

# GOVERNANCE AND SUSTAINABILITY COMMITTEE

## TERMS OF REFERENCE

(Effective July 28, 2022)

### Committee Purpose

The Governance and Sustainability Committee (the "**Committee**") of the Board of Directors of Keyera Corp. (the "**Board**") assists the Board in fulfilling its responsibilities in the development, oversight and monitoring of the Corporation's approach to corporate governance, as well as environmental, social and governance ("ESG") and sustainability-related matters, including corresponding strategies, performance objectives, related practices and disclosures.

Without limiting the generality of the foregoing, the Committee also assists the Board in the identification and recruitment of potential director nominees, as well as director education, Board compensation arrangements, as well as the ongoing evaluation of Board, Committee and individual Director effectiveness.

### Committee Composition

#### 1. Committee Composition

The Committee shall be comprised of a minimum of three directors and a maximum of six directors, each of whom must be "independent" as determined by the Board in accordance with Canadian securities law and regulations. No Committee member may be a member of Management or an employee of the Corporation or any affiliate thereof.

#### 2. Appointment of Committee Members

Members shall be appointed by the Board annually, or such other times as determined by the Board to be necessary. A Director appointed by the Board to serve as Committee member shall serve in such capacity until he or she resigns or is removed, or a successor is appointed by the Board.

#### 3. Committee Chair

The Board shall appoint one Committee member to serve as Chair of the Committee ("**Committee Chair**"). The Committee Chair shall serve in such capacity until he or she resigns, is removed, or a successor is appointed by the Board. The Board shall periodically rotate the Committee Chair.

If the Committee Chair is not in attendance at a meeting, the remaining Committee members in attendance shall choose one of such Committee members to preside as Committee Chair for purposes of the meeting.

#### **4. Committee Vacancies**

The Board may appoint a Director to fill a vacancy on the Committee which occurs between annual elections of Directors. If a vacancy exists on the Committee, the remaining Committee members shall continue to exercise all powers of the Committee, provided it continues to consist of at least three independent Directors.

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

Unless otherwise determined by the Committee Chair, the Corporation's Corporate Secretary shall act as secretary at Committee meetings.

#### **6. Meetings**

The Committee shall meet at least three times per year and at such other times as it deems appropriate. Meetings may be held at the call of the Committee Chair or the President & Chief Executive Officer ("CEO"), or upon written request (including by way of written electronic communication) of any two Committee members. The time, place and procedures for such meetings shall be determined by the Committee.

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

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

#### **8. Quorum**

A quorum of any meeting of the Committee shall be the greater of two members or a majority of Committee members.

#### **9. Management Attendance**

The President and CEO shall receive notice of and, unless otherwise determined by the Committee Chair, be entitled to attend all Committee meetings, except the in-camera portion of such meeting, unless invited to do so by the Committee Chair.

At the invitation of the Committee Chair, one or more executive officers of Keyera may attend any meeting of the Committee.

## **10. Committee Voting**

Each Committee member shall have the right to vote on matters that come before the Committee.

Any matter to be determined by the Committee shall be decided by a majority of votes cast at a Committee meeting at which such matter is considered. Actions of the Committee may also be taken by an instrument or instruments in writing signed (including electronically) by all Committee members, and such actions shall be effective as though they had been decided by a majority of votes cast at a Committee meeting called for such purpose.

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

Subject to any statute or articles and by-laws of the Corporation, the Committee shall fix its own procedures at meetings, keep records of its proceedings and report to the Board when the Committee may deem appropriate (but not later than the next meeting of the Board). The minutes of its meetings shall be distributed to all Committee members and made available to all members of the Board. All directors shall be provided with access to any materials distributed to members of the Committee.

## **12. Delegation**

The Committee may delegate, from time to time, to any individual Committee members or subcommittee of the Board, that may lawfully be delegated.

## **13. Independent Advisors**

The Committee has the authority to retain such independent legal and/or other advisors as it deems necessary to advise the Committee or any Committee member independently on any matter. The Committee shall have the authority to retain and terminate such advisors, including to approve fees and other terms of the retainer.

## **14. Terms of Reference**

The Committee shall review its Terms of Reference at least annually and recommend such changes or modifications as it deems appropriate to the Board for review and, as appropriate, approval.

## **Committee Duties & Responsibilities**

In fulfilling its duties, the Committee shall perform and report and/or make recommendations to the Board, as applicable, in respect of the following:

## **15. Corporate Governance**

The Committee shall oversee the Corporation's approach to corporate governance including, without limitation, monitoring and reviewing its corporate governance strategies,

objectives, practices and performance, including the ongoing review of governance developments and trends impacting the Corporation, its business or its stakeholders, and when appropriate, shall make recommendations to the Board in respect of the following:

- (a) the Corporation's approach, policies and practices in respect of corporate governance matters including, without limitation, corporate governance practices, insider trading, continuous disclosure and ethical business conduct;
- (b) Terms of Reference for this Committee and all other Board Committees, as well as the Board Mandate, which the Committee shall review on a periodic basis;
- (c) position descriptions and respective duties of the President and CEO, Board Chair and respective Committee Chairs, which the Committee shall review on a periodic basis;
- (d) size and composition of the Board and making recommendations to the Board that could improve effectiveness of the Board;
- (e) processes for assessing effectiveness of the Board as a whole, each Committee and the contribution of individual Directors, on a regular basis;
- (f) assessing and monitoring, as required, the effectiveness of communication between the Board and Management including, without limitation, the effectiveness of Board related communications and materials;
- (g) the adequacy and form of Director compensation, including the administration of any equity-based or other compensation applicable to Directors, as well as corresponding Director Share Ownership requirements, which shall be evaluated on a regular basis, and the appointment of any external advisor(s) to assist the Committee in the evaluation of same;
- (h) reviewing and advising the Board in respect of any actual or potential conflicts of interest in respect of any Director and where required, any senior executive of the Corporation;
- (i) policies applicable to Directors, including in respect of Board tenure, retirement, share ownership, participation of Directors on outside Boards, including potential Board interlocks, director over-boarding, as well as ethical conduct;
- (j) disclosure of the Corporation's corporate governance and/or ESG practices and policies prior to the publication thereof in the Corporation's annual reports, Management Information Circular, Annual Information Form, or other material documents intended for public dissemination; and
- (k) such additional activities within the scope of its responsibilities, as determined by the Committee, or such other responsibilities as may be delegated by the Board from time to time.

## **16. Board Composition and Director Nominations**

The Committee shall oversee matters relating to Board composition, as well as the identification, selection and nomination of prospective Director candidates to the Board. Such responsibilities shall include the following:

- (a) developing criteria including, without limitation, the Director Skills Matrix and related policies or guidelines, which reflect the needs and objectives of the Board and the Corporation in respect of the identification and recruitment of new Directors;
- (b) reviewing the competencies, skills, experience and perspective required of the Board and its Directors, the nature and level of Board diversity that should be maintained and mechanisms to ensure periodic Board renewal;
- (c) interviewing, evaluating and making recommendations to the Board in respect of potential candidates for nomination to the Board;
- (d) making recommendations in respect of nominations to fill any Director vacancies on the Board that may arise between annual shareholder meetings;
- (e) establishing and periodically reviewing succession plans for the Board Chair, and each Committee Chair and other independent Directors; and
- (f) reviewing and making recommendations to the Board, as appropriate, in respect of any offer of resignation tendered by a Director pursuant to the Corporation's Majority Voting Policy.

## **17. Director Orientation and Continuing Education**

The Committee shall oversee the initial orientation and onboarding, as well as continuing education for Directors, which shall include, without limitation, assisting new Directors in respect of their understanding of the following:

- (a) the Corporation's mission, vision and values;
- (b) the Corporation's strategy, business, operations, capital and financing structure and approach to enterprise risk management;
- (c) the responsibilities of the Board, and expectations (including, without limitation, the commitment of time and energy) the Board and the Corporation have of Directors; and
- (d) key risks and opportunities in respect of the Corporation, its business and strategy.

The Committee shall also oversee continuing education for Directors, including, to ensure skills and abilities as Directors, as well as their knowledge and understanding of the Corporation's business, opportunities and risks, remain current.

## **18. Sustainability and ESG Matters**

The Committee shall oversee issues, policies and practices related to the Corporation's approach to ESG and sustainability matters and shall report and make recommendations to the Board, as required, in respect of the following:

- (a) the Corporation's short and long-term sustainability strategy and objectives including, where applicable, corresponding metrics and targets;
- (b) the Corporation's performance against its short and long-term sustainability and ESG material factors, related objectives and targets, and review of the Corporation's plans and strategies to improve such performance and/or mitigate or reduce related risks;
- (c) review of sustainability and ESG-related disclosures including without limitation, the Corporation's Sustainability and/or ESG Reports and Climate Reports;
- (d) reviewing and evaluating feedback received from the Corporation's financial and other external stakeholders regarding the Corporation's approach to ESG and sustainability matters including, without limitation, its ESG material factors, strategy, targets, initiatives, performance and related disclosures;
- (e) reviewing and monitoring the Corporation's approach to stakeholder engagement including, without limitation in respect of indigenous consultation and engagement communities, community relations and social investment, including related policies and programs;
- (f) reviewing and monitoring identified areas of enterprise risk which fall into the Corporation's enterprise risk management framework;
- (g) reviewing and assessing emerging ESG or sustainability stakeholder expectations, trends, risks and/or developments relevant to the Corporation's business and/or its strategy.

To the extent any of the foregoing responsibilities may involve, or overlap with, the corresponding responsibilities or duties of any other Board committee, the Committee Chair and each Committee member shall collaborate to ensure appropriate coordination is maintained between committees to maintain efficient and collaborative Board oversight.

## **19. Terms of Reference**

The Committee shall review its Terms of Reference at least annually and recommend such changes or modifications as it deems appropriate to the Board for review and, as applicable, approval.