyera in these areas and the corresponding steps that we take to mitigate these risks • Reviewed Keyera's director and officer liability insurance program • Received 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 • Reviewed Keyera's incentive plans and corresponding targets and milestones • Assessed the pay mix for executive officers to achieve appropriate alignment between pay-at-risk based on incentive compensation plan targets and base pay • Reviewed various performance scenarios and associated compensation outcomes associated with Keyera's incentive compensation programs

**For more information on the Committee's approach to risk mitigation please refer to the Compensation Discussion and Analysis.*

Health, Safety and Environment Committee Report

Overview	
Members	Donald Nelson (Chair), William Stedman, Gianna Manes and Charlene Ripley
Primary Responsibilities	To assist the Board of Directors in fulfilling its oversight role and other responsibilities in relation to, among other things: • Keyera's health, safety and environmental policies, practices and procedures • Our health, safety and environmental performance and compliance record • Liability management and asset retirement obligations • Greenhouse gas and emissions management, reporting and strategy • Operational and business risk identification, assessment and mitigation
Meetings	Three regularly scheduled meetings each of which included: • an open session with management • an in camera meeting with just the independent members Site tours of Keyera facilities

Health, Safety and Environment Committee Highlights	Our Health, Safety and Environment Committee is part of the leadership structure that supports Keyera's mandate to conduct our business in a manner that emphasizes the health and safety of our workers and our communities, and reflects our commitment to responsible environmental stewardship. Over the past year, the Committee successfully covered all matters on its annual work plan, and added a number of items to the work plan that will be carried forward. Highlights of the Committee's activities are described below.
Health and Safety	• Received regular reports from management on Keyera's health and safety performance • Received a report on our annual safety goals and the results of our annual safety audit • Participated in Keyera's Annual Safety Symposium • In early 2018, received a report on Keyera's Workplace Drug and Alcohol Policy, including an update on managing medicinal cannabis in the workplace and planning for the pending legalization of cannabis
Environmental and Regulatory	• Received regular reports on our environmental and regulatory performance • Reviewed the execution of Keyera's liability management program • Reviewed Keyera's asset retirement obligations and estimates, as well as the processes employed by management in quantifying those obligations • Reviewed Keyera's greenhouse gas performance, reporting and compliance record • Received a report from Keyera's Climate Change and Emissions Steering Committee which included an update on recent regulatory developments, an analysis of the implications for Keyera, comparative scenario analysis with respect to the greenhouse gas emissions performance of certain of Keyera facilities relative to other similar facilities, and an update on Keyera's NOx reduction program • Received a report on Keyera's inactive well compliance program and our noise control compliance program
Pipeline and Pressure Vessel Integrity	• Received a report on Keyera's pipeline integrity and inspection program, as well as an update on regulatory changes in this area • Received a report on Keyera's pressure vessel integrity program, including the results of a third party audit • Reviewed management's assessment of significant operational risks with respect to pipeline, facility and pressure vessel integrity management programs
Risk Oversight	• Continued to structure its work plan such that a core area of operational risk was addressed at each of its meetings • Reviewed and made recommendations with respect to Keyera's overall operational risk matrix which provides an overview of the operational risks associated with Keyera's

	business and the associated risk mitigation strategies • Received reports on Keyera's policies and practices to assess whether they address applicable legislation, regulatory requirements and industry standards; meet Keyera's goals; are adequate to prevent or mitigate losses; and are being effectively implemented • Engaged directly with Keyera leaders and employees for the opportunity to discuss operational risks and mitigation strategies
Other	• Received a report on Keyera's operator training/competency development programs • Reviewed the reserves report prepared by an independent expert and confirmed that the reserves were not material from a financial or reporting perspective • Received a report on transportation of dangerous goods ("TDG") matters, including Keyera's TDG compliance and safety strategies • Received a report on physical security • Participated in site visits to the Rimbey and Gilby Gas Plants • In early 2018, received a report on recent trends in environmental and social responsibility reporting, including a summary of the additional reporting planned by Keyera for 2018

How We Promote Independence and Mitigate Potential Conflicts of Interest

Independence is a key aspect of an effective Board. Nine out of eleven of our current directors are independent and eight out of ten of the 2018 director nominees are independent. As noted above, the two directors who are not independent are Mr. Bertram, Keyera's Chair, and Mr. Smith, Keyera's President and Chief Executive Officer.

Because our Chair is not independent, we have appointed Douglas Haughey as our Independent Lead Director. As Independent Lead Director, Mr. Haughey has responsibility for providing leadership for the independent directors. He works in collaboration with the Compensation and Governance Committee in monitoring the effectiveness, performance, composition, mandate and terms of reference of the Board and its committees, as well as the roles and responsibilities and interactions among the Chair, Independent Lead Director, the other independent directors and the President and Chief Executive Officer.

We carefully considered the governance implications of having Mr. Bertram as Chair given that he is not independent. The Board continues to feel strongly about the value of continuing to have Mr. Bertram serve on the Board, given his depth of knowledge, his personal leadership style and the contribution he makes. Through the appointment of an Independent Lead Director, together with the governance practices we have adopted (and which are described in more detail below), we believe we have achieved an appropriate solution to providing strong, effective independent leadership for our Board.

Exercising Independent Judgment	
Board Independence	The majority of directors must be independent.
Committee Independence	Only independent directors are permitted to sit on our Board committees.
In-Camera Meetings of Independent Directors	Our independent directors hold in-camera meetings at which only they participate at every regularly scheduled Board meeting. In 2017, the independent directors held 7 such meetings. Each of our committees has also adopted the practice of holding in-camera meetings at every scheduled meeting.
Independent Advice/Analysis	The independent directors may retain independent financial, legal, executive compensation or other expert advice at Keyera's expense whenever they decide they need such input.
Independent Lead Director	Our Board has appointed an Independent Lead Director to enhance its independent oversight.

Exercising Independent Judgment	
	Douglas Haughey has been our Independent Lead Director since January 1, 2015. Responsibilities of this role include: • making recommendations with respect to the retention of outside advisors to assist the Board or the independent directors; • presiding over the meetings of the independent directors; presiding over meetings of the Board of Directors where appropriate; • facilitating communication between the independent directors and management; and • calling special meetings of the Board or the independent directors as appropriate.
Assessment of Independence	We assess independence annually in connection with the nomination process. Throughout the year, directors are required to advise the Chair, the Independent Lead Director and the Corporate Secretary of any changes that may affect their independence. We have a due diligence process to collect information to help us assess independence. The process includes collecting information through annual detailed questionnaires, biographical information and internal records and reports regarding relationships between directors. Our assessment is based on the guidance provided by the Canadian Securities Administrators, particularly the criteria in NI 52-110 and NI 58-101. We may also take into account other facts or circumstances that could be relevant in assessing whether relationships could reasonably be expected to interfere with the exercise of a director's independent judgement. None of our independent directors have received, directly or indirectly, any compensation from Keyera other than for services carried out as a director of Keyera.
Disclosing Potential Conflicts	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 or which may compromise his or her independence. 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. Keyera's Business Conduct Policies specifically address expectations of directors with respect to conflicts of interest. In 2017 we amended our Board Renewal Guidelines to provide additional direction with respect to considering the roles and activities outside of Keyera in which director nominees may be engaged in order to identify circumstances that may give rise to potential conflicts of interest or reputational risks. Also in 2017, we adopted Board of Director Guidelines Regarding Outside Boards and Other Significant Relationships, which sets out expectations for disclosing non-Keyera directorships and other significant relationships, as well as processes to be followed in connection with potential changes in these relationships throughout the year. Using tools such as our annual director questionnaires and the processes identified in our new "outside boards" guidelines, we compile and maintain a list of other companies in which our directors are involved to assist in identifying and managing potential conflicts of interest.
Interlocking Directorships	Keyera seeks to minimize the existence or creation of board interlocks. In accordance with Keyera's Board of Director Guidelines Regarding Outside Boards and Other Significant Relationships, Directors are expected to advise the Chair, the Independent Lead Director and the Corporate Secretary prior to accepting a position on another public board. If accepting the directorship would create a board interlock, the matter may be referred to the Compensation and Governance Committee. Pursuant to Keyera's Board Renewal Guidelines, in identifying director nominees, Keyera will generally not accept more than two board interlocks. Currently Keyera does not have any interlocking directorships.

How We Maintain an Appropriate Mix of Skills and Competencies

Keyera has developed a skills matrix which it uses as a tool to assist in director succession planning, as well as identifying continuing education opportunities. While each director may possess many or all of the skills listed in the matrix, each director is asked to identify the four primary areas of expertise that they bring to the Board in addition to the category of "Leadership and Strategic Thinking". The following summarizes the primary areas of expertise of our current directors.

Skill	Bertram	Haughey	Laird	Manes	O'Connor	Nelson	Norris	Ripley	Smith	Stedman	Woodruff
Leadership/ Strategic Thinking	X	X	X	X	X	X	X	X	X	X	X
Oil, Gas & Midstream Industry Experience	X	X	X	X	X	X		X	X	X	
Marketing Expertise	X	X	X						X		X
Compensation and Human Resources			X	X		X		X		X	
Governance/ Board Experience		X		X	X	X	X			X	
Financial Acumen		X			X		X		X		X
Accounting/Audit Expertise							X				X
Corporate Responsibility	X					X				X	X
Risk Management	X		X	X	X		X	X	X		
Legal/Regulatory								X			

How We Approach Board Renewal: Director Selection, Tenure and Diversity

Overall Framework

Keyera's framework for Board succession planning and renewal is focused on achieving an appropriate mix of skills, experience, competencies, tenure and diversity. To this end, we:

- apply our Board Renewal Guidelines to provide direction with respect to identifying, evaluating and recommending director nominees, including providing direction with respect to age, term limits, diversity, independence, interlocking directorships, overboarding, conflicts of interest and reputational considerations; and
- use our Board assessment process and associated skills matrix as tools to support Board effectiveness and guide succession planning.

The result is an approach to Board renewal that is governed by a qualitative analysis of Board composition which informs our director nominee selection process. Our written policies set out guiding principles addressing key governance considerations, while preserving an appropriate degree of discretion to be exercised by the Compensation and Governance Committee and the Board.

Director Selection Process

Our Compensation and Governance Committee has overall responsibility for identifying and recommending qualified individuals as nominees to be directors of Keyera. Each year the Committee considers and makes recommendations to the Board with respect to the director nominees to be presented for election at the annual meeting of the shareholders. The Board, acting on the advice of the Committee, then selects the director nominees to be nominated for election. In the event there is a vacancy prior to an annual meeting, the Committee may make a recommendation to the Board with respect to a replacement nominee to fill the vacancy. Further, if appropriate, the Committee may recommend the appointment of additional directors between annual meetings of shareholders, subject to compliance with the *Business Corporations Act* (Alberta) and our constating documents.

In carrying out its role in director selection, the Compensation and Governance Committee considers Board and committee composition in light of:

- the best interests of Keyera;
- Keyera's strategic direction;
- the independent oversight role played by directors;
- the mix of talents, qualities, skills, backgrounds and diversity of the other directors and/or director nominees;
- any identified gaps in the skills matrix as well as opportunities to add other skills, perspectives or experiences that may be desirable in light of emerging issues, risks or opportunities;
- time commitment expectations and the interplay with other roles or responsibilities of a director outside of Keyera; and
- the desire to balance continuity and orderly transition.

The table below summarizes how Keyera approaches age, tenure and diversity considerations in the context of director selection and nomination. Additional information about our approach to independence, interlocking directorships, conflicts of interest and related matters is provided in this Report on Governance under "How We Manage Independence".

Governance Consideration	Keyera Principles	Highlights
Age	• Keyera will generally not put forward a director nominee for election if he or she is over 72 years old. • Discretion may be exercised to nominate a candidate who is more than 72 years old.	• All directors are under 72 years old. • All 2018 Director nominees are under 72 years old.
Tenure	• Prior to 2017, Keyera's guideline was that it would generally not put forward a director with more than 15 years of service on the board (excluding years served as an employee-director) for re-election. • In 2017, Keyera amended its guideline, reducing the years of service criteria from 15 to 12 and therefore will generally not put forward a director who has more than 12 years of service on the Board (excluding years served as an employee-director) for re-election. • Discretion may be exercised to nominate a candidate who has served more than 12 years.	• In lowering the years of service criteria, the Board recognized that two of our directors had years of service in excess of this guideline. • Ms. Laird, one of these long serving directors, has indicated that she will be retiring from the Board in connection with the upcoming Annual General Meeting and therefore has not been put forward for re-election. • Mr. Stedman is the other director who has more than 12 years of service on the Board, in a non-management role. In the interests of managing continuity, facilitating orderly transition and

<table>
<tr><th>Governance Consideration</th><th>Keyera Principles</th><th>Highlights</th></tr>
<tr><td></td><td></td><td>maintaining an appropriate mix of experience, skills and perspectives, the Board determined that it was in the best interests of Keyera to continue to have Mr. Stedman serve as a director and has put him forward as a nominee in 2018.</td></tr>
<tr><td>Gender Diversity</td><td>

Keyera recognizes the value of gender diversity at the Board level and it is specifically identified as a consideration that must be taken into account in making the director selection process.
Keyera believes it can achieve appropriate gender diversity without the imposition of quotas or targets. To support this vision, it has made identification of potential women director nominees one of the mandates for Keyera's Board renewal planning process.
The Compensation and Governance Committee monitors Keyera's approach in order to evaluate the appropriateness of the level of representation of women on the Board, the effectiveness of the recruitment strategies in achieving appropriate diversity, the number of women on Keyera's "evergreen" list of candidates and the number of women identified by its external consultants as potential director nominees.
Our intention is to continue to meaningfully pursue and maintain gender diversity on our Board, and also to ensure that diversity, in a broader sense, informs and is integrated into our director recruitment and selection processes.

</td><td>

In the last five years Keyera has added six new independent directors, three of whom have been women.
In 2017, Keyera was successful in recruiting two women to our Board of Directors:
(i) Ms. Manes, who has an extensive background in energy and leadership in both Canada and the United States, was nominated as a director and elected at the 2017 annual general meeting; and
(ii) Ms. Ripley, who brings extensive experience in oil and gas as well as legal and regulatory was recruited shortly thereafter at which time the Board increased the size of the Board and appointed Ms. Ripley as a director.
With these additions, not only has Keyera been able to advance its diversity objectives, we have also expanded the skills on our Board (including filling a gap in our skill matrix) and further deepened the knowledge and experience on the board in areas such as international resource and energy development, risk management and stakeholder relations.
Our progress on gender diversification is reflected in the table below:

<table>
<tr><th>Year</th><th colspan="2">Number and Percent of Director Nominees who are Women</th></tr>
<tr><td>2018</td><td>3/10</td><td>30%</td></tr>
<tr><th>Year</th><th colspan="2">Number and Percent of Directors who are Women</th></tr>
<tr><td>2017</td><td>4/11</td><td>36%</td></tr>
<tr><td>2016</td><td>2/9</td><td>22%</td></tr>
<tr><td>2015</td><td>2/9</td><td>22%</td></tr>
<tr><td>2014</td><td>1/10</td><td>10%</td></tr>
</table>
</td></tr>
</table>

How We Assess Director 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 effectively the Board embraces its responsibilities, bringing its collective skills and experience to bear in providing objective and thoughtful insight and guidance to Keyera.

Formal Evaluation Process

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.

This year, the written evaluation process asked directors to evaluate overall Board and committee performance, to self-assess their individual skills and contributions and to reflect on the skills and contributions of the other directors, through a series of open-ended questions focused on five key areas, as described below:

1. **Board Impact**: Input on the most significant decisions and contributions of the Board, and factors that had the biggest influence on Board performance.
2. **Board Priorities**: Input on Board's most important priorities over the next 6, 12 and 18 months, the major risks facing Keyera over the short, medium and long term, and the role of the Board in providing strategic direction.
3. **Board and Committee Composition**: Input on the Board succession planning, including level of diversity (in terms of background, skills, experience, knowledge and perspective in light of Keyera's business, our strategic direction and the environment in which we operate), the additional skills or backgrounds from which the Board could benefit, and each director's short and medium term plans with respect to the Board.
4. **Board Relationships**: Input on the relationships between the Board and the Chief Executive Officer, the level of engagement between the Board and management, the relationship among directors, and individual effectiveness of the Board and committees.
5. **Individual Assessment**: Each director was asked to reflect on their own performance, their contribution to the Board, their professional development plans and their plans with respect to the Board over the next one to five years.

As the final component of the written evaluation, directors are asked to review Keyera's skills matrix and to identify the key skills they believe they bring to the Board.

The results of these questionnaires are reviewed by the Chair and the Independent Lead Director and may also be reviewed by the Chair of the Compensation and Governance Committee. The Chair, in consultation with the Independent Lead Director, is responsible for following up on the results as appropriate and scheduling meetings with each individual director to discuss the results of the feedback. The results of this evaluation process are used to explore opportunities for enhancing the effectiveness of the Board, to guide Keyera's director recruitment process, as well as to identify opportunities to maintain or enhance governance practices and Board effectiveness. A summary of the results of the assessment process, highlighting key themes, is circulated to the entire Board.

Other Ways We Cultivate Board Effectiveness

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 and position descriptions for the Board Chair, the Independent Lead Director 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 Chair, the Independent Lead Director and Committee Chairs with respect to the effectiveness, performance, composition, mandate and terms of reference for each Committee;
- Engaging in periodic consultations between the Chair, the Independent Lead Director 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 in conjunction with every scheduled meeting of the Board and each Committee;
- Bringing in outside advisors and experts to assist the Board as necessary; and
- Holding annual off-site strategy sessions.

How We Respond to Shareholder Voting Preferences - Majority Voting

Keyera has adopted a majority voting policy. In accordance with this policy, any nominee in an uncontested election who receives fewer "for" votes than "withheld" votes at a shareholder meeting is required to promptly submit his or her resignation as a director to the Chair of the Compensation and Governance Committee. The Compensation and Governance Committee shall consider the resignation offer and shall accept the resignation unless there are extenuating circumstances. A director submitting a resignation offer is not permitted to participate in deliberations regarding the acceptance of the resignation. If there are not a sufficient number of directors for the Compensation and Governance Committee to meet quorum, the Board of Directors or a special committee of the Board shall make the decision.

A decision on the acceptance of a resignation offer must be made and press released within 90 days following the meeting at which the majority "withhold" vote was received. If the resignation offer is not accepted, the press release must include an explanation of the reasons for the decision. The press release must also be submitted to the TSX. Keyera may also take such other steps to respond to the resignation as it considers appropriate in the circumstances.

How We Meet the Information Needs of Our Directors – Orientation and Education

Director orientation and ongoing education are important aspects of supporting a strong and effective Board. The Compensation and Governance Committee is responsible for assisting the Board of Directors in the ongoing evolution of our orientation and education programs.

Our approach to orientation focuses on providing new directors with an introduction to Keyera, our business, as well as our approach to various risk, governance and operational matters. This typically involves meetings with other directors and members of our management team, to review our organization structure, our business and our key governance policies.

With respect to continuing education, each year we deliver a number of presentations to our Board and committees aimed at continuing to deepen directors' understanding of Keyera's business, operations, strategic direction, financial position, risks and opportunities, as well as their understanding of the roles and responsibilities of directors in an evolving environment. The key elements of this program include:

- regular management presentations;
- an annual off-site strategy session;
- one or more site tours of Keyera's facilities annually;
- periodically holding Board or committee meetings in locations where Keyera has operations;
- participation in the annual Safety Symposium;
- an on-line Board of Directors resource center; and
- periodic presentations by internal or external experts on topical matters.

Some of the specific educational opportunities for directors in 2017 included:

Description	Attendance
Director and officer liability and associated insurance	Compensation and Governance Committee
Emerging trends, best practices and regulatory developments with respect to corporate governance and disclosure matters	Board of Directors Compensation and Governance Committee
Executive compensation design and practices	Compensation and Governance Committee
Canadian and U.S. natural gas, crude oil and natural gas liquids fundamentals, markets and trends	Board of Directors
Safety Symposium	Health Safety and Environment Committee
Analysis of financial risks and associated risk management strategies	Audit Committee
Analysis of operational risks and associated risk mitigation strategies	Health, Safety and Environment Committee
Analysis of compensation and governance risks and associated risk mitigation strategies	Compensation and Governance Committee
Recent developments in accounting standards and implications for Keyera	Audit Committee
Site tour of the Rimbey and Gilby gas plants	Health, Safety and Environment Committee
Site tours of Fort Saskatchewan and Edmonton area facilities	Board of Directors
Capital markets overview and financing strategies	Board of Directors Audit Committee
Developments in pipeline integrity regulation and practice	Health, Safety and Environment Committee
Asset Integrity legislative and regulatory developments	Health, Safety and Environment Committee
Cyber security risk and risk mitigation strategies	Audit Committee
Climate change and emissions regulatory update and implications for Keyera (including risk analysis of various scenarios)	Health, Safety and Environment Committee Board of Directors
Corporate social responsibility reporting, including the relationship with shareholder expectations and shareholder engagement	Health, Safety and Environment Committee Board of Directors
Review of socio-political trends	Board of Directors

We also provide 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. For example, Keyera has provided financial assistance for two of our directors to participate in the director education program through the Institute of Corporate Directors.

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. For example, Keyera currently maintains a corporate membership with the Institute of Corporate Directors.

Approach to Risk Oversight

Effective risk oversight is a core focus of our Board. The Board effectively uses our committee structure to help fulfil the risk oversight role, ensuring that all primary areas of risk receive adequate attention. As a result, the committees play an important role in understanding the key risks in Keyera's business and operations, as well as management's approach to managing these risks. As described in the committee reports above, each committee reviews the main areas of risk for which it is responsible throughout the year, and at least annually completes an overall risk analysis which includes a review of the risks and risk mitigation strategies utilizing a risk matrix. In addition, through our Board assessment process, individual directors are asked to share their perspectives on Keyera's short, medium and long term risk profile.

The key areas of risk on which our Board and committees focus can generally be grouped into the following categories:

Risk Category	Examples
Operational and Infrastructure Risks	Facility utilization and throughput; reliability; operational performance at Keyera facilities and by third parties; health and safety performance; environmental performance; emissions performance; pipeline integrity; regulatory compliance; regulatory change; cost effectiveness; operational management system effectiveness; gas composition; transportation risk; dependence on third party service providers
Business and Financial Risk	Economic, market and business conditions (provincial, national and international); basin risk; industry activity levels; competition; strategic execution and investment; customer retention and attraction (including fee competitiveness); market access; credit ratings; commercialization of opportunities; information and technology; cyber security; internal controls; marketing activities (including commodity price differentials, volume risk and inventory risk); capital project execution and operationalization; diversification and integration of business lines; access to capital; financial performance related to cash metrics and earnings; return on investment; counterparty risk; currency and exchange rates; changes in trade rules or government regulation; and overall shareholder returns
People and Governance Risk	Leadership and succession; recruitment; culture and workplace behaviours; reliance on key personnel; compensation risk; reputational risk; disclosure controls; business conduct; compliance; engagement and communication with stakeholders

Keyera continued to advance two enterprise-wide risk initiatives through 2017, including the life-cycle risk review of Keyera's business processes, business risks and risk management strategies and the operational excellence initiative through which Keyera is building on and enhancing our disciplined, risk-based approach to our operations. These initiatives will continue to inform, support and build on Keyera's approach to risk identification, management and mitigation going forward. The Audit Committee receives quarterly updates on the initiatives arising through the business risk review analysis and the Health Safety and Environment Committee receives updates on Keyera's operational excellence initiative.

Detailed information with respect to the material risks applicable to Keyera are included in the "Risk Factors section of Keyera's Annual Information Form dated February 15, 2018 filed on SEDAR at www.sedar.com and available on Keyera's website at www.keyera.com.

How We Approach Management Succession Planning

Keyera has a succession planning process designed to identify succession candidates for all key leadership and management positions, including the position of Chief Executive Officer. As part of the succession planning process, we work with our 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.

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, this Committee annually reviews the role, 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.

Management reports at least annually on succession planning to the Compensation and Governance Committee and the Board of Directors. Typically the Board has a detailed discussion of CEO and management succession in connection with our strategic planning sessions held in June each year. To augment the existing succession planning processes, the Compensation and Governance Committee recently engaged Korn Ferry to work with Keyera on a comprehensive executive leadership development and succession planning program. Work on the program was kicked off in late 2017 and is continuing in 2018, with all of Keyera's officers participating in the program.

Over the last several years, Keyera has continued to build and develop the depth of its leadership team. The following table summarizes some of the key developments in executive succession planning and execution.

Year	Leadership Succession Activity
2015	• promoting David Smith to President and Chief Executive Officer • hiring Rick Koshman into the position of Vice President, Engineering in connection with the reorganization of Health, Safety and Engineering responsibilities into two departments
2016	• promoting Jarrod Beztilny to Vice President Operations, Liquids Business Unit
2017	• promoting Jamie Urquhart to Vice President Operations, Gathering and Processing • promoting Suzanne Hathaway to Senior Vice President, General Counsel and Corporate Secretary
2017-2018	• engaging Korn Ferry to lead Keyera through a comprehensive executive leadership development and succession planning program

Management Gender Diversity

In addition to the value that Keyera sees in diversity at the Board level (as described under the subheading "Board Renewal: Director Selection, Tenure and Diversity" of this section), Keyera also recognizes the benefits of gender diversity within management. At this time, Keyera has not adopted diversity quotas or targets for senior management positions; however, diversity is woven into our talent management practices and our commitment to developing a robust pipeline of diverse leaders.

Keyera's approach to gender diversity within the company is multi-faceted and begins with senior management commitment to providing professional development opportunities for women within the organization. Keyera has established a leadership development program, a mentorship program and an employee network to support the growth and development of future leaders within the organization and we encourage our women leaders and future leaders to participate in these programs.

The importance of diversity and inclusion has been a particular area of focus for Keyera in 2017 and into 2018. For example, we sponsored a number of events to solicit feedback from women working at various levels on topics such as their experience within the organization, the availability of leadership and development opportunities and how Keyera can continue to progress in these areas. Further, we have incorporated diversity and inclusive leadership discussions into our executive strategy sessions, taken steps to facilitate better awareness of unconscious biases and initiated a mentoring circle pilot project intended to support these objectives.

Keyera monitors and tracks gender representation at different levels of seniority within our workforce, including hiring, promotion and attrition rates, in order to better understand and evaluate our gender diversity performance. We will also continue to monitor the number of women participating in our mentorship and leadership development programs. We currently have two women on our 13 member executive officer team (15%).

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 our affiliates.

As part of its role in leading ethical conduct, 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 our 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 Investor Relations at Suite 200, 144 – 4th Avenue S.W., Calgary, Alberta T2P 3N4.

In support of the Code, Keyera has adopted business conduct policies covering various matters, including but not limited to integrity, 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 (collectively the "Conduct Policies"). The following is a high level summary of some of the expectations that are set out as part of Keyera's Conduct Policies:

- A respectful work environment is to be maintained and harassment, discrimination, abusive comments or other inappropriate conduct is not tolerated.
- Health, safety and environmental protection is an integral part of the way we conduct our business. This includes assessing the potential impacts of our plans and operations on the areas in which we operate, listening to stakeholder concerns and attempting to address or mitigate such concerns as appropriate.
- Workers are to learn the safety procedures applicable to their job and abide by them by remaining fit for work while on duty and making safe behavior an integral part of every task performed.
- Workers must avoid situations that might involve or give the appearance of fraud, illegal activity or unethical conduct. Fraud, illegal activity or unethical conduct committed by others is not to be permitted or facilitated and by extension, Keyera does not engage third parties to carry out activities that Keyera could not legally or ethically do directly.

- Situations that create a conflict of interest or potential conflict are to be avoided and workers have a duty to avoid financial or other business relationships that might be adverse to the interests of Keyera, or have the potential for producing or creating the appearance of conflicting loyalties or interest, or which might interfere with effective job performance.
- Restrictions are imposed on the acceptance of gifts and entertainment from business associates and other stakeholders.
- Internal controls must be followed.
- Keyera does not give, offer or promise anything of value as a bribe, gratuity or kickback to any public official, their family members or organizations with which they may be affiliated.
- Keyera resources, finances or facilities may not be used to make political contributions to any political candidate, party or election campaign except lawful contributions that are authorized in writing by an officer. Lobbying activities must also be pre-approved.
- Insider trading, including trading in prescribed blackout periods, is prohibited. 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 securities of Keyera.
- Workers have an obligation to protect Keyera's assets from damage, theft, fraud and improper use.
- Broad, timely and informative dissemination of material information is required to prevent selective disclosure, all in accordance with applicable securities rules and regulations.

As part of our Conduct Policies, the Board of Directors has also established a whistleblower hotline, utilizing a third party service provider, 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 workers are expected to report any matter that may indicate a breach of Keyera's Conduct Policies.

New directors, officers, employees and certain contractors are required to receive an orientation about the Conduct Policies 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. The Conduct Policies are reviewed annually and updated as necessary. Further information is included in our 2017 Annual Information Form which is available on SEDAR at www.sedar.com (filed February 15, 2018) or on our website at www.keyera.com.

Shareholder Engagement

Keyera maintains a comprehensive investor communications program and welcomes comments and feedback from shareholders. Each year, Keyera engages in an extensive schedule of shareholder meetings and investor conferences. In addition to one-on-one meetings and conferences (some of which are available by webcast), Keyera also utilizes other vehicles to deliver timely information to shareholders, including our website.

The Keyera website 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 videos describing various aspects of Keyera's midstream business.

Our Board of Directors encourages shareholders to engage with appropriate Keyera representatives on relevant matters. Our Board also recognizes the value in interacting with shareholders, as well as organizations that represent or advise shareholders, on issues such as Keyera's approach to governance, our director skills matrix and executive compensation. The Board welcomes these kinds of opportunities and invites shareholders to share their perspectives on matters that are important to them. Comments, questions or inquiries can be directed to:

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

Requests to communicate directly with the Board of Directors will be forwarded to the Independent Lead Director.

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 2017 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". For more information on our NEOs, you can access their biographies on our website at www.keyera.com. You can also review their most recent five year history in our Annual Information Form which is available on our website and on SEDAR at www.sedar.com.

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".

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 Committee's report in the "Report on Governance" section.

Objectives and Design of Our Compensation Program

The objectives of our 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 our strategy of creating stable value growth built on sustainable energy facilities. To achieve these objectives, the design of our compensation program is intended to:

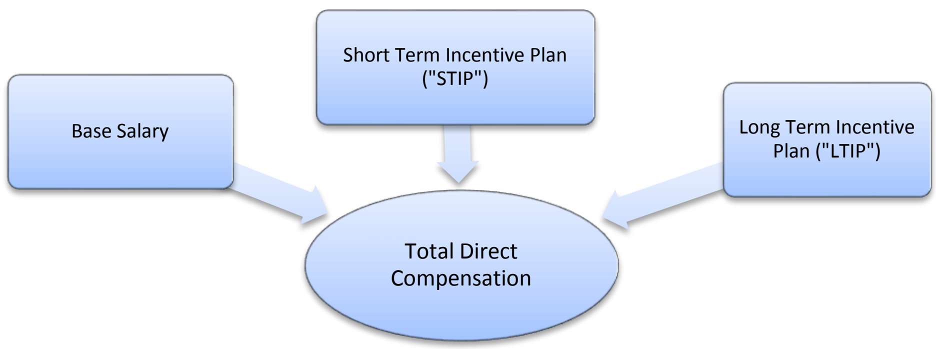
1. **Achieve Alignment with Shareholder Interests**. Keyera's incentive compensation programs employ performance metrics that are aligned with the interests of shareholders, such as relative peer total shareholder return and distributable cash flow per share.
2. **Reward Achievement of Business Objectives**. 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, environmental, regulatory and safety outcomes. 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 our executive officers.

Elements of Our Total Compensation Program

Total direct compensation for our executive officers consists of three primary components:



As described in the summary below, each of the components is intended to serve a different function in the overall compensation program and is determined based on distinct criteria. Keyera does not have a stock option plan.

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 corporate performance and individual performance. • Primary metric for corporate performance is after tax distributable cash flow per share. • Operational, Health and Safety and Environmental performance metrics are considered in the context of executive officer STIP bonuses.	• 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 corporate 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 corporate 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 are three-year average pre-tax distributable cash flow per share (as to 70%) and three-year 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 excessive short term 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 non-employee directors are technically eligible to participate in the LTIP, Keyera has adopted the practice of not granting such 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 corporate 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.

Perquisites are not a significant element of executive compensation. Executives are entitled to participate in the benefit plans that are offered to employees generally, and have the option of participating in a limited number of other benefits, including a business club membership, executive life insurance and an executive health program.

Setting the Context: How We Performed in 2017

Keyera made some very notable strides in the execution of our strategic business plan. Our Liquids Infrastructure segment delivered record results, with several new projects coming on line. We also announced several new projects in our Gathering and Processing business as we work with producers to develop the infrastructure necessary to support development in the liquids-rich Montney and Duvernay geological zones in Northwestern Alberta. These results were particularly notable in light of the challenges that the Canadian oil and gas industry has continued to face, including low commodity prices, shifts in supply-demand fundamentals, transportation egress constraints (including curtailments on certain existing third party sales gas pipelines) and increasing regulatory costs.

The following table highlights our performance in six performance categories and provides the context for how compensation decisions were made by our Compensation and Governance Committee and Board in 2017.

Performance Category	Examples of Performance Measures	Highlights of Results Achieved in 2017
Financial Performance	• Earnings • Distributable cash flow • Adjusted EBITDA • Total shareholder return • Dividends	• Annual net earnings were $290 million, $73 million higher than 2016 • Annual net earnings per share were $1.53 per share, representing 26%, 3% and 12% compound annual growth rates for one, three and five years • Annual distributable cash flow(1) of $510 million, 11% higher than 2016 • Annual distributable cash flow per share(1) of $2.70, representing 5%, 5% and 16% compound annual growth rates for one, three and five years • Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA)(1) of $617 million, representing 2%, 5% and 16% compound annual growth rates for one, three and five years • Five year total annual shareholder return(1) was approximately 12% per annum • Announced a monthly dividend increase of 6% to $0.14 per share effective with the dividend paid in June 2017 • Dividends declared in 2017 were approximately $ 313 million or $1.65 per share, resulting in a payout ratio(1) of 61% • Comfortably met all debt covenants
Operational Excellence	• Throughput/Volumes • Safety • Costs • Environment • Compliance • Operational risk mitigation	• Steadily increased Gathering and Processing throughput throughout the year • Increased volumes through the Edmonton/Fort Saskatchewan pipelines and facilities • Completed or advanced all 2017 Health and Safety goals and objectives • Successfully executed our 2017 Liability Management Program, with expenditures of approximately $11.7 million generating asset retirement obligation reductions of approximately $14.9 million (undiscounted) • Recorded positive year over year regulatory and compliance results • Advanced the development and roll-out of new standards under our Operational Excellence initiative • Continued to participate in the CDP greenhouse gas emissions survey

<table>
<tr><th>Performance Category</th><th>Examples of Performance Measures</th><th>Highlights of Results Achieved in 2017</th></tr>
<tr><td>Generating Growth Opportunities</td><td>• Internal growth
• Acquisitions
• Capital expenditures</td><td>• Growth capital investment of approximately $720 million
• Several capital projects were completed and brought into service, including: Norlite Pipeline; Fort Saskatchewan Condensate System expansion; Edmonton Terminal Condensate storage tanks; and North Condensate Connector
• Sanctioned and commenced construction of the Wapiti gas plant and associated pipeline infrastructure and announced the North Wapiti pipeline system which will further extend the capture area of the plant
• Advanced work on several key projects, including: the Simonette liquids handling expansion projects; cavern development at Keyera Fort Saskatchewan; the Keylink Pipeline NGL gathering system; the Base Line Terminal; the Hull Terminal Pipeline System; the Keyera Butane System; and the South Grand Rapids Pipeline
• Acquired 1,290 acres of undeveloped land in the Industrial Heartland near Fort Saskatchewan for future development</td></tr>
<tr><td>Financial Stability</td><td>• Liquidity
• Cash flow
• Investor confidence</td><td>• Publicly disclosed investment grade public credit ratings from DBRS and S&P
• Amended the covenant calculations under outstanding private debt agreements to provide additional flexibility
• Extended the term of Keyera's unsecured revolving term credit facilities and amended the covenant calculations in alignment with the amendments to the private debt agreements
• Maintained a prudent payout ratio of 61%(1)
• Conservative capital structure, well within all debt covenants
• Placed $400 million in long term private debt with institutional investors at attractive rates
• Raised gross proceeds of $494 million through a public offering of shares
• Raised $181 million through the Premium Dividend™ and Dividend Reinvestment Plan</td></tr>
<tr><td>Financial and Business Risk Management</td><td>• Marketing risk management
• Counterparty exposure</td><td>• Maintained a conservative payout ratio
• Held weekly meetings of the Risk Management Committee
• Effectively executed our marketing risk management program, including managing propane seasonality
• Employed an integrated strategy for the 2017 supply season which allowed Keyera to attract higher volumes through our fractionation facilities
• Continued to execute business life-cycle risk reviews and act on recommendations
• Maintained low counterparty risk exposure and mitigated exposure through various security arrangements with higher risk counterparties</td></tr>
</table>

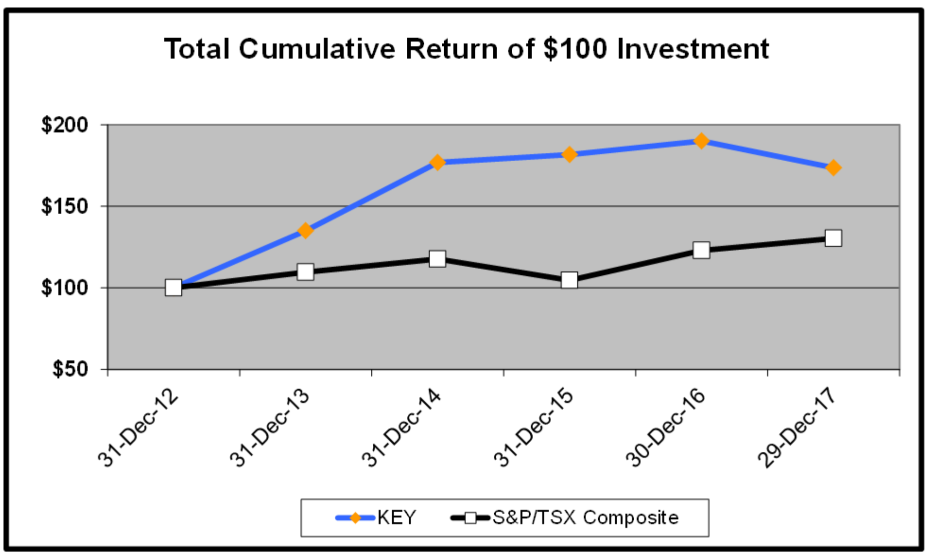
Culture, Engagement and Reputation	• Building relationships in the community • Leadership development and succession planning • Corporate governance and reputation • Employee engagement	• Recognized as one of Alberta's "Top 70 Employers" for the seventh consecutive year and named to Canada's 2018 Top Employer list for the first time • Executed succession planning and leadership development programs and engaged Korn Ferry to initiate a comprehensive executive leadership development and succession planning process • Supported the fourth year of the Keyera Employee Network; continued to support our mentorship program; and initiated a mentoring circles pilot program • Continued to expand Keyera's community investment program, including sponsorship commitments with: the University of Alberta (Peter Lougheed Leadership College), STARS, the Alberta Children's Hospital Foundation, the Rimbey Community Centre, Arts Commons and the United Way • Advanced initial work to carry out Keyera culture workshops in early 2018

Note:

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

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, 2012 through December 31, 2017. On December 29, 2017, which was the last trading day in 2017, the closing price of the shares on the TSX was $35.42. The shares are listed on the TSX under the symbol KEY.



	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	30-Dec-16	29-Dec-17
KEY	$100	$135	$177	$182	$190	$174
S&P/TSX Composite	$100	$110	$118	$105	$123	$130

Additional discussion of the relationship between Keyera's performance and compensation of our executive officers is provided under "2017 Actual Total Direct Compensation: Pay for Performance" in this CD&A.

How Our Compensation Approval Process Works

Overview

The approval process for each element of Keyera's executive compensation program typically begins with a detailed performance analysis, including Keyera's performance, the performance of each of the business units and individual performance, along with a detailed comparative analysis of executive salaries and incentive compensation prepared by Mercer.

The Chief Executive Officer makes recommendations to our Compensation and Governance Committee with respect to base salary, STIP bonuses and LTIP Awards for the executive officers. Salary and STIP recommendations are considered at the beginning of the first quarter each year, and the LTIP recommendations are considered near the end of the second quarter. In making recommendations, management provides commentary on various aspects of Keyera's performance (see "How We Performed" in the section above for 2017 considerations), and the Chief Executive Officer provides specific commentary on the individual performance of each executive officer, including his or her contribution to business unit performance and overall Keyera performance, as well as internal equity considerations. The market analysis is prepared by Mercer. As discussed in more detail throughout this CD&A, there are specific distributable cash flow targets set for the STIP and LTIP to measure corporate performance, but there are no formal quantitative targets set for individual performance. Starting in 2017, the specific STIP performance measures regarding operational reliability, health and safety performance and environmental performance are presented as additional context for executive officer STIP bonuses. (See "Compensation Discussion and Analysis - Short Term Incentive Plan").

In addition to assessing individual compensation recommendations, the Committee assesses the aggregate compensation for the executive officers. Assessments include a position by position analysis of market data for comparable positions within the peer group, along with an analysis of overall corporate performance on a relative and absolute basis. With respect to the Chief Executive Officer specifically, our Compensation and Governance Committee evaluates his individual performance and Keyera's overall performance relative to corporate objectives and strategic business plans.

In making compensation recommendations to our Board of Directors, the Committee reviews the various elements of each executive officer's compensation in the context of the total compensation package. The Board reviews the Committee's recommendations and is ultimately responsible for approving compensation decisions. The Committee and the Board exercise discretion based on Keyera's performance and the individual contributions of the executive officers in determining actual compensation.

Ongoing Evaluation of our Compensation Programs

With the assistance of Mercer, the Committee analyzes the market competitiveness of Keyera's overall compensation packages, the relationship between Keyera's performance and the annual earnings of the executive officers and continued appropriateness of the overall compensation program structure. A back-check analysis is completed every fall, when the Committee receives a formal detailed report from Mercer on executive compensation. 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 our compensation practices; and
- the compensation program and compensation levels are achieving the desired objectives.

In addition, similar consideration of these factors is incorporated into the Committee's compensation related decisions throughout the year, including:

1. during the selection of the comparative peer group, the identification of comparable functional matches for each officer position for benchmarking purposes;
2. during the Committee's deliberations with respect to developing recommendations for base salary in the first quarter of each year;
3. when evaluating individual performance, as well as actual corporate performance relative to the STIP target, in order to determine STIP bonuses for the most recently completed financial year;
4. when setting the STIP target for the current year, which occurs early in the first quarter; and
5. during deliberations over LTIP thresholds, targets and grants during the second quarter of each year.

How We Selected Our 2017 Peer Group

Highlights:

Keyera's relative positioning within the 2017 peer group with respect to certain key selection criteria was as follows:

- **Total Assets**: 50th percentile in relation to the peers in the Mercer survey; 44th percentile in relation to the peers in the circular data
- **Market Capitalization**: 77th percentile in relation to the peers in the Mercer survey; 82nd percentile in relation to peers in the circular data
- **Revenue**: 70th percentile in relation to the Mercer survey; 82nd percentile in relation to the peers in the circular data
- **Enterprise Value**: 74th percentile in relation to the peers in the circular data

(Based on Mercer data compiled as of August 31, 2017)

To assess the fairness and competitiveness of Keyera's executive compensation, the Compensation and Governance Committee examines market compensation data gathered from organizations of comparable size and organizations with whom Keyera competes for executive talent. 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.

Mercer provides assistance to the Compensation and Governance Committee by identifying appropriate peer group parameters, recommending peer group members, compiling benchmark market data and providing general observations with respect to market trends and issues.

In selecting the 2017 peer group, the Compensation and Governance Committee, based on the advice of Mercer, considered a list of companies from the oil and gas sector that were comparable in scope, measured by annual revenue, market capitalization, total assets, enterprise value and number of employees. The list included all pipeline/midstream companies of comparable size to Keyera, as well as other oil and gas sector companies from the exploration and production, drilling, and services and equipment segments ranging between 50% and 300% of Keyera's total assets and market capitalization. From this list the Compensation and Governance Committee approved the 2017 peer group, which consisted of two subgroups: a peer group of 26 entities which participated in the Mercer survey (23% in the pipeline/midstream sector; 62% in the exploration and production sector; and 12% in the drilling sector and 4% in the services and equipment sector); and a peer group of 15 publicly traded entities whose management information circulars had been reviewed (27% in the pipeline/midstream sector; 60% in the exploration and production sector; 13% in the drilling sector).

The rationale for selecting the peer group was based on the following factors: the complexity of Keyera's business, the limited number of true peers in the midstream industry and the pool of entities with which Keyera competes for talent. The approach that was taken in 2017 is similar to how prior year peer groups have been selected. The Compensation and Governance Committee does not know which members of the peer group comprise the benchmark for each position. The following summarizes the membership in the peer groups in 2016 and 2017.

2016 Peer Group Member[1]	2016 Mercer Survey	2016 Circular Data	2017 Peer Group Member	2017 Mercer Survey	2017 Circular Data
AltaGas Ltd.	X	X	AltaGas Ltd.	X	X
ARC Resources Ltd.	X	X	ARC Resources Ltd	X	X
ATCO Energy Solutions	X		BP Canada Energy Group ULC	X	
ATCO Pipelines	X		Chevron Canada Resources	X	X
Baytex Energy Corp.	X	X	ConocoPhillips Canada	X	
Bonavista Energy Corporation	X	X	Crescent Point Energy Corp.		X
Enerplus Corp.	X	X	Devon Canada Corporation	X	
Ensign Energy Services Inc.	X	X	Encana Corporation	X	
Gibson Energy Inc.	X	X	Enerflex Ltd.	X	
Inter Pipeline Ltd.	X	X	Enerplus Corp.	X	X
Kinder Morgan Canada, Inc.	X		Ensign Energy Services Inc.	X	X
MEG Energy Corp.	X	X	ExxonMobile Canada	X	
Pembina Pipeline Corporation	X	X	Gibson Energy Inc.	X	X
Pengrowth Energy Corporation	X	X	Inter Pipeline Ltd.	X	X
Peyto Exploration & Development Corp.		X	MEG Energy Corp.	X	X
Plains Midstream Canada	X		Nexen Energy ULC	X	
Precision Drilling Corporation	X	X	Pacific Exploration & Production Corporation	X	
SemCAMS ULC	X		Pembina Pipeline Corp.	X	X
Seven Generations Energy Ltd.	X	X	Peyto Exploration & Development	X	X
Spectra Energy Transmission	X		Plains Midstream Canada	X	
Tourmaline Oil Corp.		X	Precision Drilling Corp.	X	X
Veresen Inc.	X	X	Secure Energy Services Inc.	X	
Vermilion Energy Inc.	X	X	Seven Generations Energy Ltd.	X	X
Whitecap Resources Inc.	X	X	Tourmaline Oil Corp.		X
Williams Energy (Canada)	X		Tundra Oil & Gas Ltd.	X	
			Vermillion Energy Inc.	X	X
			Whitecap Resources Inc.		X

Keyera also uses a peer group to assess total shareholder return performance under our LTIP. The composition of the LTIP total shareholder return peer group is different from the overall compensation benchmarking peer group, as it consists of a fewer number of entities, all of which Keyera competes with for investors. The composition of the peer group for the LTIP total shareholder return analysis is reviewed annually and is discussed under the heading "Compensation Discussion and Analysis - Long Term Incentive Plan – Performance Metrics."

How We Approach Base Salary

Highlights:

- Keyera targets base salary at median
- Actual 2017 base salaries for all NEOs were within +/- 10% of the 50th percentile

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 our base salaries at the median level range of the peer 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 peer group; the quality of data in the peer 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.

How 2017 Base Salaries Were Determined

In determining base salary recommendations in 2017, 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 2016 peer group, which was the most current information available at the time salaries were set.

Keyera's target salary for executive officers was in the median range within the peer 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 Compensation and Governance Committee reviewed base salaries again in the fall of 2017 based on the 2017 peer group. Based on the 2017 peer group analysis prepared by Mercer, the base salaries for all NEOs were within +/-10% of the 50th percentile.

The table below sets out the 2016 and 2017 annual base salaries for each NEO, along with the percentage change between the two years.

Name and Position	2016 Base Salary (as of December 31)	2017 Base Salary (as of December 31)	% Change between 2016 and 2017
David G. Smith President and Chief Executive Officer	500,000	600,000	20%
Steven Kroeker Senior Vice President, Chief Financial Officer	360,000	360,000	0%
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit	360,000	360,000	0%

Name and Position	2016 Base Salary (as of December 31)	2017 Base Salary (as of December 31)	% Change between 2016 and 2017
Dean Setoguchi Senior Vice President, Liquids Business Unit	360,000	360,000	0%
Suzanne Hathaway[(1)] Senior Vice President, General Counsel & Corporate Secretary	308,000	320,000	4%

Notes:

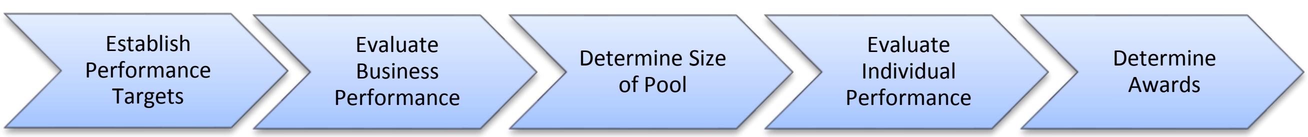
(1) Mr. Smith's Salary was adjusted effective January 1, 2017 and again effective July 1, 2017. Ms. Hathaway's salary was adjusted effective July 1, 2017 following her appointment as Senior Vice President, General Counsel and Corporate Secretary.

Short Term Incentive Plan

Highlights:

- The primary STIP performance metric is after tax distributable cash flow per share and the target is set in advance with shareholder experience in mind
- Starting in 2017, defined safety, operational and environmental performance indicators are considered in the context of determining executive officer STIP awards
- Various sensitivities and scenarios are prepared with respect to the performance required to achieve various multipliers to provide context when setting the target
- 2017 target was $2.45 after tax distributable cash flow per share and actual performance was $2.70
- The maximum performance multiplier is 2 times – the 2017 corporate multiplier was set at 1.25 times
- 2017 STIP target compensation for the CEO was within +/-10% of the 50th percentile; other NEOs were generally within +/- 20% of the 50th percentile compared to the 2017 peer group

The STIP is an annual cash bonus program in which all permanent employees, including executive officers, are eligible to participate. The goal of the plan is 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.



Step 1: Establish Performance Target

The quantitative corporate performance measure underlying the STIP is after tax distributable cash flow per share[1] 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:

- **Consistency**: 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;

[1] See Keyera's 2017 Annual Management Discussion and Analysis and its accompanying Annual Financial Statements(available on our website at www.keyera.com and on Sedar at www.sedar.com) for a reconciliation of distributable cash flow per share to its most closely related GAAP measure.

- **Transparency**: Given that we publish our distributable cash flow every quarter in our management discussion and analysis, it offers transparency and a clear line of sight for executives, employees and shareholders;
- **Alignment**: 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
- **Ability to Pay**: 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 after tax 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. The Compensation and Governance Committee considers various performance scenarios at the time the target is approved to illustrate how various levels of performance may affect the performance multiplier.

Additional Performance STIP Indicators: The Compensation and Governance Committee believes that the STIP plan design has been very effective in fulfilling the objectives, providing strong alignment, clear line of site and transparency and that no significant changes in the plan design are required. Based on the results of a Hugessen STIP review in 2016, the Board agreed to standardize a practice of having at least three supplemental non-financial performance indicators provided in order to provide context for the Committee and the Board in determining STIP bonuses for the executive officers.

Therefore, while the only formal STIP performance target will continue to be after tax distributable cash flow per share, starting in 2017, the following additional performance information will be summarized and provided to the Committee and the Board:

Category	Description of Performance Information
Safety	Safety commentary will be provided as context along with the following measures: • Total recordable incidence frequency • Lost time injury rate
Operational	Operational commentary will be provided as context along with the following measure: • Facility reliability (planned and unplanned outages)
Environmental	Environmental commentary will be provided as context, along with the following measure: • Reportable incidents

In keeping with standard practice, additional contextual information regarding various other aspects of Keyera's performance over and above these three performance indicators will also continue to be provided to the Committee and Board. (See "Setting the Context: How we Performed in 2017" of this CD&A for examples of the kind of information provided.) The Committee and the Board are able to use this information to help inform the assessment by the Committee and Board of the appropriateness of the corporate multiplier and the application of discretion (if any) when determining executive STIP compensation.

Step 2: 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 our industry (including the peer group); taxability; and the effect of significant upturns or downturns in corporate performance. The Compensation and Governance Committee uses the peer analysis 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.

Step 3: Determine Size of Pool

STIP bonuses are paid out of a pool approved annually by the Board of Directors (on recommendation of the Compensation and Governance Committee). The size of the pool approved by the Board depends on the corporate performance multiplier combined with the individual performance multipliers for each employee category. The corporate performance multiplier is based on actual after tax distributable cash flow per share relative to target.

In making recommendations to the Board, the Compensation and Governance Committee reviews the corporate performance scenarios that were considered at the time the target was set. Typically, actual corporate performance that meets the STIP target would correlate to a corporate performance multiplier of 1. Individual performance multipliers are the other factor that contributes to the size of the total pool, with each employee receiving an individual performance rating based on their individual contributions.

The exercise of judgment is an important element in determining the size of the overall STIP bonus pool and individual executive officer bonuses. The Compensation and Governance Committee and the Board have discretion in setting the size of the pool, and may take a number of performance indicators into account in determining whether or how to exercise such discretion. For example, consideration may be given to: other measures of financial performance; operational excellence performance; generation of growth opportunities; financial stability and execution of financing strategies; risk management; and leadership and employee engagement.

As noted above, starting in 2017, the following performance factors are presented for consideration in application of discretion for executive officer STIP bonuses: safety performance (including total recordable incidence frequency and lost time injury rate); operational performance (including facility reliability and planned and unplanned outages); and environmental and regulatory performance (including reportable incidents).

The objective is to ensure 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.

Step 4: Evaluate Individual Performance

Individual performance of each executive officer is reviewed at least annually. 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, among other things:

- 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 President and Chief Executive Officer and meets him *in camera* following Committee meetings.

Step 5: Determine Awards

Performance Weighting: In determining incentive awards under the STIP, Keyera has adopted guidelines with respect to the relative weighting of corporate 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 corporate results. As of December 31, 2017, and for the purpose of the 2017 STIP bonuses, the respective weighting within the executive group was:

Executive Position	Corporate Performance	Individual Performance
President and Chief Executive Officer	90%	10%
Senior Vice Presidents	80%	20%
Other Executives	80%	20%

2017 STIP Bonus Ranges: 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 (as a percentage of base salary) for STIP bonuses for NEOs. As of December 31, 2017, and for the purposes of calculating the 2017 STIP bonuses, the ranges were:

Executive Position	Low End of STIP Bonus Range (as a percent of base salary)	High End of STIP Bonus Range (as a percent of base salary)
President and Chief Executive Officer	0%	200%
Senior Vice Presidents	0%	120%
Other Executives	0%	90%

Application of Discretion: 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 peer group and appropriate internal equity among members of the executive team such that officers with similar responsibilities, experience and historical performance are rewarded comparably. The safety, operational and environmental performance metrics may be applied in this context to adjust awards for executive officers. 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 corporate performance and/or individual performance are not satisfactory, actual bonus amounts payable may be zero.

How 2017 STIP Bonuses were Determined

2017 STIP Target

In 2017, the approved target level after tax distributable cash flow per share for the STIP was $2.45. In setting the target, the Board considered many factors, including: the continuing challenges presented by the low commodity price environment (including the potential impact on producer activity as well as Keyera's marketing business); competition for NGL supply; the performance of transportation service providers (including potential continued impact of curtailments or outages on third party sales gas and NGL pipelines, as well as variable performance of rail service); Keyera's tax forecast; and potential variations in Keyera's butane and iso-octane value chain. Therefore, before setting the target, various scenarios were considered to stress test the target relative to performance.

Another key piece of the target setting process was an evaluation of the shareholder experience. Specifically, the Board considered what a shareholder would experience if Keyera achieved the target performance. Looking over various time horizons, the Board noted that if Keyera achieved the target we would have delivered a compound annual growth rate in after tax distributable cash flow per share of 9.5% since 2011 and 7.4% since 2013.

In the course of its deliberations, the Board also considered the overall competitiveness of Keyera's compensation program, including the role and value of the STIP in terms of attracting and retaining talent.

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 our overall performance. Actual annual after tax distributable cash flow per share in 2017 was $2.70, 10% above the target of $2.45 that was approved by the Board at the beginning of the year. The Board recognized that Keyera was able to deliver these strong results in the face of the ongoing challenging economic environment for the oil and gas industry, a nine week unplanned outage at the AEF facility, curtailments on certain pipelines, and curtailed ethane sales from the Rimbey gas plant due to operational issues at the purchaser's downstream facility.

While the primary factor that determined the corporate performance rating was the fact that actual performance exceeded the target, the Board also considered a number of other factors relevant to the size of the STIP pool, including: various aspects of operational performance; shareholder experience (including compound annual growth rate in distributable cash flow per share); strong financial performance, particularly in light of the economic environment; advancement of key business and operational initiatives; execution of capital projects; and an ongoing solid financing strategy. (See "Compensation Discussion and Analysis - How We Performed").

Based on careful analysis of these considerations, the Board of Directors, on recommendation of the Compensation and Governance Committee, approved a corporate performance rating of 1.25.

2017 STIP - Corporate Multiplier Summary			
STIP Target after tax distributable cash flow per share	**Actual after tax distributable cash flow per share**	**Target Met (Y/N)**	**Corporate Multiplier**
$2.45	$2.70	Yes	1.25x

Before determining the STIP bonuses for the executive officers, the Board considered the following three specific performance indicators to help inform its decisions.

Performance Area	Performance Commentary
Safety	• Pipeline failure rates continued to track below industry and peers. • Slight overall increase in lost time incidents and total recordable injury frequency compared to the prior year, dominant injury theme being low severity, low duration soft tissue and joint injuries.
Operational Reliability	• Overall facility reliability (excluding planned turnarounds) in the Gathering and Processing Business Unit was 97.8%, up from 97.1% in 2016. • Operational reliability in the Liquids Business Unit was affected by an unplanned outage at AEF early in the year. Once the repairs were completed, utilization averaged over 100%.
Environment and Regulatory	• Year over year environmental and regulatory performance continued to be positive, with the number of satisfactory inspections up and the number of non-compliances, reportable releases and self-disclosures down. • Management of liabilities through our Liability Management System and the divestiture of certain inactive assets resulted in a decrease in Keyera's asset retirement obligations of 3%.

The corporate performance rating, when combined with the assessment of the individual performance of each NEO, resulted in larger bonuses compared to 2016, when the corporate performance multiplier was 1. This also reflects the fact that actual distributable cash flow per share was higher in 2017 compared to 2016. Actual bonuses paid to the NEOs for 2017 performance as a percentage of 2017 base salary as compared to bonuses paid for 2016 performance as a percentage of 2016 base salary are summarized in the following table.

Name and Position	2017 STIP Bonus	Percentage of 2017 Base Salary(1)	Potential 2017 STIP Range Percentage of Base Salary	2016 STIP Bonus	Percentage of 2016 Base Salary(1)	Potential STIP Range Percentage of Base Salary
David G. Smith President and Chief Executive Officer	$765,000	128%	0% - 200%	$378,000	76%	0% - 140%
Steven Kroeker Senior Vice President, Chief Financial Officer	$285,120	79%	0% - 120%	$213,840	59%	0% - 110%
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit	$280,800	78%	0% - 120%	$229,680	64%	0% - 110%
Dean Setoguchi Senior Vice President, Liquids Business Unit	$280,800	78%	0% - 120%	$213,840	59%	0% - 110%
Suzanne Hathaway Senior Vice President, General Counsel & Corporate Secretary	$249,600	78%	0% - 120%	$137,984	45%	0% - 80%

Notes:

(1) Rounded to the nearest whole percentage.

Long Term Incentive Plan

Highlights:

- Performance metrics and targets are set up-front and transparent
- Performance period aligns with typical project development horizons
- Two performance metrics: (a) pre-tax distributable cash flow per share, an absolute metric consistent with measurements used by management and investors to evaluate cash flow and which is strongly correlated with shareholder returns; and (b) total shareholder return, a relative measure reflecting our share performance over time compared to a midstream peer group and which aligns with shareholder experience
- The LTIP is not a treasury plan (LTIP Awards are settled in cash or through shares acquired on the open market); therefore awards are not dilutive
- There is no repricing
- Executive officers are only granted performance awards, reinforcing the pay-for-performance link
- Maximum performance multiplier is 2 times
- Guidelines with respect to maximum grants are in place
- If minimum performance thresholds are not met, the payout may be zero

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 a key element in our compensation program design, with an emphasis on encouraging retention and rewarding participants for long term financial performance consistent with the return objectives of our shareholders. It 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. If Keyera's performance as of the end of the performance period does not meet the minimum threshold approved by the Board, 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 plan design, administration and the granting of awards.

Step 1: Determine 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.

Step 2: Set Performance Metrics and Targets

Metrics: The LTIP gives the Board the discretion to determine the performance metrics that will be used to determine the payout multiplier for each set of Performance Awards and to establish the relative weighting of each such metric. These performance metrics for the Performance Awards are determined prior to the beginning of the performance period. Consistent with prior years, the Board has approved two performance metrics: (i) average pre-tax distributable cash flow per share over the three year performance period;[2] and (ii) relative total shareholder return in a defined peer group over the three year performance period. These metrics provide the LTIP with a balance between an internal absolute financial measure and an external relative financial measure. The overall payout multiplier is determined by adding the results of the average annual pre-tax distributable cash flow per share performance (weighted at 70%) and the relative peer total shareholder return performance (weighted at 30%). The maximum payout multiplier is two times. The two performance metrics for all of the outstanding LTIP grants are discussed in more detail below:

1. Average pre-tax distributable cash flow per share

   - The average pre-tax distributable cash flow per share metric is weighted at 70% of the payout multiplier for each of the 2015, 2016 and 2017 Performance Awards. Therefore the maximum performance level for this metric is 1.4 times (i.e. 70% times the maximum multiplier of 2.0).

   - This metric is calculated based on the average annual pre-tax distributable cash flow per share for the three-year performance period commencing on the July 1st grant date of the Performance Award.

   - Pre-tax distributable cash flow is equal to cash flow from operating activities calculated 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 expenses and adding any current period LTIP recoveries; (iii) subtracting any current income tax recovery, any maintenance capital, any distributable cash flow attributable to a non-controlling interest

[2] See Keyera's 2017 Management Discussion and Analysis which accompanies its 2017 Annual Financial Statements (available on our website at www.keyera.com and on Sedar at www.sedar.com) for a reconciliation of distributable cash flow per share to its most closely related GAAP measure.

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 Keyera's balance sheet as current assets; and (v) if inventory has been written down and, at the date that the pre-tax distributable cash flow is calculated, such inventory has not been sold or any gains on financial instruments relating to such inventory have not been realized, adding such unrealized gains on such inventory. This amount is divided by the weighted average number of shares outstanding during the period to determine pre-tax distributable cash flow per share.

2. Relative total shareholder return in a defined peer group

- The relative peer total shareholder return metric is weighted at 30% of the payout multiplier for each of the 2015, 2016 and 2017 Performance Awards. Therefore the maximum performance level for this metric is 0.6 times (i.e. 30% times the maximum multiplier of 2.0).
- The three year performance period begins on the July 1st grant date of the Performance Award.
- 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. Dividends in this calculation are treated on a reinvestment basis.
- The relative peer total shareholder return metric is then calculated using a percentile ranking method compared to a defined peer group. The peer group reflects companies with whom Keyera competes for investors within the midstream space. The defined peer groups[3] for each of 2015 and 2016 include the following:
  - Altagas Ltd.
  - Enbridge Inc.
  - Enbridge Income Fund Inc.
  - Gibson Energy Inc.
  - Inter Pipeline Ltd.
  - Pembina Pipeline Corp.
  - TransCanada Corp.
- In 2017, the defined peer group for 2017 included all of the foregoing as well as Kinder Morgan Canada Limited.

Step 3: Determine LTIP Grants

In determining the value 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 corporate performance;
- the position of the officer, including the roles and responsibilities assumed by the officer;
- comparative data and peer group benchmarks;
- internal equity within the executive team; and
- the contributions of the officer to the executive team and to Keyera overall.

3 Veresen was removed from the peer group upon being acquired by Pembina Pipeline Corp.

There are no formal weightings assigned to these criteria.

The Board of Directors has adopted general guidelines to provide a framework for the size of LTIP grants to NEOs as a percentage of base salary. These guidelines are reviewed periodically with the assistance of Mercer and compared against the peer group.

The guidelines in place at the time of the 2017 LTIP grants were as follows:

Executive Position	Low End of LTIP Grant Range (as a percent of base salary)	High End of LTIP Grant Range (as a percent of base salary)
President and Chief Executive Officer	200%	400%
Senior Vice Presidents	150%	300%
Other Executives	80%	200%

Step 4: 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 the plan objectives.

Step 5: 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. Our Board 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.

How LTIP Awards were Determined in 2017

How the 2017 Performance Targets were Set

As discussed above, in 2017, the Board, on the advice of the Compensation and Governance Committee, approved the continued application of two performance metrics for the 2017 LTIP Performance Awards. The performance metrics and targets are set up front such that the payouts will be based on the following calculations:

(i) Average pre-tax distributable cash flow per share over the three year performance period as to 70%. The 2017 target was set such that:

- performance that is below target by approximately 10% or more over the three-year performance period will result in this component of the payout multiplier being zero;
- performance that exceeds target by approximately 10% or more will result in this component of the multiplier reaching the maximum of 1.4 times, that is 70% of 2 times; and
- performance between these two end points is calculated on a straight line basis and will therefore result in this component of the payout multiplier being within a range between zero and 1.4 times.

In setting the 2017 pre-tax distributable cash flow per share performance target for Performance Awards, the Board considered a number of factors, including: Keyera's historical performance; forecasts with respect to future performance in various potential scenarios over the three-year performance period (including sensitivity analyses with respect to certain key variables such as key facility utilization, fees, commodity pricing, pricing differentials and foreign exchange rates); expected shareholder experience in each of those scenarios; Keyera's anticipated spend profile for capital projects; and expected timing for new projects to contribute to cash flow; Keyera's tax forecast; macro socio-economic trends and factors in Keyera's business environment that may affect performance; and year over year STIP and LTIP compensation (including targets, corporate performance multipliers and payouts).

Given the ongoing challenging business environment, the Board was satisfied with the approach to setting the 2017 target, particularly, given the following specific considerations: continued relatively low producer activity; low commodity prices; high levels of competition expected to continue to put pressure on the fees Keyera charges for certain services (including fractionation rates); anticipated curtailments on third party infrastructure; and funding costs for growth projects that will be completed beyond the LTIP performance period (including associated near term dilution). The Board also considered the fact that the 2015 and 2016 targets were set significantly higher than the 2014 target. The 2015 and 2016 targets were set in part in anticipation of a recovery in the oil and gas industry which did not materialize. While there have been some positive signs with respect to activity levels in certain areas in 2017, low natural gas prices, as well as market access and product egress constraints in the Western Canada Sedimentary Basin continue to challenge the industry. Taking into consideration various performance scenarios, the Board was also satisfied that the steeper slope for the 2017 grants compared to the prior years was appropriate.

The following table shows the approach to the targets for each of the outstanding LTIP grant years (2015, 2016 and 2017).

2017	Actual Performance[1] (approximate)	Impact on the Corporate Performance Multiplier (at 70% weighting)
Maximum	> 110% of target	1.4 times
Target	= target	0.7 times
Minimum	< 90% of target	0 times
2016		
Maximum	> 118% of target	1.4 times
Target	= target	0.7 times
Minimum	< 82% of target	0 times
2015		
Maximum	> 118% of target	1.4 times
Target	= target	0.7 times
Minimum	< 82% of target	0 times

Note:

(1) The percentage have been rounded to the nearest whole number.

(ii) Relative total shareholder return in a defined peer group over the three year performance period as to 30%. Consistent with past prior year grants, this aspect of the payout multiplier will be calculated as follows:

- in the event that the percentile rank is less than 25, this component of the payout multiplier will be zero;
- in the event that the percentile rank falls between 25 and 50, this component of the payout multiplier will be equal to the product of 0.02 times the percentile rank, with that result then being multiplied by the 30% weighting;
- in the event that the percentile rank falls between 50 and 75, this component of the payout multiplier will be obtained by subtracting 1 from the product of 0.04 times the percentile rank, with that result then being multiplied by the 30% weighting;
- in the event that the percentile rank is greater than 75, this component of the multiplier will reach the maximum of 0.6, that is the product of (i) 2 and (ii) the 30% weighting.

The following table shows the approach to the total shareholder return metric for each of the outstanding LTIP grant years (2015, 2016 and 2017).

Relative peer total shareholder return Percentile Rank	Impact on the Corporate Performance Multiplier (at 30% weighting)
Less than 25th	Nil
25th – 49th	0.15 to <0.30 times
50th – 74th	0.30 to <0.60 times
75th and greater	0.60 times

How 2017 LTIP Awards were Determined

In determining the value of LTIP Awards to be granted to Keyera's officers in 2017, our Compensation and Governance Committee and Board took into account the total compensation of each officer in relation to the peer group in the context of Keyera's overall absolute and relative performance. 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 considered, amongst other things, historical LTIP grant and payout values, corporate progress on several key business and operational initiatives, the development and execution of capital projects, internal equity considerations, comparative pay relative to the peer group (together with input from Mercer), individual performance and retention considerations. In determining the value of LTIP Awards to be 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 2017 along with the applicable delivery dates.

Name and Position	Total Number of Performance Awards Granted in July 2017	Grant Value (as a percentage of base salary)	Delivery Date (on or before)
David G. Smith President and Chief Executive Officer	50,873	350%	September 1, 2020
Steven Kroeker Senior Vice President, Chief Financial Officer	19,623	225%	September 1, 2020
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit	19,187	220%	September 1, 2020
Dean Setoguchi Senior Vice President, Liquids Business Unit	19,187	220%	September 1, 2020
Suzanne Hathaway Senior Vice President, General Counsel & Corporate Secretary	12,404	160%	September 1, 2020

Settlement of LTIP Awards in 2017

In 2017, Keyera settled the Performance Awards that were granted in 2014. The performance metrics established by the Board for the 2014 Performance Awards and Keyera's actual performance relative to these metrics were as follows:

2014 LTIP Performance Awards Settled in 2017 – Corporate Performance Multiplier					
Target 3 year pre-tax distributable cash flow per share(1)	Actual 3 year pre-tax distributable cash flow per share(1)	Contribution to Corporate Multiplier at 70% Weighting	Relative Total Shareholder Return Percentile Rank	Contribution to Corporate Multiplier at 30% Weighting	Final Corporate Multiplier
$2.20	$2.90	1.4	71.9%	0.5634	1.9634

Note:
(1) Adjusted to reflect the two-for-one share split completed in 2015.

The settlement value of the 2014 Performance Awards was calculated based on the following :

- A share price of $36.55: the closing price on August 11, 2017, the last trading day before the delivery date;
- A payout multiplier of 1.9634: reflecting Keyera's actual average three year pre-tax distributable cash flow per share performance from July 2014 and through the end of June 2017, which was well above the target set in 2014 and Keyera's performance relative to the LTIP peer group; and
- An adjustment ratio of 1.12239: reflecting the value of the dividends paid during the three year performance period plus the two months between the end of the performance period and the delivery date.

The Board does not exercise discretion in the calculation of the settlement amounts, such amounts are calculated based on the performance targets established at the beginning of the performance period in accordance with the terms of the LTIP plan text.

The following table summarizes the 2014 Performance Awards that were settled with NEOs in 2017.

Name and Position(1)	Number of Performance Awards Settled in 2017(2)	Grant Date Value 2014(3)	Value of Performance Awards Settled in 2017(4)
David G. Smith President and Chief Executive Officer	40,000	$1,566,000	$3,221,809
Steven Kroeker Senior Vice President, Chief Financial Officer	18,800	$736,020	$1,514,267
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit	20,800	$814,320	$1,675,342
Dean Setoguchi Senior Vice President, Liquids Business Unit	18,800	$736,020	$1,514,267
Suzanne Hathaway Senior Vice President, General Counsel & Corporate Secretary	11,200	$438,480	$902,127

Notes:

(1) Mr. Smith held the position of President and Chief Operating Officer at the time of the 2014 grants and was appointed President and Chief Executive Officer on January 1, 2015. Mr. Kroeker was Vice President, Chief Financial officer at the time of the 2014 grants and was promoted to Senior Vice President, Chief Financial Officer effective February 3, 2015. Dean Setoguchi was appointed Senior Vice President, Liquids Business Unit on April 3, 2014 at which time he was awarded 7,200 Performance Awards (14,400 Performance Awards when adjusted for the two-for-one share split in 2015) under the 2014 LTIP. Ms. Hathaway was Vice President, General Counsel & Corporate Secretary at the time of the 2014 grants and was promoted to Senior vice President, General Counsel & Corporate Secretary in June 2017.

(2) The number of Performance Awards has been adjusted to reflect the two-for-one stock split in 2015. The total value of Performance Awards settled in 2017 is subject to rounding associated with the two-for-one share split.

(3) The grant date value for the 2014 grants is based on a share price of $39.15 (on a post-split basis), the closing price of the shares on July 2, 2014 which was the first trading day after the grant date.

(4) The settlement value is based on a share price of $36.55, which is the closing price of the shares on August 11, 2017, the last trading day before settlement. See the narrative description earlier in this section for a description of the payout multiplier and adjustment ratio that were applied.

Outstanding Number of LTIP Awards

As of December 31, 2017, there were a total of 1,013,234 Performance Awards and 136,968 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.

2017 Actual Total Direct Compensation: Pay for Performance

Executive compensation was tested against Keyera's performance in a number of ways. In 2017, the Compensation and Governance Committee compared year over year STIP bonuses and total direct compensation paid in relation to corporate financial metrics including: Keyera's distributable cash flow per share, total cumulative shareholder return and adjusted EBITDA. (See "Other Matters – Disclaimer: Presentation of Financial Information"). These are measures commonly used to measure corporate 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, which reflects the primary performance measure used by Keyera in our 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
2015	$482.1	$9.43	2.0%
2016	$459.6	$8.07	1.8%
2017	$510.4	$8.82	1.7%

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 2017 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 earned in the applicable year, LTIP Awards at grant date value, pension value and "other compensation" (to the extent required to be reported for the purposes of the Summary Compensation Table). The calculations for each year are based on the compensation paid to the NEOs reported in the Summary Compensation Tables in the information circulars for those years.

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 (ii) the publicly traded companies within the 2017 peer group. The following table highlights Keyera's performance relative to the publicly traded companies within the peer group based on the analysis prepared by Mercer to assist the Committee in its analysis of comparable pay-for-performance.

Keyera's Performance Relative to the 2017 Peer Group			
Measure[1]	**1 year**	**3 year**	**5 year**
Revenue Growth	Between 50th and 75th percentile	Near 50th percentile	Between 25th and 50th percentile
(Adjusted) EBITDA Growth	Below 25th percentile	Between 50th and 75th percentile	Above 75th percentile
Earnings per Share Growth	0 percentile	Near 75th percentile	Between 75th and 100th percentile
Return on Assets	Near 100th percentile	100th percentile	100th percentile
Return on Equity	Near 100th percentile	100th percentile	100th percentile
Return on Investment	Near 100th percentile	100th percentile	100th percentile
Total Shareholder Return[2]	Above 75th percentile	Near 100th percentile	100th percentile

Notes:

(1) Growth and return measures (other than Total Shareholder Return) were based on the most recent 12 months as of August 31, 2017. Many of these are non-GAAP measures and there may be differences in the calculation of these metrics between companies. See "Other Matters - Disclaimer: Presentation of Financial Information."

(2) Total Shareholder Return based on market capitalization and enterprise value as of August 31, 2017.

As can be seen above, Keyera's overall performance compares favourably to the 2017 peer group by almost all metrics over one, three and five year horizons, with the exception of the short term EBITDA growth and earnings per share growth. While our total shareholder return in recent years has been affected by lower share prices, comparatively, Keyera has performed well.

Based on the benchmarking analysis prepared by Mercer, actual total direct compensation for all of Keyera's NEOs in 2017 was generally within 20% of the 50th percentile compared to the 2017 proxy peer group, with three of the five NEOs being within 10% of the 50th percentile. The Board was satisfied that the compensation was appropriate in light of Keyera's operational, financial and health, safety and environmental performance, the new opportunities that it was able to attract, as well as the work it had advanced on a variety of initiatives including investments in technology, Operational Excellence and underlying business processes improvements that will have long-lasting benefits for the long-term operation of the business

The Board of Directors recognizes the importance of (i) offering a competitive compensation program that will achieve its objectives; (ii) compensating NEOs for the business, operational and financial success we have had, including the execution of the capital growth program, the dividend increase track record and maintenance of a strong balance sheet and low payout ratio; (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; and (iv) applying appropriate compensation risk management principles so as to minimize excessive risk taking by NEOs. These considerations, within the context of the overall economic environment, will continue to inform the Board of Directors' approach to executive compensation and the establishment of targets under Keyera's incentive compensation programs in 2018.

The Board has carefully evaluated and sought input from its compensation consultants with respect to the challenges in setting incentive compensation targets in the uncertain economic times like those we have experienced over the last three years. Looking ahead, at both the headwinds and tailwinds for Keyera and the oil and gas industry generally, the Board is of the view that it may be necessary to apply additional discretion than it has traditionally in order to appropriately manage compensation decisions and risk.

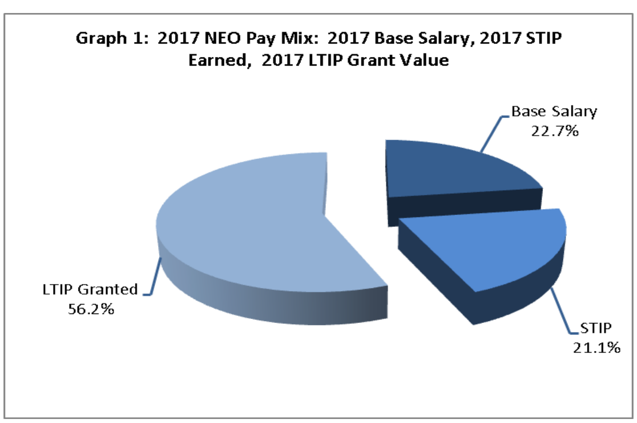
Pay Mix

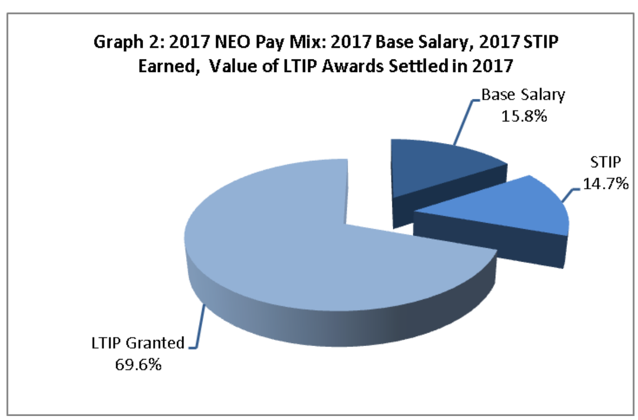
NEO Pay Mix: The target pay mix for Keyera's NEOs is more heavily weighted to variable incentive compensation which aligns with Keyera's pay-for-performance model. Within the variable compensation mix, there is greater weight on long-term incentive compensation which aligns with Keyera's approach to mitigating compensation risk. With respect to Keyera's long-term incentive mix, Keyera only grants Performance Awards (with a three year performance period) to NEOs and does not grant time vested Restricted Awards. The actual total direct pay mix varies depending on Keyera's performance. The shift in pay mix between total compensation based on LTIP grant value and total compensation based on actual realized value aligns with Keyera's very strong performance over the last three years.

The following graphs illustrate the total direct compensation pay mix for Keyera's current five NEOs as a group in 2017 on the basis of:

(1) Graph 1: actual 2017 base salary, 2017 STIP earned for the performance year and grant date value of the 2017 LTIP Awards (all as presented in the Summary Compensation Table under "Compensation of the Named Executive Officers"); and

(2) Graph 2: actual 2017 base salary, 2017 STIP earned for the performance year (as presented in the Summary Compensation Table under "Compensation of the Named Executive Officers") and the value of LTIP Awards settled in 2017 (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")



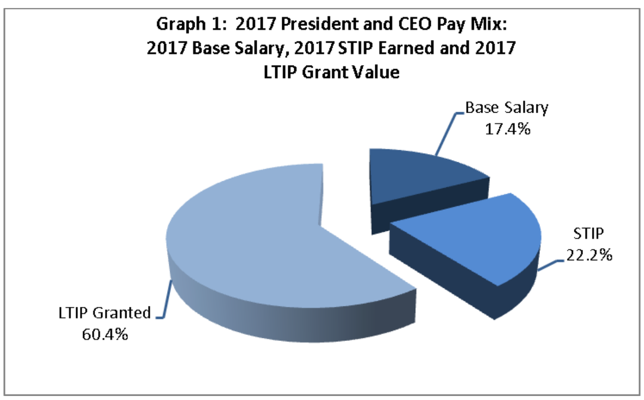


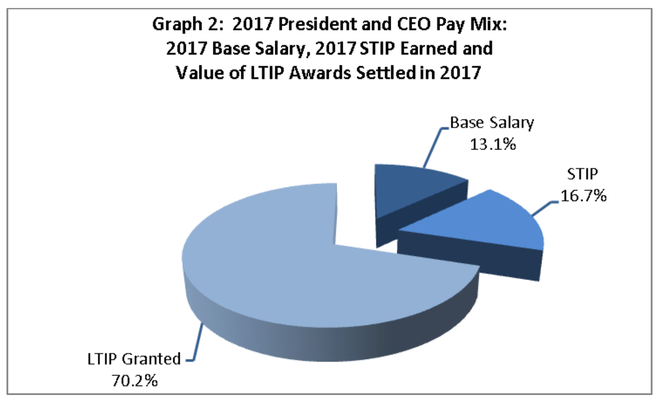
Chief Executive Officer Pay Mix: The key factors that contributed to the determination of Mr. Smith's actual total direct compensation levels in 2017 included: strong financial performance by Keyera; the execution of strategic business initiatives; the completion of key growth projects and continued development of various other projects; his high degree of engagement in Keyera's investor relations and outreach program; the advancement of Keyera's risk assessment initiatives; and the strong interpersonal skills demonstrated by Mr. Smith on a consistent basis. Mr. Smith's pay mix in 2017 was consistent with the pay mix pattern for other NEOs, and reflects Keyera's pay for performance philosophy. Consistent with prior years and Keyera's overall approach to NEO compensation, Mr. Smith's actual total direct compensation in 2017 was weighted toward variable incentive compensation. The shift in pay mix between total compensation based on LTIP grant value and total compensation based on actual realized value aligns with Keyera's financial performance over the last three years.

The following graphs illustrate the total direct compensation pay mix for Mr. Smith on the basis of:

(1) Graph 1: actual 2017 base salary, STIP earned for the 2017 performance year and grant date value of the 2017 LTIP Awards (all as presented in the Summary Compensation Table under "Compensation of the Named Executive Officers"); and

(2) Graph 2: actual 2017 base salary, STIP earned for the 2017 performance year (as presented in the Summary Compensation Table under "Compensation of the Named Executive Officers") and the value of LTIP Awards settled in 2017 (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, our executive officers participate in the same pension and benefit programs as other Keyera employees. Keyera's pension plan is a defined contribution pension plan. We do not offer a defined benefit pension plan to any of our 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 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 2017 was $26,230. 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, a perquisite allowance and an executive medical program.

Employment Contracts

Each NEO has an employment agreement with Keyera. These agreements outline 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 employment agreements for all NEOs contain a "double-trigger" change of control clause. These agreements provide 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. 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. The double trigger change of control provision of the employment agreements does not apply to LTIP Awards. LTIP Awards are governed by the LTIP plan text. Refer to the "Termination and Change of Control Benefits" section of this Information Circular for a detailed discussion of termination and change of control payments.

In accordance with the employment agreements, each NEO has agreed that, in the event of termination for any reason, he or she 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 our 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. LTIP

Awards granted to officers are not included in the calculation of their shareholdings. All of the NEOs meet the ownership guidelines. The following table sets forth the share ownership guidelines and shareholdings of the NEOs as of March 1, 2018.

Named Executive Officer	Minimum Share Ownership Requirement	Number of Shares Beneficially Owned or Controlled as of March 1, 2018	Total Value of Shares as of March 1, 2018[(1)]	Value of Shares as of March 1, 2018 as a Multiple of Annual Base Salary[(2)]
David Smith President and Chief Executive Officer	3 x base salary	577,341	$19,600,727	35 times
Steven Kroeker Senior Vice President, Chief Financial Officer	2 x base salary	95,238	$3,233,330	9 times
Bradley Lock Senior Vice President, Gathering and Processing Business Unit	2 x base salary	161,920	$5,497,184	15 times
Dean Setoguchi Senior Vice President, Liquids Business Unit	2 x base salary	184,633	$6,268,290	17 times
Suzanne Hathaway Senior Vice President, General Counsel & Corporate Secretary	2 x base salary	30,521	$1,036,188	3 times

Notes:

(1) In accordance with Keyera's Share Ownership Guidelines, the value of shares is based on the 30 day average closing price up to and including March 1, 2018 which was $33.95 per share.

(2) Multiple calculated by dividing the total value of shares as of March 1, 2018 by the base salary paid to each NEO in 2017 as identified in the compensation table under the heading "Compensation of the Named Executive Officers – Summary Compensation Table", rounded to the nearest whole number.

Summary of How We Mitigate 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. Our Board and committees have continued to focus on risk management and strengthening the alignment of Keyera's compensation and governance practices with our approach to risk mitigation.

Hedging Guidelines

We have adopted anti-hedging guidelines stating that directors and officers of Keyera are 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.

Clawback Policy

Starting in 2016, Keyera implemented a clawback policy. This policy provides that, in the event Keyera is required to materially restate all or a portion of our financial statements due to fraud, gross negligence or intentional misconduct of the Chief Executive Officer, the Board may seek to recover or cancel incentive compensation paid or granted to the Chief Executive Officer to the extent that such incentive compensation would have been a materially lower amount had it been calculated based on the restated financial statements. The Board will exercise sound business judgment and consider all relevant factors in determining appropriate recourse.

Other Measures We Use To Mitigate Compensation Risk

In addition to our anti-hedging guidelines and clawback policy, we employ a number of strategies to manage compensation risk, including:

- Compensation plans incorporate elements of discretion for our Board thereby permitting risk adjustments to be made so that payouts are not overly influenced by an unusual result in a given area.
- Our Audit Committee oversees the financial risks associated with Keyera's business, our Health, Safety and Environment Committee is responsible for overseeing operational and business risks and our Compensation and Governance Committee oversees talent management and compensation risk matters. The risk oversight and analysis carried out by each committee informs compensation decisions.
- 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 construction and commencement of operations 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 STIP and LTIP have maximum performance multipliers of two times.
- Our 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.

How We Use Compensation Consultants

Overview

As described above, Keyera's compensation programs and assessment of competitive levels of compensation are determined with the assistance of professional compensation advisors.

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 officers. As in prior years, the Compensation and Governance Committee retained Mercer to provide advice with respect to 2017 executive compensation. The Committee also retains Mercer to provide research, advice and recommendations with respect to compensation of the directors and completed a director compensation review for the Committee in 2017.

The Committee also periodically retains Hugessen to assist in fulfilling its mandate to oversee compensation matters. In 2017, the Committee retained Hugessen to conduct a review of the design and application of Keyera's LTIP program and the elements of Keyera's executive compensation structure. Previously, in 2016, Hugessen completed a review of the design and application of Keyera's STIP program.

The advice that the Committee receives from compensation consultants is an important element in developing the Committee's recommendations to the Board with respect to director and officer 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 2016 and 2017, total fees billed (including taxes) for services provided to Keyera by Mercer and Hugessen were as follows:

Year Ended December 31	2017	2016
Executive Compensation Fees paid to Mercer	$101,112	$54,403
All Other Fees	$17,535	$16,941
Mercer Total	**$118,647**	**$71,344**
Executive Compensation Fees paid to Hugessen	$42,517	$31,971
All Other Fees	$0	$0
Hugessen Total	**$42,517**	**$31,971**

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.
- All Other Fees: Fees for Keyera's participation in annual market surveys (Mercer) or other advisory services.

Pre-approval Policy

The Compensation and Governance Committee has 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.

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[(1)]	Year	Salary ($)	Equity Incentive Plan Compensation: Share-Based Awards[(2)] ($)	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)] ($)	Total Compen-sation ($)
David G. Smith President and Chief Executive Officer	2017 2016 2015	562,200 500,000 500,000	2,080,197 1,837,478 1,742,289	Nil Nil Nil	765,000 378,000 533,750	Nil Nil Nil	56,256 49,992 49,992	N/A N/A N/A	3,463,953 2,765,470 2,826,032
Steven Kroeker Senior Vice President, Chief Financial Officer	2017 2016 2015	360,000 360,000 360,000	802,384 831,613 773,809	Nil Nil Nil	285,120 213,840 304,920	Nil Nil Nil	36,000 36,000 31,200	N/A N/A N/A	1,483,504 1,441,453 1,469,929
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit	2017 2016 2015	360,000 360,000 360,000	784,556 831,613 810,689	Nil Nil Nil	280,800 229,680 300,960	Nil Nil Nil	36,000 36,000 36,000	N/A N/A N/A	1,461,356 1,457,293 1,507,649
Dean Setoguchi Senior Vice President, Liquids Business Unit	2017 2016 2015	360,000 360,000 360,000	784,556 831,613 773,809	Nil Nil Nil	280,800 213,840 302,940	Nil Nil Nil	28,800 28,800 28,800	N/A N/A N/A	1,454,156 1,434,253 1,465,549
Suzanne Hathaway Senior Vice President General Counsel & Corporate Secretary	2017 2016 2015	314,000 299,000 290,000	507,200 501,275 445,832	Nil Nil Nil	249,600 137,984 177,480	Nil Nil Nil	31,392 29,892 23,690	N/A N/A N/A	1,102,192 968,151 937,002

Notes:

(1) Mr. Smith was appointed President and Chief Executive Officer effective January 1, 2015; prior thereto he held the position of President and Chief Operating Officer. Mr. Kroeker was appointed Senior Vice President, Chief Financial Officer in February 2015; prior thereto he held the position of Vice President, Chief Financial Officer. Ms. Hathaway was appointed Senior Vice President, General Counsel and Corporate Secretary in June 2017; prior thereto she held the position of Vice President, General Counsel and Corporate Secretary. 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 2017 grants under the LTIP was July 1, 2017. The dollar amount disclosed for the 2017 grants is based on a share price of $40.89 which was the share closing price on July 4, 2017, the first trading day after the effective date of the awards. The dollar amount disclosed for the 2016 grants is based on a share price of $39.92, which was the share closing price on July 4, 2016, the first trading day after the effective date of the awards. The dollar amount disclosed for the 2015 grants is based on a share price of $42.44, which was the share closing price on July 2, 2015, the first trading day after the effective date of the awards. As of December 29, 2017, the share closing price was $35.42.

(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. (See "Compensation Discussion and Analysis – STIP"). Keyera does not have 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.

(5) None of the NEOs received perquisites or other compensation that, in the aggregate, were worth $50,000 or more or which were worth 10% or more of their total base salary in 2015, 2016 or 2017.

Incentive Plan Awards

Keyera has two incentive compensation plans in place: STIP and LTIP. (See "Compensation Discussion and Analysis – Short Term Incentive Plan" and "Compensation Discussion and Analysis – Long Term Incentive Plan" for a full description of these plans). Keyera does not have an option plan and does not grant stock options to 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)
David G. Smith President and Chief Executive Officer	137,955	$5,624,202	Nil
Steven Kroeker Senior Vice President, Chief Financial Officer	58,688	$2,391,703	Nil
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit	59,121	$2,408,888	Nil
Dean Setoguchi Senior Vice President, Liquids Business Unit	58,252	$2,373,794	Nil
Suzanne Hathaway Senior Vice President, General Counsel & Corporate Secretary	35,466	$1,445,706	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.

(2) The value of the LTIP Awards has been calculated assuming a share price of $39.15 (which was the closing price of Keyera shares on December 29, 2017), a target payout multiplier of 1x and an adjustment ratio based on Keyera's dividend as of March 2018 of $0.14 per share per month being maintained through to 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."

The following table sets out the value of LTIP Awards granted to NEOs that were settled during 2017, along with the value of the STIP awards that were earned for 2017.

Name and Position(1)	Share Based Awards – Value Vested During the Year	Non-Equity Incentive Plan Compensation – Value Earned during the Year(2)
David G. Smith President and Chief Executive Officer	$3,221,809	$765,000
Steven Kroeker Senior Vice President, Chief Financial Officer	$1,514,267	$285,120
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit	$1,675,342	$280,800
Dean Setoguchi Senior Vice President, Liquids Business Unit	$1,514,267	$280,800
Suzanne Hathaway Senior Vice President, General Counsel & Corporate Secretary	$902,127	$249,600

Notes:

(1) Effective January 1, 2015, Mr. Smith was appointed President and Chief Executive Officer. Mr. Kroeker was appointed as Vice President, Chief Financial Officer in November 2012 and Senior Vice President, Chief Financial Officer in February 2015; prior thereto he held the position of Vice President, Corporate Development. Ms. Hathaway was appointed as Senior Vice President, General Counsel and Corporate Secretary in June 2017 and was Vice President, General Counsel and Corporate Secretary prior thereto.

(2) Keyera's only non-equity incentive plan is the STIP. The amounts shown in this column reflect the STIP awards that were earned for 2017 performance, but which were paid to the NEOs in cash in the first quarter of 2018.

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 ($)
David G. Smith President and Chief Executive Officer	816,455	56,256	926,682
Steven Kroeker Senior Vice President, Chief Financial Officer	250,506	36,000	294,796
Bradley W. Lock Senior Vice President, Gathering and Processing Business Unit	439,199	36,000	511,223
Dean Setoguchi Senior Vice President, Liquids Business Unit	79,574	28,800	116,722
Suzanne Hathaway Senior Vice President, General Counsel & Corporate Secretary	220,363	31,392	270,850

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. All of the NEOs 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 71st 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[(1)]	Pension Plan Service Date[(2)]
David Smith President and Chief Executive Officer	September 2, 1991
Steven Kroeker Senior Vice President, Chief Financial Officer	June 20, 2006
Bradley Lock Senior Vice President, Gathering and Processing Business Unit	June 15, 1987
Dean Setoguchi Senior Vice President, Liquids Business Unit	April 3, 2014
Suzanne Hathaway Senior Vice President, General Counsel & Corporate Secretary	October 3, 2005

Notes:

(1) Messrs. Smith, Kroeker and Lock and Ms. Hathaway have held various positions within Keyera since the pension plan service date.

(2) Messrs. Smith and Lock have been recognized for their years of service with Keyera's predecessor organizations. The service dates for Mr. Smith includes his years of service with the following predecessor organizations: Gulf Canada Resources Limited, Gulf Midsteam 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 our 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 of employment 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.

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:

- For all NEOs the termination event occurred on December 31, 2017.
- 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 2 years. 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 $35.42 (which was the closing price of shares on December 29, 2017, the last trading day in December), 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.

The calculations are for illustrative purposes only. The actual amounts that any NEO would receive upon termination of employment can only be determined at the time he or she leaves the employment of Keyera. There are many factors that could affect the nature and amount of any benefits provided and as a result, actual amounts may be higher or lower than what is reported. Among the factors that could affect the actual amount that would be paid include: actual timing of termination, Keyera's actual performance relative to the performance metrics, Keyera's share price and the NEO's age and years of service.

As discussed in the Compensation Discussion and Analysis, in accordance with the employment agreements, each NEO has agreed that, in the event of termination for any reason, he or she 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.

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. The following are illustrative calculations of the termination payments in the event of the retirement of the executive under the employment agreements and the LTIP.

It should be noted that because LTIP payments in the retirement scenario are based on Keyera's future performance, which is unknown, we have had to make several simplifying assumptions in order to provide an illustrative calculation (the assumptions are described in Note 2 below). This is in contrast to the other illustrative calculations for the other termination scenarios, where the LTIP payouts are largely based on Keyera's performance relative to targets up to December 31, 2017.

Retirement	Smith ($)	Kroeker ($)	Lock ($)	Setoguchi ($)	Hathaway ($)
Salary/Severance	Nil	Nil	Nil	Nil	Nil
STIP(1)	765,000	285,120	280,800	280,800	249,600
Other Benefits	Nil	Nil	Nil	Nil	Nil
LTIP(2)	5,624,202	2,391,703	2,408,888	2,373,794	1,445,706
TOTAL PAYOUT	6,389,202	2,676,823	2,689,688	2,654,594	1,695,306

Notes:

(1) For those NEOs who have not reached the age of 55, this calculation assumes that the Board exercises discretion to treat the NEO as if he or she has reached this age. In the event that the Board did not exercise this discretion, the STIP payment to Messrs. Kroeker, Lock and Setoguchi and Ms. Hathaway would be nil.

(2) 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 constant share price of $35.42 throughout the performance periods which is the closing price of the shares on December 29, 2017; (ii) that current dividends, as of the March 2018 dividend, of $0.14 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 or that the Board has exercised its discretion to treat the NEO as if he or she had reached 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. In addition, the delivery date for all outstanding LTIP Awards would be accelerated to the date of death and payable to the executive's estate as soon as practical following the date of death. The following are illustrative calculations of the termination payments in the event of the death of the executive under the employment agreements and the LTIP:

Death	Smith ($)	Kroeker ($)	Lock ($)	Setoguchi ($)	Hathaway ($)
Salary/Severance(1)	Nil	Nil	Nil	Nil	Nil
STIP(2)	765,000	285,120	280,800	280,800	249,600
Other Benefits	Nil	Nil	Nil	Nil	Nil
LTIP	2,628,382	1,097,334	1,101,390	1,086,285	667,600
TOTAL PAYOUT	3,393,382	1,382,454	1,382,190	1,367,085	917,200

Notes:

(1) Assumes that the salary for the last pay period had already been paid on December 31, 2017 prior to the death.

(2) The STIP payments in this scenario assume that the Compensation and Governance Committee exercised its discretion to pay the bonus for the 2017 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 under the employment agreements or the LTIP.

Termination Without Cause

Under the executive employment agreements, 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. The following are illustrative calculations of the termination payments in the event of termination without cause under the employment agreements and the LTIP:

Termination Without Cause	Smith ($)	Kroeker ($)	Lock ($)	Setoguchi ($)	Hathaway ($)
Salary/Severance(1)	1,300,000	720,000	900,000	720,000	640,000
STIP(2)	840,000	427,680	459,360	427,680	275,968
Other Benefits(3)	71,666	66,979	69,928	60,897	54,362
LTIP(4)	1,560,269	671,392	682,814	667,710	401,125
TOTAL PAYOUT	3,771,935	1,886,051	2,112,102	1,876,287	1,371,455

Notes:

(1) Basic severance for Mr. Setoguchi and Ms. Hathaway is based on 24 months base salary. Basic severance for Messrs. Smith, Kroeker and Lock is based on one month base salary for every year of service subject to a minimum of 24 months and a maximum of 30 months.

(2) The STIP component of the termination payment is based on two times the greater of the target STIP bonus or the most recently paid STIP bonus.

(3) The benefits value for Mr. Setoguchi and Ms. Hathaway is based on 24 months of value. The benefits value for Messrs. Smith, Kroeker and Lock is calculated based on one month of benefits value for every year of service, subject to a minimum of 24 months and a maximum 30 months. Included in the benefits is a flat $20,000 allowance for out placement counselling services (or cash in lieu).

(4) The LTIP payment is based on the following: termination prior to the first anniversary of the grant date, 33.33% of the shares; termination after the first anniversary, but prior to the second anniversary of the grant date, 66.66% of the shares; and termination after the second anniversary 100% of the shares.

Change of Control

In each of the employment agreements, in the event of a change of control, the NEO is only entitled to termination payments (related to base salary, STIP and other benefits) 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.

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).

The following are illustrative calculations of the termination payments in the event of a change of control under the employment agreements and the LTIP:

Change of Control	Smith ($)	Kroeker ($)	Lock ($)	Setoguchi ($)	Hathaway ($)
Salary/Severance(1)	1,300,000	720,000	900,000	720,000	640,000
STIP(2)	840,000	427,680	459,360	427,680	275,968
Other Benefits(3)	71,666	66,979	69,928	60,897	54,362
LTIP(4)	2,528,687	1,053,617	1,054,158	1,042,568	643,211
TOTAL PAYOUT	4,740,354	2,268,276	2,483,446	2,251,145	1,613,541

Notes:

(1) Basic severance for Mr. Setoguchi and Ms. Hathaway is based on 24 months base salary. Basic severance for Messrs. Smith, Kroeker and Lock is based on one month base salary for every year of service subject to a minimum of 24 months and a maximum of 30 months.

(2) The STIP component of the termination payment is based on two times the greater of the target STIP bonus or the most recently paid STIP bonus.

(3) The benefits value for Mr. Setoguchi and Ms. Hathaway is based on 24 months of value. The benefits value for Messrs. Smith, Kroeker and Lock is calculated based on one month of benefits value for every year of service, subject to a minimum of 24 months and a maximum 30 months. Included in the benefits is the flat $20,000 allowance for out placement counselling services (or cash in lieu).

(4) Settlement of all LTIP Awards is accelerated provided that the executive officer continues to make his services available for 60 days following the date of the change of control.

Incapacity

If the executive officer is incapacitated for a period of more than twelve consecutive months during which time he or she 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 or she 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, 2017 or in any proposed transaction that has materially affected or would materially affect Keyera or Keyera's subsidiaries or 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 at any time since January 1, 2017.

Additional Information

Financial information relating to Keyera is provided in the consolidated annual financial statements of Keyera. An overview of Keyera and our business operations is contained in our Annual Information Form. Keyera files 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 Director, Investor Relations at Keyera at Suite 200, 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), adjusted EBITDA (earnings, before interest, taxes, depreciation, amortization, accretion, impairment expense, unrealized gains/losses and any other non-cash items such as gains/losses on the disposal of property, plant and equipment) 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. Adjusted 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 our STIP and LTIP, and uses total shareholder return as part of the performance target under our 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 2017 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 and 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 22, 2018) 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; and (iii) 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; 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 for the appointment of auditors and the election of each director. 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 David Smith or Suzanne Hathaway, 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 4, 2018 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, David Smith and Suzanne Hathaway, 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 May 4, 2018 (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; 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 200, 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; and**
- **FOR the Say on Pay Advisory Resolution.**

16) How many shares are outstanding?

As of the Record Date, Keyera had 205,981,646 common shares issued and outstanding 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 Corp. and its subsidiaries are collectively referred to as "Keyera".

Primary Responsibility and Authority

The board of directors (the "Board") of Keyera Corp. 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:

1. 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
2. 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 fulfills 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:

1. planning its composition and size;
2. selecting its Chair and its Independent Lead Director (if the Chair is not independent);
3. seeing that an effective Board is maintained by nominating candidates for election to the Board;
4. 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;
5. establishing and modifying as necessary the Board's mandate and the position description for the Chair and the Independent Lead Director;
6. determining director compensation; and
7. 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 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.

KEYERA

Delivering Midstream Solutions

Keyera Corp.
Suite 200, Sun Life Plaza West Tower
144 – 4th Avenue SW
Calgary, Alberta T2P 3N4

www.keyera.com