

**SCOTT GERLA, JEFF MARCHANT, DAVID FESYK, CHRISTIAN BAYLE, JEFFERY ERRICO,
JEFFREY NEWCOMMON, GORDON THOMPSON and PETRO ASSETS INC.**

- and -

INTER PIPELINE GP CORP.

- and -

INTER PIPELINE FUND

SHARE PURCHASE AGREEMENT

June 1, 2013

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THIS SHARE PURCHASE AGREEMENT dated as of June 1, 2013 among:

SCOTT GERLA, JEFF MARCHANT, DAVID FESYK, CHRISTIAN BAYLE, JEFFERY ERRICO, JEFFREY NEWCOMMON, GORDON THOMPSON and PETRO ASSETS INC. ("PAI") (each a "**Vendor**" and, collectively, the "**Vendors**");

- and -

INTER PIPELINE GP CORP., a corporation incorporated under the laws of Alberta ("**Purchaser**");

- and -

INTER PIPELINE FUND, a limited partnership formed under the laws of Alberta ("**IPF**");

WHEREAS the Vendors are the registered and beneficial owners of all the issued and outstanding shares in the capital of Pipeline Assets Corp., a corporation incorporated under the laws of Alberta (the "**Corporation**");

AND WHEREAS Purchaser wishes to purchase, and the Vendors wish to sell, all the shares in the capital of the Corporation on the terms and conditions in this Agreement;

The Parties therefore agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

In this Agreement:

"**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with that other Person. For purposes of this definition, a Person "controls" another Person if that Person possesses, directly or indirectly, the power to direct the management and policies of that other Person, whether through ownership of voting securities, by contract or otherwise, and "controlled by" and "under common control with" have similar meanings.

"**Agreement**" means this share purchase agreement.

"**Applicable Laws**" means any and all applicable laws, statutes, rules, regulations, by-laws, codes, treaties, constitutions, ordinances and orders of any Governmental Authority.

"**Business Day**" means any day except Saturday, Sunday, any statutory holiday in the Province of Alberta, or any other day on which the principal chartered banks in the City of Calgary are closed for business.

"Class A Preferred Shares" means the Class A Preferred Shares in the capital of Purchaser, issuable in series, having the terms and conditions set forth in Schedule C.

"Class B Preferred Shares" means the Class B Preferred Shares in the capital of Purchaser, issuable in series, having the terms and conditions set forth in Schedule D.

"Closing" means the completion of the purchase and sale of the Purchased Shares.

"Closing Date" means the date hereof, or such other date as the Parties may agree in writing.

"Closing Document" means any agreement, certificate or other instrument or document to be executed or delivered at Closing as contemplated by this Agreement, including but not limited to the Support Agreement and the Disclosure Letter, and any agreement, certificate or other instrument or document contemplated by the Support Agreement or the Disclosure Letter to be executed or delivered at Closing.

"Closing Time" means 12:01 a.m. (Calgary time) on the Closing Date, or such other time on the Closing Date as the Parties may agree in writing that Closing will take place.

"Consent" means any approval, consent, permit, waiver, ruling, exemption, acknowledgement or similar authorization from any Person other than the Corporation, but does not include a Regulatory Approval.

"Consideration Shares" means an aggregate of 7,411,683 Class A Preferred Shares issued in series and an aggregate of 7,055,406 Class B Preferred Shares issued in series, as set forth in Schedule B.

"Conversion" has the meaning ascribed thereto in the Support Agreement.

"Conversion Exchange" has the meaning ascribed thereto in the Support Agreement.

"Damages" means any damages (available at law or in equity), losses, liabilities, claims, demands, debts, interest, charges, fines, penalties, assessments, reassessments, judgments, costs or expenses, including the costs and expenses of any Legal Proceeding or any Order, and any settlement or compromise relating thereto (including the costs, fees and disbursements of legal counsel on a substantial indemnity basis), but shall be limited to actual damages and shall exclude any contingent liability until it becomes actual and shall exclude consequential, punitive, special or similar damages, including damages for lost profit.

"Defending Party" has the meaning specified in Section 7.9.

"Direct Claim" means any claim or Legal Proceeding other than a Third Party Claim which entitles an Indemnified Person to make a claim for indemnification under this Agreement.

"Disclosure Letter" means the written instrument delivered by the Vendors to Purchaser and IPF on the date hereof with respect to the representations and warranties of the Vendors hereunder.

"Existing Shareholder Agreements" means the unanimous shareholders agreement dated September 11, 2003 between the Corporation and PMI, and the securityholders' agreement

dated October 22, 2002, as amended, among the Corporation, PAI, Scott Gerla, Jeff Marchant, David Fesyk, Christian Bayle, Jeffery Errico, Jeffrey Newcommon and Gordon Thompson.

"Financial Statements" means the audited financial statements of the Corporation as at and for the periods ended December 31, 2012, 2011 and 2010.

"Governmental Authority" means any (i) federal, provincial, state, territorial, municipal, local or other government, domestic or foreign, (ii) governmental or public ministry, department, agency, Tribunal, commission, board, bureau or instrumentality, domestic or foreign, (iii) subdivision or authority of any of the foregoing, or (iv) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

"Indemnified Person" means any Person entitled to indemnification under this Agreement.

"Indemnifier" means any Person obligated to provide indemnification under this Agreement.

"Indemnity Payment" means the amount of any Damages required to be paid under Section 7.2 or Section 7.3.

"LPA" means the limited partnership agreement made as of October 9, 1997 among Koch Pipelines Canada Ltd., 687371 Alberta Ltd. and each person who is admitted to the partnership as a unitholder thereunder, as amended from time to time.

"Legal Proceeding" means any litigation, action, suit, investigation, hearing, claim, arbitration proceeding or other legal proceeding and includes any appeal or review and any application for same.

"Lien" means any lien, mortgage, charge, pledge, hypothec, security interest, assignment, option, conditional sale, lease, sublease, easement, restrictive covenant, title retention agreement, statutory or deemed trust, adverse claim or other encumbrance of any kind, which secures payment or performance of an obligation or otherwise affects the right, title or interest in or to any particular property.

"Order" means any order, directive, judgment, decree, award or writ of any Tribunal.

"Parties" means the Vendors, Purchaser, IPF and PMI, and **"Party"** means any one of them.

"Person" includes any individual, body corporate, unlimited liability company, limited liability corporation, partnership, limited liability partnership, sole proprietorship, firm, joint stock company, joint venture, trust, unincorporated association, unincorporated organization, syndicate, Governmental Authority and any other entity or organization of any nature whatsoever.

"Plan of Arrangement" has the meaning ascribed thereto in the Support Agreement.

"Pledged Collateral" has the meaning ascribed thereto in the Share Pledge Agreement.

"PMI" means Pipeline Management Inc., a corporation incorporated under the laws of Alberta.

"Pro Rata Share" means, in respect of a Vendor, the proportion that the number of Purchased Shares to be sold by such Vendor hereunder bears to the total number of Purchased Shares to be sold by all Vendors hereunder.

"Pubco" means Inter Pipeline Ltd., a corporation incorporated under the laws of Alberta.

"Purchased Shares" means all of the issued and outstanding Class A Voting Shares and Class B Non-Voting Shares in the capital of the Corporation, as set forth in Schedule A.

"Purchaser's Counsel" means Burnet, Duckworth & Palmer LLP.

"Regulatory Approval" means any approval, consent, permit, waiver, ruling, exemption, acknowledgement or similar authorization from any Governmental Authority.

"Related Parties" has the meaning ascribed thereto in Subsection 3.2(t).

"Share Pledge Agreement" means the share pledge agreement in the form attached hereto as Schedule G.

"Stated Capital Amount" means, with respect to each series of the Class A Preferred Shares, the fair market value of such series of Class A Preferred Shares, and, with respect to each series of the Class B Preferred Shares, the fair market value of such series of Class B Preferred Shares.

"Stub Period Returns" has the meaning specified in Subsection 6.2(b).

"Support Agreement" means the put option and support agreement in the form of Schedule E hereto.

"Tax" or **"Taxes"** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable tax legislation, including Canadian and U.S. federal, provincial, state, territorial, municipal and local, foreign or other income, capital, goods and services, sales, use, consumption, excise, value-added, business, real property, personal property, transfer, franchise, withholding, payroll or employer health taxes, customs, import, anti-dumping or countervailing duties, Canada Pension Plan contributions, provincial pension plan contributions, employment insurance premiums, and provincial workers' compensation payments, including any interest, penalties and fines associated therewith.

"Tax Act" means *the Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

"Tax Returns" means all reports, elections, returns (including amended returns) and other documents required to be filed under the provisions of any Tax legislation and any tax forms required to be filed, whether in connection with a Tax Return or not, under any provisions of any applicable Tax legislation.

"Third Party Claim" means any claim or Legal Proceeding that is instituted or asserted by any Person who is not a Party against an Indemnified Person which entitles the Indemnified Person to make a claim for indemnification under this Agreement.

"**Tribunal**" means any court (including a court of equity), arbitrator or arbitration panel, or any Governmental Authority or other body exercising adjudicative, regulatory, judicial or quasi-judicial powers, including any stock exchange.

"**Vendors' Counsel**" means Dentons Canada LLP.

"**Vendors' Representatives**" means the Persons appointed from time to time pursuant to Section 8.2.

1.2 Accounting Principles

Unless otherwise specified, any reference in this Agreement to "**generally accepted accounting principles**" is to accounting standards for private enterprises issued by the Accounting Standards Board of the Canadian Institute of Chartered Accountants ("**CICA**") and set out in Part II of the CICA Handbook as in effect at the date of determination.

1.3 Consent

Whenever a provision of this Agreement requires or contemplates the consent or approval of a Party and that approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, that Party will be deemed to have withheld its approval or consent.

1.4 Currency

Unless otherwise specified, all dollar amounts in this Agreement, including the symbol "\$", refer to Canadian currency.

1.5 Gender and Number

In this Agreement, unless the context requires otherwise, any reference to gender includes all genders and words importing the singular number only include the plural and vice versa.

1.6 Headings

The division of this Agreement into Articles, Sections, subsections, paragraphs and other subdivisions, and the inclusion of headings and a table of contents are provided for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.7 Including

Wherever the words "**include**", "**includes**" or "**including**" are used in this Agreement, they shall be deemed to be followed by the words "**without limitation**" and the words following the words "**include**", "**includes**" or "**including**" shall not to be considered to set forth an exhaustive list.

1.8 Knowledge

Where any representation or warranty in Section 3.2 is expressly qualified by reference to the "**knowledge**" of PAI or similar words, it refers to the actual knowledge of John Driscoll after due inquiry.

1.9 Performance on Holidays

If any act (including the giving of notice) is otherwise required by the terms hereof to be performed on a day that is not a Business Day, such act shall be valid if performed on the next succeeding Business Day.

1.10 References to Documents

Unless otherwise specified, any reference in this Agreement to this Agreement or any other agreement, document or instrument, is a reference to this Agreement or the other agreement, document or instrument as it may have been, or may from time to time be, amended, supplemented, modified, varied, restated, novated or replaced and includes all schedules, appendices and exhibits to it.

1.11 References to Persons

Unless the context otherwise requires, any reference in this Agreement to a Person includes its heirs, administrators, executors and other legal representatives, successors and permitted assigns.

1.12 References to this Agreement

The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Article, Section, subsection, paragraph or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to an Article, Section, subsection, paragraph or clause are to the applicable article, section, subsection, paragraph or clause of this Agreement.

1.13 Statutory References

Unless otherwise specified, any reference in this Agreement to a statute includes all rules and regulations made under it, in each case as it or they may have been, or may from time to time be, amended, re-enacted or replaced.

1.14 Time

Time is of the essence of this Agreement, and no extension or variation of this Agreement will operate as a waiver of this provision.

1.15 Time Periods

Unless otherwise specifically provided herein, a period of days will be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Calgary time) on the last day of the period. If a period of time is to expire hereunder on any day that is not a Business Day, the period will be deemed to expire at 5:00 p.m. (Calgary time) on the next succeeding Business Day.

1.16 Schedules

The following Schedules are part of this Agreement:

Schedule A	Purchased Shares
Schedule B	Consideration Shares
Schedule C	Class A Preferred Share Terms and Conditions

Schedule D	Class B Preferred Share Terms and Conditions
Schedule E	Support Agreement
Schedule F	Form of Mutual Release
Schedule G	Share Pledge Agreement

ARTICLE 2
PURCHASE AND SALE OF SHARES

2.1 Purchase and Sale of the Purchased Shares

Subject to the terms and conditions of this Agreement, at the Closing Time each Vendor shall sell to Purchaser, and Purchaser shall purchase from each Vendor, each Vendor's Purchased Shares as set forth in Schedule A.

2.2 Payment for Purchased Shares

The consideration payable by Purchaser to the Vendors for the Purchased Shares shall be satisfied by delivering to each Vendor the Consideration Shares set forth opposite each Vendor's name in Schedule B.

2.3 Stated Capital of Consideration Shares

Upon issuing the Consideration Shares, Purchaser shall add the applicable Stated Capital Amount to the stated capital and paid-up capital of each series of the Consideration Shares maintained by Purchaser.

2.4 Section 85 Election

Purchaser will, at the request of any Vendor, execute an income tax election under subsection 85(1) of the Tax Act with respect to the sale of such Vendor's Purchased Shares. Such election will be prepared by the Vendor in accordance with the provisions of subsection 85(1) of the Tax Act, and provided to Purchaser for execution. Purchaser's execution of any election will not be construed or indicative that such election is correct or complete in accordance with the Tax Act. Purchaser will execute and return the election to the Vendor within 30 days following receipt thereof by Purchaser. Each such Vendor shall be entitled to specify the "elected amount" in respect of the Purchased Shares for purposes of the Tax Act within the limits thereon imposed by the Tax Act and Purchaser will not be responsible for the proper completion, review or filing of any election form with a Government Authority or for any Taxes, interest or penalties resulting from the failure of a Vendor to properly complete or file such election. Purchaser will also, at the request of any Vendor and to the extent necessary under the Applicable Laws of the relevant province, jointly elect with such Vendor under corresponding provisions of applicable provincial income Tax legislation with respect to the sale of such Vendor's Purchased Shares on the same basis as the foregoing with respect to elections under subsection 85(1) of the Tax Act mutatis mutandis. Each Vendor will file an election referred to above, if any, on or before the day that is five months after the date of the Conversion.

2.5 Intention

It is the intention of the Vendors who elect to file an election under subsection 85(1) of the Tax Act to dispose of the Purchased Shares to Purchaser on a tax-effective basis pursuant to subsection 85(1) of the Tax Act, and for the Parties to effect such disposition for consideration equal to the fair market value of the Purchased Shares at the Closing Time.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Vendors

Each Vendor severally, and not jointly, represents and warrants to Purchaser as follows with respect to that Vendor and acknowledges that Purchaser is relying on the following representations and warranties in entering into this Agreement and completing the transactions contemplated by it.

- (a) **Power and Capacity:** If the Vendor is an individual, the Vendor has the power and capacity to own the Purchased Shares owned by it and to enter into and perform its obligations under this Agreement and each of the Closing Documents to which it is or is to become a party.

If the Vendor is a corporation, the Vendor is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and has the corporate power and capacity to own the Purchased Shares owned by it and to enter into and perform its obligations under this Agreement and each of the Closing Documents to which it is or is to become a party.

- (b) **Authorization of Sale by Corporate Vendor:** If the Vendor is a corporation, the execution and delivery of, and performance by the Vendor of, this Agreement and each of the Closing Documents to which it is or is to become a party, and the completion of the transactions contemplated by them, have been duly authorized by all necessary corporate action on behalf of the Vendor.
- (c) **Validity of Agreement:** This Agreement and each of the Closing Documents to which the Vendor is or is to become a party has been or will be duly executed and delivered by the Vendor and is or will be a legal, valid and binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (d) **Title to Purchased Shares:** The Purchased Shares shown as owned by the Vendor in Schedule A are owned by the Vendor as the registered and beneficial owner, free and clear of all Liens (except pursuant to the Existing Shareholder Agreements and the restrictions on transfer contained in the articles of incorporation of the Corporation). On Closing, Purchaser will acquire such Purchased Shares, free and clear of all Liens, other than Liens granted by Purchaser and its Affiliates, if any.
- (e) **No Other Agreements or Options:** Except for Purchaser's rights under this Agreement and for rights under the Existing Shareholder Agreements, no Person has any written or oral agreement or option, or any right or privilege capable of becoming an agreement or option, for the purchase or other acquisition from the Vendor of any of the Purchased Shares shown as owned by the Vendor in Schedule A.
- (f) **No Conflicts:** The execution and delivery of and performance by the Vendor of this Agreement and each of the Closing Documents to which it is or is to become a party does not and will not (with or without the giving of notice, the lapse of time or the happening of any other event or condition) (i) result in the breach of, or conflict with, any of the terms or provisions of the articles or by laws of the Vendor (if the Vendor is a corporation) or any agreement, contract or commitment to which the Vendor is a party, (ii)

result in the violation of any Applicable Law or any Order, or (iii) result in the creation of any Lien on the Purchased Shares shown as owned by the Vendor in Schedule A.

- (g) **Regulatory Approvals:** There is no requirement on the part of the Vendor to obtain any Regulatory Approval or make any filing with or give notice to any Governmental Authority in connection with the lawful completion of the transactions contemplated by this Agreement.
- (h) **Consents:** There is no requirement on the part of the Vendor to obtain any Consent in connection with the lawful completion of the transactions contemplated by this Agreement.
- (i) **Residence of Vendor:** The Vendor is not a "non-resident" of Canada within the meaning of the Tax Act.
- (j) **Accredited Investor:** The Vendor is an "accredited investor" within the meaning of National Instrument 45-106 entitled "Prospectus and Registration Exemptions".

3.2 Representations and Warranties of PAI as to the Corporation

Except as expressly set forth in the Disclosure Letter, PAI represents and warrants to Purchaser as follows and acknowledges that Purchaser is relying on the following representations and warranties in entering into this Agreement and completing the transactions contemplated by it.

- (a) **Incorporation and Qualification of the Corporation:** The Corporation is a corporation duly incorporated and validly existing under the laws of Alberta and has the corporate power and capacity to own, lease, use and operate its property and to carry on its business as now being conducted by it.
- (b) **Authorized and Issued Capital:** The authorized capital of the Corporation consists of 69 Class A Voting Shares and 31 Class B Non-Voting Shares. The Purchased Shares are the only issued and outstanding securities (including convertible securities, rights, warrants, calls or options) in the capital of the Corporation and have been duly authorized and validly issued and not in violation of any pre-emptive or similar rights and are fully paid and non-assessable.
- (c) **No Other Agreements or Options:** No Person has any written or oral agreement or option or any right or privilege capable of becoming an agreement or option for the purchase, subscription, allotment or issuance of any unissued shares or other unissued securities of the Corporation.
- (d) **No Conflicts:** The execution and delivery of and performance by the Corporation of each of the Closing Documents to which it is or is to become a party and the completion of the purchase and sale of the Purchased Shares in accordance with the terms and conditions of this Agreement do not and will not (with or without the giving of notice, the lapse of time or the happening of any other event or condition) (i) result in the breach of, or conflict with, the articles or by-laws of the Corporation or any agreement, contract or commitment to which the Corporation is a party, (ii) result in the violation of any Applicable Law or any Order to which the Corporation or any of its assets is subject, or (iii) result in the creation of any Lien on the Purchased Shares or any of the property or assets of the Corporation.
- (e) **Regulatory Approvals:** There is no requirement on the part of the Corporation to obtain any Regulatory Approval or make any filing with or give notice to any Governmental

Authority in connection with the lawful completion of the transactions contemplated by this Agreement.

- (f) **Consents:** There is no requirement on the part of the Corporation to obtain any Consent in connection with the lawful completion of the transactions contemplated by this Agreement.
- (g) **Corporate Records:** The minute books of the Corporation have been maintained in accordance with Applicable Law and are true, correct and complete in all material respects. As of the date hereof, and except for the Existing Shareholder Agreements, there are no shareholders' agreements or unanimous shareholders' agreements governing the affairs of the Corporation or PMI.
- (h) **Compliance with Laws:** The Corporation has conducted and is conducting its business in compliance in all material respects with Applicable Laws.
- (i) **Financial Statements:** The Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with prior fiscal years and present fairly and accurately in all material respects the assets, liabilities and financial condition of the Corporation and the revenues and earnings of the Corporation, in each case as of the date and throughout the periods indicated therein.
- (j) **No Liabilities:** The Corporation has no liabilities except for (i) liabilities reflected or reserved against in the balance sheet of the Corporation as at December 31, 2012 included in the Financial Statements, (ii) liabilities disclosed in this Agreement, and (iii) liabilities incurred in the ordinary course of business after the date of the Financial Statements which are not material.
- (k) **Absence of Certain Changes or Events:** Since December 31, 2012, the Corporation has conducted its business in the ordinary course consistent with past practice, and has not:
 - (i) created any encumbrance upon any of its properties or assets;
 - (ii) sold, assigned, transferred, leased or otherwise disposed of any assets (other than in the ordinary course of business);
 - (iii) purchased, leased or otherwise acquired any properties or assets other than in the ordinary course of business;
 - (iv) entered into any transaction, contract, agreement or commitment other than in the ordinary course of business;
 - (v) made or incurred any material adverse change, or become aware of, any event or condition that could reasonably be expected to result in a material adverse change in its business, operations, assets, liabilities, capitalization or financial condition; or
 - (vi) authorized, agreed or otherwise become committed to do any of the foregoing.
- (l) **Dividends and Distributions:** The Corporation has not declared or paid any dividend or made any other distribution in respect of any of its shares or equity securities of any class, or redeemed or purchased or otherwise acquired any of its shares of any class, or reduced its authorized capital or issued capital, or agreed to any of the foregoing since December 31, 2012.

- (m) **PMI Shares:** The Corporation is the registered and beneficial owner of all the issued and outstanding shares in the capital of PMI, free and clear of all Liens. With the exception of PMI, the Corporation does not own any shares or other interest in any corporations, partnerships, limited liability company, unlimited liability company, trust, estate, joint venture, association or unincorporated organization (collectively, each an "**Entity**") or other beneficial interests in any Entities nor is the Corporation a party to any agreement of any nature to acquire any such shares or interests or to acquire or lease any other business operations.
- (n) **Legal Proceedings:** There is no Legal Proceeding (whether or not purportedly on behalf of the Corporation) in progress, pending or, to the knowledge of PAI, threatened against or affecting the Corporation before or by any Tribunal. There are no Orders outstanding against or affecting the Corporation.
- (o) **Taxes:** The Corporation has duly filed in the prescribed manner and within the prescribed time all Tax Returns required to be filed by it and such Tax Returns are correct and complete in all material respects, except in respect of a particular Tax Return to the extent that it may have been modified in a subsequent Tax Return, and no waiver or extension of any statute of limitations is in effect with respect to Taxes or Tax Returns. The Corporation has paid all Taxes due and payable, including all Taxes shown on its Tax Returns as being due and payable and all Taxes payable under any assessment or reassessment. There is no Legal Proceeding, assessment, reassessment or request for information outstanding or, to the knowledge of PAI, threatened against the Corporation with respect to Taxes or any matters under discussion with any Governmental Authority relating to Taxes. The Corporation has withheld from each payment made to any of its past or present employees, officers or directors, to any non-resident of Canada or to any other person in respect of whom withholding is required, the amount of all Taxes and other deductions required to be withheld therefrom and have paid the same to the proper Tax or other receiving officers within the time required under any applicable legislation. The Corporation has collected all Taxes it is required to collect. The Corporation has remitted to the appropriate tax authority, when required by law to do so, all amounts remittable by it on account of all Taxes.
- (p) **Outstanding Agreements:** The Corporation is not a party to or bound by any outstanding or executory agreement, contract or commitment, whether written or oral. Complete and correct copies of each of the agreements described in the previous sentence have been provided or made available to Purchaser prior to the date hereof. The Corporation is not in material default or breach of any of its obligations under any one or more contracts, agreements (written or oral), commitments, indentures or other instruments to which it is a party or bound relating and, to the knowledge of the Corporation, there exists no state of facts that, after notice or lapse of time or both, would constitute such a default or breach. All such contracts, agreements, commitments, indentures and other instruments are now in good standing and in full force and effect without amendment thereto, the Corporation is entitled to all benefits thereunder and the other parties to such contracts, agreements, commitments, indentures and other instruments are not in material default or breach of any of their obligations thereunder.
- (q) **Guarantees:** The Corporation is not party to or bound by any agreement of guarantee, indemnification, assumption or endorsement, or any other like commitment of the obligations, liabilities (whether accrued, absolute, contingent or otherwise) or indebtedness of any other Person.
- (r) **Finders' or Advisors' Fees:** There is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of the Corporation or the Vendors who is entitled to any fee or commission payable by Purchaser or the Corporation in connection with the sale of the Purchased Shares.

- (s) **Bank Accounts.** The Disclosure Letter sets forth a true correct and complete list of all of the bank accounts of the Corporation, including account details and branch locations.
- (t) **Non-Arm's Length Matters and Related Party Transactions:** The Corporation is not a party to or bound by any contract with, is indebted to, and no amount is owing thereto by, any Vendor or any of the Vendors' respective Affiliates, or any employee, officer or director of the Corporation or any of the foregoing or any other Person not dealing at arm's length with the Corporation (the "**Related Parties**") and no Related Party has outstanding any indebtedness or any contingent liability to or from the Corporation except for IPF and PMI.
- (u) **No Employees:** The Corporation has no employees and is not a party to any written or oral employment, service or consulting agreement.
- (v) **Real Property and Leased Property:** The Corporation does not own or lease and has not agreed to acquire or lease any real property or interest in real property.

3.3 Representation and Warranties of the Vendors with Respect to Payments under the LPA

Each Vendor severally, and not jointly, represents and warrants to Purchaser, and acknowledges that Purchaser is relying on the following representations and warranties in entering into this Agreement and completing the transactions contemplated by it, that except as disclosed in the Disclosure Letter:

- (a) **Entitlement to Payments under LPA:** No Person other than PMI has any entitlement to receive or share in any portion of the amounts to which PMI is entitled under Section 6.2 of the LPA or to be paid any amount by the Corporation or PMI calculated by reference thereto; and
- (b) **No Other Person Entitled:** No Person other than a Vendor is entitled to receive any consideration in connection with the transfer of the Purchased Shares to Purchaser hereunder.

3.4 Representations and Warranties of Purchaser

Purchaser represents and warrants to the Vendors as follows and acknowledges that the Vendors are relying on the following representations and warranties in entering into this Agreement and completing the transactions contemplated by it.

- (a) **Incorporation and Qualification of Purchaser:** Purchaser is a corporation duly incorporated and validly existing under the laws of Alberta. Purchaser has the corporate power and capacity to enter into and perform its obligations under this Agreement and each of the Closing Documents to which it is or is to become a party.
- (b) **Authorization of Purchase by Purchaser:** The execution and delivery of, and performance by Purchaser of, this Agreement and each of the Closing Documents to which it is or is to become a party and, except for the Conversion and the Conversion Exchange, the completion of the transactions contemplated by them have been duly authorized by all necessary corporate action on behalf of Purchaser.
- (c) **Validity of Agreement and Closing Documents:** This Agreement and each of the Closing Documents to which Purchaser is or is to become a party has been or will be duly executed and delivered by Purchaser and is or will be a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting

the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

- (d) **No Conflicts:** The execution and delivery of and performance by Purchaser of this Agreement and each of the Closing Documents to which it is or is to become a party do not and will not (with or without the giving of notice, the lapse of time or the happening of any other event or condition) (i) result in the breach of, or conflict with, any of the terms or provisions of the articles or by-laws of Purchaser, or any agreement, contract or commitment to which Purchaser is a party, or (ii) result in the violation of any Applicable Law or any Order to which Purchaser or its assets is subject.
- (e) **Regulatory Approvals:** There is no requirement on the part of Purchaser to obtain any Regulatory Approval or make any filing with or give notice to any Governmental Authority in connection with the lawful completion of the transactions contemplated by this Agreement, other than the Conversion and the Conversion Exchange.
- (f) **Consents:** There is no requirement on the part of Purchaser to obtain any Consent in connection with the lawful completion of the transactions contemplated by this Agreement, other than the Conversion and the Conversion Exchange.
- (g) **Compliance with Laws:** Purchaser has conducted and is conducting its business in compliance in all material respects with Applicable Laws.
- (h) **No Liabilities:** Purchaser has no liabilities and since its inception has carried on no business other than in relation to the transactions contemplated by this Agreement.
- (i) **Consideration Shares:** Purchaser has taken all necessary corporate action to authorize the issuance of the Consideration Shares and on receipt by Purchaser of the Purchased Shares in accordance with the terms and conditions of this Agreement, the Consideration Shares will be duly issued as fully paid and non-assessable Class A Preferred Shares and Class B Preferred Shares, as applicable, in the capital of Purchaser.
- (j) **Investment Canada Act:** Purchaser is not a "**non-Canadian**" within the meaning of the Investment Canada Act (Canada).

3.5 Representations and Warranties of IPF

IPF represents and warrants to the Vendors as follows and acknowledges that the Vendors are relying on the following representations and warranties in entering into this Agreement and completing the transactions contemplated by it.

- (a) **Duly Organized:** IPF is a limited partnership duly formed and validly existing under the laws of Alberta. IPF has the power and capacity under the LPA and Applicable Laws to enter into and perform its obligations under this Agreement and each of the Closing Documents to which it is or is to become a party.
- (b) **Authorization by IPF:** The execution and delivery of, and performance by IPF and PMI for and on behalf of IPF of, this Agreement, the Support Agreement and each of the other Closing Documents to which it is or is to become a party and, except for the Conversion and the Conversion Exchange, the completion of the transactions contemplated by them have been duly authorized and approved by all necessary action on behalf of IPF under the LPA and PMI in compliance with all Applicable Laws.
- (c) **Validity of Agreement and Closing Documents:** This Agreement, the Support Agreement and each of the other Closing Documents to which IPF is or is to become a

party has been or will be duly executed and delivered by IPF and is or will be a legal, valid and binding obligation of IPF, enforceable against IPF in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

- (d) **No Conflicts:** The execution and delivery of and performance by IPF and PMI for and on behalf of IPF of this Agreement, the Support Agreement and each of the other Closing Documents to which it is or is to become a party do not and will not (with or without the giving of notice, the lapse of time or the happening of any other event or condition) (i) result in the breach of, or conflict with, any of the terms or provisions of the LPA or any agreement, contract or commitment to which IPF or PMI is a party, or (ii) result in the violation of any Applicable Law or any Order to which IPF or PMI or their respective assets is subject.
- (e) **Regulatory Approvals:** There is no requirement on the part of IPF or PMI to obtain any Regulatory Approval or make any filing with or give notice to any Governmental Authority in connection with the lawful completion of the transactions contemplated by this Agreement, other than the Conversion and the Conversion Exchange, which has not been obtained or made except for the filings expressly described in Section 8.3 below.
- (f) **Consents:** There is no requirement on the part of IPF or PMI to obtain any Consent in connection with the lawful completion of the transactions contemplated by this Agreement, other than the Conversion and the Conversion Exchange.

ARTICLE 4 **CLOSING CONDITIONS**

4.1 Conditions for the Benefit of Purchaser

The purchase and sale of the Purchased Shares is subject to the satisfaction of, or compliance with, each of the following conditions at or before the Closing Time, each of which is for the exclusive benefit of Purchaser:

- (a) The representations and warranties of each Vendor contained in this Agreement and in any Closing Document will be true and correct in all material respects at the Closing Time.
- (b) At the Closing Time, the Vendors will have delivered to Purchaser the following in form and substance satisfactory to Purchaser, acting reasonably:
 - (i) certified copies of (A) the articles and by-laws of the Corporation, (B) resolutions of the board of directors of the Corporation authorizing the transactions contemplated by this Agreement, and (C) evidence of the incumbency of the directors or officers of the Corporation who signed the Closing Documents on behalf of the Corporation together with their specimen signatures;
 - (ii) a certificate of status, compliance or good standing with respect to the Corporation, issued by the appropriate Governmental Authority;
 - (iii) a counterpart to the Support Agreement executed by each Vendor;
 - (iv) an executed Share Pledge Agreement signed by each Vendor;
 - (v) executed resignations from each director and officer of the Corporation;

- (vi) executed mutual releases from each Vendor in favour of the Corporation and Purchaser, substantially in the form attached as Schedule F;
- (vii) a favourable opinion of Vendors' Counsel in customary form for a transaction of the nature contemplated by this Agreement;
- (viii) certified copies of (A) the articles and by-laws of PAI, (B) resolutions of the board of directors of PAI authorizing the transactions contemplated by this Agreement, and (C) evidence of the incumbency of the directors or officers of PAI who signed this Agreement and the Closing Documents on behalf of PAI together with their specimen signatures;
- (ix) a certified copy of the resolution of the shareholders of PAI approving the sale of the Purchased Shares hereunder;
- (x) evidence that the agreement referred to in Section 4.4 and any agreements between the Corporation and Related Parties (other than IPF and PMI) have been terminated; and
- (xi) such other documentation and evidence as is reasonably requested by Purchaser in order to effectively implement the transactions contemplated by this Agreement.

4.2 Conditions for the Benefit of the Vendors

The purchase and sale of the Purchased Shares is subject to the satisfaction of, or compliance with, each of the following conditions at or before the Closing Time, each of which is for the exclusive benefit of the Vendors:

- (a) All representations and warranties of Purchaser and IPF contained in this Agreement and in any Closing Document will be true and correct in all material respects at the Closing Time.
- (b) At the Closing Time, Purchaser will have delivered to the Vendors the following in form and substance satisfactory to the Vendors, acting reasonably:
 - (i) certified copies of (A) the articles and by-laws of Purchaser, (B) resolutions of the board of directors of Purchaser authorizing the transactions contemplated by this Agreement, and (C) evidence of the incumbency of the directors or officers of Purchaser who signed this Agreement and the Closing Documents on behalf of Purchaser together with their specimen signatures;
 - (ii) a certificate of status, compliance or good standing with respect to Purchaser, issued by the appropriate Governmental Authority;
 - (iii) a counterpart to the Support Agreement executed by Purchaser and Pubco;
 - (iv) executed mutual releases from Purchaser and the Corporation in favour of each Vendor, substantially in the form attached as Schedule F;
 - (v) a favourable opinion of Purchaser's Counsel in customary form for a transaction of the nature contemplated by this Agreement; and

- (vi) such other documentation and evidence as is reasonably requested by the Vendors in order to effectively implement the transactions contemplated by this Agreement.
- (c) At the Closing Time, IPF will have delivered to the Vendors the following in form and substance satisfactory to the Vendors, acting reasonably:
 - (i) certified copies of (A) the LPA, (B) resolutions of the board of directors of PMI (on behalf of IPF) authorizing the transactions contemplated by this Agreement, and (C) evidence of the incumbency of the directors or officers of PMI who signed this Agreement and the Closing Documents on behalf of IPF together with their specimen signatures;
 - (ii) evidence of the existence of IPF and PMI issued by the appropriate Governmental Authority;
 - (iii) a counterpart to the Support Agreement executed by IPF;
 - (iv) a favourable opinion of legal counsel to IPF in customary form for a transaction of the nature contemplated by this Agreement; and
 - (v) such other documentation and evidence as is reasonably requested by the Vendors in order to effectively implement the transactions contemplated by this Agreement.

4.3 Waiver of Conditions

Any Party may waive, in whole or in part, at any time by notice in writing to the other Parties, any condition in Section 4.1 or Section 4.2 which is for its benefit. No waiver by a Party of any condition, in whole or in part, will operate as a waiver of any other condition or of that Party's rights of termination in the event of non-fulfilment of any other condition, in whole or in part. Notwithstanding the foregoing, the Parties agree that Closing shall not occur in respect of less than all of the Purchased Shares.

4.4 Termination of Corporation Securityholders Agreement

Each of the Vendors agrees that, concurrently with the acquisition of the Purchased Shares by Purchaser becoming effective, the securityholders' agreement dated October 22, 2002, as amended, among the Corporation and the Vendors shall automatically terminate and cease to have any further force or effect, all without further act or formality.

ARTICLE 5 CLOSING

5.1 Date, Place and Time of Closing

Closing will take place at the Closing Time at the offices of Purchaser's Counsel in Calgary, Alberta, or at such other place, on such other date and at such other time as may be agreed upon in writing by the Parties.

5.2 Deliveries at Closing

At the Closing Time, subject to satisfaction or waiver of all the conditions in Section 4.1 and Section 4.2:

- (a) the Vendors shall deliver to Purchaser share certificates representing the Purchased Shares, duly endorsed in blank for transfer or accompanied by irrevocable security transfer powers of attorney duly executed in blank;
- (b) the Vendors shall deliver those Closing Documents as are required to be delivered by the Vendors under Subsection 4.1(b);
- (c) Purchaser shall deliver to the Vendors share certificates representing the Consideration Shares registered in the names of the Vendors as set forth in Schedule B;
- (d) Purchaser shall deliver those Closing Documents as are required to be delivered by Purchaser under Subsection 4.2(b); and
- (e) IPF shall deliver those Closing Documents as are required to be delivered by them under Subsection 4.2(c).

ARTICLE 6
COVENANTS OF THE PARTIES

6.1 Financial Statements

Within 60 days following the Closing Date, PAI will cause the Corporation's accountant to prepare and deliver to Purchaser unaudited financial statements of the Corporation as at the Closing Date and for the period from and including January 1, 2013 and ended the Closing Date prepared in accordance with generally accepted accounting principles. Purchaser shall co-operate fully in good faith with PAI and make, or cause the Corporation to make, available to PAI in a timely fashion any information in it or the Corporation's possession and that is reasonably required for the preparation of such financial statements. Promptly following the Closing Time, Purchaser shall cause the Corporation to pay all indebtedness and other amounts, including dividends, owing by the Corporation at the Closing Time.

6.2 Tax Returns

- (a) PAI shall cause the Corporation to prepare and file in a timely fashion all Tax Returns required under any applicable Tax legislation to be filed by the Corporation prior to the Closing Date, which Tax Returns shall not be amended by Purchaser without the prior written consent of PAI.
- (b) PAI shall cause the Corporation to prepare within 60 days following the Closing Date and file in a timely fashion all Tax Returns required under applicable Tax legislation to be filed by the Corporation on or after the Closing Date for (i) any period ending on or before the Closing Date (including as a consequence of Closing) and for which Tax Returns have not been filed as of that date, and (ii) any period beginning prior to the Closing Date and ending after the Closing Date (collectively, the "**Stub Period Returns**") in each case in form and substance satisfactory to Purchaser, acting reasonably, which Tax Returns shall not be amended by Purchaser without the prior written consent of PAI. PAI and Purchaser shall co-operate fully in good faith with each other and make available to each other in a timely fashion any information in their respective possession and that is reasonably required for the preparation and filing of the Stub Period Returns, and shall preserve that information in their respective possession until the expiration of any applicable limitation period under any applicable Tax legislation. For clarity, PAI shall provide a copy of the Stub Period Returns to Purchaser for its review and approval prior to filing, such approval not to be unreasonably withheld or delayed.

- (c) Except as otherwise required by Applicable Law or permitted under this Agreement, Purchaser shall not and shall not allow the Corporation to amend, refile or otherwise modify or grant an extension or waiver with respect to any Tax Return or election for the Corporation for any taxation year ending on or before the Closing Date if such amendment, refiling, modification or extension would cause PAI to be liable to indemnify Purchaser pursuant to Section 7.2 or extend the period during which PAI would be so liable without the prior written consent of PAI and shall not request an audit of any such Tax Return, in each case without prior written consent of PAI, which consent shall not be unreasonably withheld, conditioned or delayed. PAI shall not file an amended Tax Return for the Corporation for any taxable period ending on or before the Closing Date and shall not request an audit or assessment of any such Tax Return in each case without written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed.
- (d) From and after the Closing Date, Purchaser shall cause the Corporation to retain, until the expiration of any applicable limitation period under any applicable Tax legislation, all accounting and other records relating to any period ending on or before the Closing Date (including as a consequence of Closing) and that are reasonably required for the purpose of the preparation and filing of the Stub Period Returns (or any other Tax Returns filed before Closing) and for the purpose of contesting any assessment or reassessment for Tax. So long as those accounting and other records are retained by the Corporation under the provisions of this Agreement, a representative of PAI may inspect such records during normal business hours and upon reasonable notice, for the purpose of assisting in the review of Stub Period Returns and for the purpose of contesting any assessment or reassessment for Tax.

6.3 Access to Books and Records

For a period of three years after Closing or for such longer period as may be required by Applicable Law, Purchaser will retain all original books and records of the Corporation existing on the Closing Date. So long as any such books and records are retained by Purchaser, the Vendors' Representatives have the right to inspect and to make copies (at their own expense) of them at any time upon request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business of the Corporation or PMI.

6.4 Cooperation with Information Circular

IPF shall prepare, in compliance with Applicable Laws, the notice of meeting and information circular (collectively, together with all appendices, schedules and exhibits thereto, and any amendments thereto or supplements thereof, the "**Information Circular**") to be prepared and sent to the holders ("**Unitholders**") of Class A limited partnership units of IPF in connection with the special meeting of Unitholders (including any adjournment or postponement thereof) that is to be convened by IPF to consider and, if deemed advisable, to approve the Plan of Arrangement including the Conversion and the Conversion Exchange. Each of the Vendors will provide such assistance to IPF as IPF may reasonably require in the preparation of the Information Circular, and will provide to IPF, in a timely and expeditious manner, all information as may be reasonably requested by IPF with respect to the Corporation and the Vendors for inclusion in the Information Circular and any amendments or supplements thereto, in each case complying in all material respects with all applicable legal requirements on the date of issue thereof including the requirement to provide the Unitholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them with respect to Corporation, the Vendors and the Plan of Arrangement including the Conversion and the Conversion Exchange. IPF will provide the Vendors and Vendors' Counsel with a reasonable opportunity to review and provide comments on the

Information Circular prior to the delivery thereof to Unitholders, and IPF agrees to review and consider such comments in good faith. In the event that the Information Circular is required, pursuant to applicable law and subject to any available exemptive relief, to include audited financial statements of the Corporation prepared in accordance with Canadian generally applicable accounting principles applicable to publicly accountable enterprises, PAI shall provide IPF and the Purchaser with such assistance as they may reasonably require in order to cause the Corporation to prepare such statements; provided that IPF and the Purchaser shall be responsible for any costs and fees related to the preparation and audit of such financial statements.

ARTICLE 7 **INDEMNITY**

7.1 Survival of Representations, Warranties and Covenants

Except as otherwise provided in this Section 7.1, the representations and warranties of each Party contained in this Agreement shall survive Closing for a period of one year after the Closing Date and shall continue in full force and effect during such period, notwithstanding Closing or any investigation or knowledge acquired by or on behalf of any other Party. The representations and warranties of PAI under Section 3.2(o) shall survive Closing until the date that is 45 days after the date on which the last applicable limitation period under any applicable Tax legislation expires with respect to any taxation year to which those representations and warranties relate, notwithstanding Closing or any investigation or knowledge acquired by or on behalf of any other Party. The representations and warranties of the Vendors under Section 3.3 shall survive Closing for a period ending on the earlier of (a) 27 months after completion of the Conversion; and (b) 33 months after the Closing Date, notwithstanding Closing or any investigation or knowledge acquired by or on behalf of any other Party. The covenants of each Party contained in this Agreement and in any other Closing Document shall survive Closing and, notwithstanding Closing, shall continue in full force and effect for the benefit of the other Parties in accordance with the terms of this Agreement or that Closing Document, as the case may be.

7.2 Indemnification by Vendors and Share Pledge

Subject to Section 7.4 and Section 7.5, each Vendor shall severally, and not jointly, indemnify and save Purchaser fully harmless against, and shall reimburse it for, any Damages suffered by or asserted against it arising from, in connection with or related to:

- (a) any incorrectness in or breach of any representation or warranty of the Vendor contained in this Agreement;
- (b) any Third Party Claim against Purchaser, the Corporation, PMI or IPF and/or their respective directors, officers, employees, Affiliates and agents, if any, instituted after the Closing Time and which is based on facts or assertions which are contrary to the representations and warranties made by the Vendor hereunder or under any Closing Document; and
- (c) any breach or non-fulfilment of any covenant or obligation on the part of the Vendor contained in this Agreement or in any Closing Document.

As security for its obligations under this Section 7.2, each Vendor shall pledge the Class B Preferred Shares to be received by it hereunder to and in favour of Purchaser pursuant to a Share Pledge Agreement to be delivered by the Vendor on the Closing Date.

7.3 Indemnification by Purchaser and IPF

Subject to Section 7.6, each of Purchaser and IPF shall jointly and severally indemnify and save each of the Vendors fully harmless against, and shall reimburse them for, any Damages suffered by or asserted against any of them arising from, in connection with or related to:

- (a) any incorrectness in or breach of any representation or warranty of Purchaser or IPF contained in this Agreement or in any Closing Document;
- (b) any Third Party Claim against the Vendors or any of them and/or their respective directors, officers, employees, Affiliates and agents, if any, instituted after the Closing Time and which is based on facts or assertions which are contrary to the representations and warranties made by Purchaser or IPF hereunder or under any Closing Document; and
- (c) any breach or non-fulfilment of any covenant or obligation on the part of Purchaser or IPF contained in this Agreement or in any Closing Document.

7.4 Limitations on Amount of Indemnification

- (a) No Vendor shall have any obligation to make any payment for Damages (for indemnification or otherwise) until the aggregate amount of all Damages payable by the Vendors collectively exceeds \$2,500,000. If the aggregate amount of all Damages payable by Vendors exceeds \$2,500,000, each Vendor shall be obliged to make payment for its Pro-Rata Share of such Damages (for indemnification or otherwise), notwithstanding that the obligation was incurred at a time that the aggregate amount of all Damages payable by the Vendors was less than \$2,500,000. Notwithstanding the foregoing, with respect to Damages resulting from any incorrectness in or breach of any representation or warranty of a Vendor of its representations and warranties in Section 3.1, such Vendor shall be fully liable for such Damages, subject to the limitations on liability set out below.
- (b) Notwithstanding anything contained in this Agreement to the contrary, the obligations of a Vendor to Purchaser under this Agreement, including Section 7.2 hereof, and the rights of Purchaser against any Vendor under this Agreement, including Section 7.2 hereof (other than a claim thereunder for Damages resulting from any incorrectness in or breach of any representation or warranty of the Vendor of his or its representations and warranties in Section 3.1 hereof), shall be performed, satisfied and paid only out of, and enforced only against, the Pledged Collateral in accordance with the terms and conditions of the Share Pledge Agreement to which the Vendor is a party and the recourse of Purchaser for the satisfaction of all obligations of the Vendor under this Agreement, including Section 7.2 hereof (other than a claim thereunder for Damages resulting from any incorrectness in or breach of any representation or warranty of the Vendor of his or its representations and warranties in Section 3.1 hereof), is limited to the Pledged Collateral, and no recourse shall be had by Purchaser to any other assets, property or revenue of the Vendor of any kind or nature whatsoever or howsoever arising and Purchaser shall not be entitled to, or seek to, or effect, any judgment, execution, garnishment or other process of realization (whether judicial or extra-judicial) against or in respect of any assets, property or revenue of the Vendor of any kind or nature whatsoever or howsoever arising, other than the Pledged Collateral with respect to the provisions of, and the Vendor's obligations under, this Agreement, including Section 7.2 hereof (other than a claim hereunder for damages resulting from any incorrectness in or breach of any representation or warranty of the Vendor of his or its representations and warranties in Section 3.1 hereof).

- (c) The maximum aggregate liability of each Vendor under this Agreement for Damages suffered by Purchaser resulting from any incorrectness in or breach of any representation or warranty of such Vendor of its representations and warranties in Section 3.1 is limited to such Vendor's Pro Rata Share of \$178,584,501.90 plus the realizable amount of such Vendor's Pledged Collateral (less any Damages referred to in Section 7.4(b) for which the Vendor is liable).
- (d) Notwithstanding any other provision in this Agreement, no Vendor shall have any liability hereunder, or otherwise arising as a result of the transactions contemplated hereby, for any breach by any other Vendor of the representations and warranties of any other Vendor under Section 3.1.

7.5 Purchaser/IPF Time Limits for Claims

Each Vendor has no obligation to make any payment for Damages in respect of a Direct Claim under Subsection 7.2(a) or a Third Party Claim under Subsection 7.2(b) unless written notice of that claim is delivered to the Vendors' Representatives under Section 7.7 on or before the following dates: (a) with respect to all representations and warranties other than the representation and warranties set out in Subsection 3.2(o) and Section 3.3, the date that is one year after the Closing Date; (b) with respect to the representations and warranties set out in Subsection 3.2(o), the date that is 45 days after the date on which the last applicable limitation period under any applicable Tax legislation expires with respect to any taxation year to which those representations and warranties relate; and (c) with respect to the representations and warranties set out in Section 3.3, the date that is the earlier of (a) 27 months after completion of the Conversion; and (b) 33 months after the Closing Date. This Section 7.5 shall not be construed to impose any time limit on the assertion of a right to indemnification under Subsection 7.2(c).

7.6 Vendor Time Limits for Claims

Purchaser and IPF have no obligation to make any payment for Damages in respect of a Direct Claim under Subsection 7.3(a) unless written notice of that claim is delivered to Purchaser under Section 7.7 on or before the date that is one year after the Closing Date. Purchaser and IPF have no obligation to make any payment for Damages in respect of a Third Party Claim under Section 7.3(b) unless written notice thereof is delivered to either of them under Section 7.7 on or before the date that is thirty months after the Closing Date. This Section 7.6 shall not be construed to impose any time limit on the assertion of a right to indemnification under Subsection 7.3(c).

7.7 Notice of Claim

- (a) If a Third Party Claim is commenced or asserted against an Indemnified Person, the Indemnified Person shall, no later than 30 days after the commencement or assertion of that Third Party Claim, notify the Indemnifier in writing of the Third Party Claim. The notice shall attach the Third Party Claim or describe the Third Party Claim in reasonable detail and indicate, if reasonably practicable, the nature and amount of the potential Damages arising therefrom.
- (b) If an Indemnified Person becomes aware of a Direct Claim, the Indemnified Person shall promptly notify the Indemnifier in writing of that Direct Claim. The notice shall describe the Direct Claim in reasonable detail and indicate, if reasonably practicable, the nature and amount of the potential Damages arising therefrom.
- (c) Notice to an Indemnifier of a Third Party Claim or Direct Claim under this Section 7.7 shall constitute assertion of a claim for indemnification against the Indemnifier under this Agreement and upon receipt of notice, the provisions of Sections 7.8 to 7.10 shall apply

to any Third Party Claim and the provisions of Section 7.11 shall apply to any Direct Claim.

- (d) Failure by an Indemnified Person to give timely notice of a Third Party Claim or Direct Claim shall relieve an Indemnifier from the obligation to indemnify the Indemnified Person with respect thereto to the extent the Indemnifier is prejudiced by such failure to give timely notice.

7.8 Defence of Third Party Claims

With respect to a Third Party Claim, the Indemnifier may participate in or, by giving notice to the Indemnified Person not later than 45 days after receipt of notice with respect to that Third Party Claim and subject to the rights of any insurer or other third party having potential liability therefor, elect to assume the control of the defence of the Third Party Claim at the Indemnifier's own expense and by the Indemnifier's own counsel (such counsel to be satisfactory to the Indemnified Person acting reasonably), and the Indemnified Person may participate in the defence of any Third Party Claim assisted by counsel of its choice at its own expense. If the Indemnifier does not give notice within 45 days after receipt of notice of the Third Party Claim that it has elected to assume the control of the defence of the Third Party Claim, the Indemnified Person may, at its option and assisted by counsel of its choice, assume the defence of or settle or compromise the Third Party Claim without prejudice to its right of indemnification under this Agreement, it being understood that the Indemnified Person shall not, without the prior written consent of the Indemnifier, not to be unreasonably withheld, enter into any compromise or settlement of the Third Party Claim or consent to the entry of any judgment. An Indemnified Party shall have the right to retain separate or additional counsel to act on his, her or its behalf and participate in the defence of any Third Party Claim, and the fees and disbursements of such counsel shall be paid by the Indemnifier if the Indemnified Party and the Indemnifier have been advised in writing by legal counsel acceptable to them that representation of both parties with respect to such Third Party Claim by the same counsel would be inappropriate due to an actual or potential conflict of interest between them.

7.9 Assistance for Third Party Claims

The Indemnifier and the Indemnified Person shall make all reasonable efforts to make available to the Party which is undertaking and controlling the defence of any Third Party Claim (the "**Defending Party**") (i) those employees and other persons whose assistance, testimony or presence is necessary to assist the Defending Party in evaluating and in defending any Third Party Claim, and (ii) all documents, records and other materials in the possession of the Indemnifier or Indemnified Person, as applicable, reasonably required by the Defending Party for its use in defending any Third Party Claim, and shall otherwise co-operate in good faith with the Defending Party. The Indemnifier shall be responsible for all reasonable out-of-pocket expenses associated with making those documents, records and materials available and for all reasonable out-of-pocket expenses of any employees and other persons made available by the Indemnified Person to the Indemnifier hereunder.

7.10 Settlement of Third Party Claims

- (a) If an Indemnifier elects to assume the defence of any Third Party Claim as provided in Section 7.8, the Indemnifier shall diligently proceed with the defence and shall not, without the prior written consent of the Indemnified Person, not to be unreasonably withheld or delayed, enter into any compromise or settlement of the Third Party Claim or consent to the entry of any judgment, which in any such case would lead to liability or create any other obligation, financial or otherwise, on the Indemnified Person.

- (b) If an Indemnifier elects to assume the defence of any Third Party Claim as provided in Section 7.8, the Indemnifier shall not be liable for any legal expenses subsequently incurred by the Indemnified Person (except as expressly provided in the last sentence of Section 7.8 and this Subsection 7.10(b)) in connection with the defence of that Third Party Claim. However, if the Indemnifier fails to take reasonable steps necessary to defend diligently that Third Party Claim within 30 days after receiving notice from the Indemnified Person that the Indemnified Person believes on reasonable grounds that the Indemnifier has so failed to take reasonable steps, the Indemnified Person may, at its option and assisted by counsel of its choice, defend, settle or compromise the Third Party Claim without prejudice to its right of indemnification under this Agreement, it being understood that the Indemnified Person shall not, without the prior written consent of the Indemnifier, not to be unreasonably withheld, enter into any compromise or settlement of the Third Party Claim or consent to the entry of any judgment. The Party controlling the defence of the Third Party Claim shall keep the other Parties advised of the defence of the Third Party Claim and consider in good faith recommendations made by the other Parties with respect thereto.

7.11 Direct Claims

With respect to a Direct Claim, the Indemnified Person shall give notice of the Direct Claim to the Indemnifier as provided in Section 7.7. Upon receipt of that notice, the Indemnifier shall then have a period of 30 days within which to respond in writing to the Direct Claim. The Indemnified Person shall make available to the Indemnifier the information relied upon by the Indemnified Person to substantiate its right to be indemnified, together with all other information as may be reasonably requested by the Indemnified Person. If the Indemnifier does not respond within that 30 day period, the Indemnifier shall be deemed to have rejected that Direct Claim and the Indemnified Person may pursue any remedies available to it.

7.12 Reductions and Subrogation

If the amount of Damages incurred by an Indemnified Person at any time subsequent to the making of an Indemnity Payment is reduced by any recovery, settlement or otherwise under any insurance coverage or under any claim, recovery, settlement or payment by or against any other Person, the Indemnified Person shall promptly repay to the Indemnifier the amount of the reduction (less any costs, expenses (including Taxes) or premiums incurred in connection therewith). Upon making a full Indemnity Payment, the Indemnifier shall, to the extent of that Indemnity Payment, be subrogated to all rights of the Indemnified Person against any third party that is not an Indemnified Person or an Affiliate of the Indemnified Person in respect of the Damages to which the Indemnity Payment relates.

7.13 Exclusive Remedies

Except as expressly provided to the contrary in this Section 7.13 or in any Closing Document, if Closing occurs, the indemnities provided in Section 7.2 and Section 7.3 shall constitute the only remedy of Purchaser or any of the Vendors against a Party in respect of a breach of any representation, warranty, covenant or agreement of that Party under this Agreement. However, if after Closing a Party makes a claim for indemnification in accordance with Section 7.2 or Section 7.3, as the case may be, and the other Party refuses to make payment for Damages or otherwise provide satisfaction in respect of that claim, then the Party making the claim for indemnification may bring a Legal Proceeding to seek a remedy for that refusal. The Parties acknowledge that the failure to comply with a covenant or obligation contained in this Agreement or in any Closing Document may give rise to irreparable injury to a Party inadequately compensable in damages. Accordingly, a Party may seek to enforce the performance of this Agreement by injunction or specific performance upon application to a court of competent jurisdiction without proof of

actual damage (and without the requirement of posting a bond or other security). Each of the Parties expressly waives, from and after Closing, any other remedies whatsoever, whether at law or in equity, which it would otherwise be entitled to as against a Party.

ARTICLE 8
MISCELLANEOUS

8.1 Notices

Any notice, direction or other communication (in this Section 8.1, a "**notice**") regarding the matters contemplated by this Agreement must be in writing and must be delivered personally, sent by courier or transmitted by e-mail, as follows:

(a) **to Purchaser:**

Inter Pipeline GP Corp.
2600, 237 – 4th Avenue S.W.
Calgary, Alberta, T2P 4K3

Attn.: William D. Robertson
Email: *[Redacted Personal Information]*

with a copy to:

Burnet, Duckworth & Palmer LLP
2400, 525 - 8th Avenue S.W.
Calgary, Alberta, T2P 1G1

Attn.: William S. Maslechko
Email: wsm@bdplaw.com

(b) **to IPF:**

Inter Pipeline Fund
2600, 237 – 4th Avenue S.W.
Calgary, Alberta, T2P 4K3

Attn.: William D. Robertson
Email: *[Redacted Personal Information]*

with a copy to:

Burnet, Duckworth & Palmer LLP
2400, 525 - 8th Avenue S.W.
Calgary, Alberta, T2P 1G1

Attn.: William S. Maslechko
Email: wsm@bdplaw.com

and

Blake, Cassels & Graydon LLP
3500, 855 - 2nd Street S.W.
Calgary, Alberta, T2P 4J8

Attn.: Pat Finnerty
Email: pat.finnerty@blakes.com

(c) **to any Vendor individually:**

Scott Gerla
[Redacted Personal Information]

E-mail: *[Redacted Personal Information]*

Jeff Marchant
[Redacted Personal Information]

E-mail: *[Redacted Personal Information]*

David Fesyk
[Redacted Personal Information]

E-mail: *[Redacted Personal Information]*

Christian Bayle
[Redacted Personal Information]

E-mail: *[Redacted Personal Information]*

Jeffery Errico
[Redacted Personal Information]

E-mail: *[Redacted Personal Information]*

Jeffrey Newcommon
[Redacted Personal Information]

E-mail: *[Redacted Personal Information]*

Gordon Thompson
[Redacted Personal Information]

E-mail: *[Redacted Personal Information]*

Petro Assets Inc.
[Redacted Personal Information]

Attn.: John Driscoll

E-mail: [Redacted Personal Information]

with a copy to:

Dentons Canada LLP
15th Floor, 850 - 2nd Street SW
Calgary, AB T2P 0R8

Attn.: Wm. K. Jenkins
E-mail: bill.jenkins@dentons.com

and

Norton Rose Canada LLP
3800, 200 Bay Street
Toronto, ON M5J 2Z4

Attn.: Marvin Singer
E-mail: marvin.singer@nortonrose.com

- (d) to the Vendors' Representatives, to the applicable Vendors and with a copy to Vendors' Counsel, in each case at the applicable address set forth in Subsection 8.1(c) above.

A notice is deemed to be delivered and received on the date of delivery if delivered prior to 5:00 p.m. (recipient's time) on a Business Day and otherwise on the next Business Day. Any Party may change its address for service from time to time by notice given in accordance with the foregoing provisions.

8.2 Vendors' Representatives

The Vendors agree to appoint two representatives from time to time who by such appointment shall have full authority to act on their behalf, to make on their behalf all decisions or elections and to give and receive all notices and consents hereunder from time to time with respect to those matters expressly referred to herein and in the Support Agreement as being actions to be taken, decisions or elections to be made by or notices to be received or given by or to the Vendors' Representatives or the Shareholders' Representatives (as defined in the Support Agreement) and matters ancillary thereto or arising therefrom. One of the Vendors' Representatives shall be appointed by PAI and the second Vendors' Representative shall be a Vendor other than PAI. Initially the Vendors' Representatives shall be John Driscoll (on behalf of PAI) and David Fesyk. PAI may at any time appoint a replacement as its Vendors' Representative by giving written notice to that effect to all of the Parties. Vendors who at the date hereof hold a majority of the Purchased Shares not owned by PAI as shown on Schedule A may at any time appoint a replacement as the second Vendors' Representative by signing a written notice to that effect and delivering such signed notice to all of the Parties.

Each Vendor hereby irrevocably appoints each of the Vendors' Representatives appointed from time to time in accordance with this Section 8.2 as his or its lawful attorney with full power and authority to enter into and to execute and deliver on behalf of the Vendor such agreements, documents and instruments as may reasonably be required to give effect to any decision or election or to give any notice

that the Vendors' Representatives are authorized hereby to make or give, as well as in respect of the defence of any Direct Claim or Third Party Claim (including but not limited to instructions pertinent thereto) and any settlement offer, settlement agreement, compromise or similar arrangement relating in any way to any Direct Claim or Third Party Claim (other than, for clarity, any Direct Claim or Third Party Claim relating solely to the breach or alleged breach by the Vendor of any representation or warranty of the Vendor made in Section 3.1). The power of attorney granted hereby is a power coupled with an interest and is not revocable by any Vendor and is intended to and will survive the death or incapacity of any Vendor.

The Vendors' Representatives shall consult in good faith with each other with respect to decisions or elections and notices to be made by them provided that if, after such good faith consultation, they are unable to agree, the Vendors' Representative appointed by PAI shall be entitled to make the relevant decision or election. In all events, Purchaser and IPF shall be entitled to rely on any written communication (i) provided by both of the then incumbent Vendors' Representatives as determined in accordance with the preceding paragraph, or (ii) provided by one such Vendors' Representative if the communication purports to copy the other. In the event of Purchaser or IPF receiving contrary instructions or determinations from the Vendors' Representatives, Purchaser and IPF shall be entitled to rely on the communication received from the Vendors' Representative appointed by PAI. If at any time there is only one Vendors' Representative, that individual shall be permitted to exercise all of the powers and authorities of the Vendors' Representatives hereunder and under the Support Agreement and the Share Provisions.

No Vendors' Representative shall have any liability to the Vendors or any of them in respect of any decision or election made or notice given by him hereunder provided only that the Vendors' Representative has acted honestly and in good faith.

8.3 Public Announcements

The Parties acknowledge that IPF is required by Applicable Laws to issue a press release and to file a material change report regarding the Agreement and the transactions contemplated hereby, and IPF agrees that the press release and material change report issued and filed by it and related supplemental website materials to be posted on its website shall be in the respective forms which have been reviewed and accepted by the Vendors' Representatives on or before the date hereof. No additional press release, public statement or announcement or other written public disclosure regarding this Agreement or the transactions contemplated by this Agreement may be made without the prior written consent and joint approval of the Vendors and IPF, such approval not to be unreasonably withheld or delayed, except if required by Applicable Laws or a Governmental Authority, in which case (i) IPF, if it is the party required to issue or make a press release, public statement or announcement or other written public disclosure, will provide the Vendors' Representatives and Vendors' Counsel with a reasonable opportunity to review and provide comments on the form and substance of any such press release or other public disclosure prior to the release thereof, and IPF agrees to review and consider such comments in good faith, and (ii) each Vendor, if it is the party required to issue or make a press release, public statement or announcement or other written public disclosure, will provide Purchaser and Purchaser's Counsel with a reasonable opportunity to review and provide comments on the form and substance of any such press release or other public disclosure prior to the release thereof, and each Vendor agrees to review and consider such comments in good faith; provided that once a press release, public statement or announcement or other written public disclosure has been reviewed and approved as provided in this Section 8.3 and disseminated to the public, a Party will not be required to comply with this Section 8.3 with respect to any subsequent press release, public statement or announcement or other written public

disclosure that contains substantially the same disclosure, in all material respects, as the press release, public statement or announcement or other written public disclosure previously reviewed and approved.

8.4 Costs and Expenses

Unless otherwise specified, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the transactions contemplated by it. Without limiting the generality of the foregoing, the Vendors shall severally indemnify and save harmless Purchaser from and against any claims whatsoever for any commission, fee or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Vendors or the Corporation and each of Purchaser and IPF shall indemnify and save harmless the Vendors from and against any claims whatsoever for any commission, fee or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for Purchaser or IPF.

8.5 Further Assurances

Each Party shall from time to time, before or after the Closing Time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered all further acts, documents and instruments as may be reasonably necessary or desirable in order to give full effect to this Agreement or any provision of it.

8.6 Waiver of Rights

Any waiver of any of the provisions of this Agreement will be binding only if it is in writing and signed by the Parties to be bound by it, and only in the specific instance and for the specific purpose for which it has been given. The failure or delay of any Party in exercising any right under this Agreement will not operate as a waiver of that right. No single or partial exercise of any right will preclude any other or further exercise of that right or the exercise of any other right, and no waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar).

8.7 Severability

If any provision of this Agreement or its application to any Party or circumstance is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, it will be ineffective only to the extent of its illegality, invalidity or unenforceability without affecting the validity or the enforceability of the remaining provisions of this Agreement and without affecting its application to other Parties or circumstances.

8.8 Assignment

Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by a Vendor without the prior written consent of Purchaser and IPF, except that (a) PAI may assign the benefit of its rights hereunder to an Affiliate to which PAI is concurrently transferring up to 500,000 of its Class A Preferred Shares; provided, however, that no such assignment shall release PAI from its obligations hereunder and no such assignee shall be liable for any obligation arising under this Agreement and provided further that only one assignment may be made by PAI in reliance on this provision; and (b) any Vendor may assign the benefit of its rights hereunder to a family trust or holding company controlled by such Vendor to which such Vendor is concurrently transferring any or all of its

Consideration Shares provided that such family trust or holding company enters into an assumption agreement in favour of the other Parties hereto agreeing to assume and be bound by all of the rights and obligations of the relevant Vendor hereunder to the extent of such transfer and assignment; provided, however, that no such assignment shall release such Vendor from its obligations hereunder. Neither this Agreement nor any of the rights or obligations under this Agreement or any Closing Document are assignable or transferable by Purchaser or IPF except as expressly contemplated herein or in another Closing Document.

8.9 Successors and Assigns

This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

8.10 Entire Agreement

This Agreement, together with the Closing Documents, constitutes the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all other understandings, agreements, representations (including misrepresentations, negligent or otherwise), negotiations and discussions, written or oral, made by the Parties with respect thereto. There are no representations, warranties, terms, conditions, covenants or other understandings, express or implied, collateral, statutory or otherwise, between the Parties, except as expressly stated in this Agreement or any Closing Document. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement and the Closing Documents.

8.11 Amendment

This Agreement may not be amended, supplemented or otherwise modified in any respect except by written agreement signed by the Parties.

8.12 Governing Law; Attornment

This Agreement will be construed, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each Party irrevocably attorns and submits to the exclusive jurisdiction of the courts of the Province of Alberta and irrevocably waives objection to the venue of any proceeding in those courts or that those courts provide an inconvenient forum. Each Vendor hereby appoints Dentons Canada LLP at its Calgary, Alberta office as its attorney for service for any proceeding arising from this Agreement.

8.13 Counterparts and Delivery by Facsimile or Email

This Agreement may be executed in any number of counterparts (including counterparts by facsimile or email), each of which will be deemed to be an original and all of which, taken together, will be deemed to constitute one and the same instrument. Delivery by facsimile or email of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement. Any Party delivering an executed counterpart of this Agreement by facsimile or email shall also deliver an originally executed counterpart of this Agreement, but the failure to deliver an originally executed counterpart does not affect the validity, enforceability or binding effect of this Agreement.

8.14 IPF Limit of Liability of Limited Partners.

IPF is a limited partnership formed under the *Partnership Act* (Alberta), a limited partner of which is only liable for any of its liabilities or any of its losses to the extent of the amount that the limited partner has contributed or agreed to contribute to its capital and the limited partner's *pro rata* share of any undistributed income.

[Signature Page Follows on Next Page.]

THIS AGREEMENT has been executed by the Parties as of the date first written above.

(signed) Scott Gerla

SCOTT GERLA

(signed) Jeff Marchant

JEFF MARCHANT

(signed) David Fesyk

DAVID FESYK

(signed) Christian Bayle

CHRISTIAN BAYLE

(signed) Jeffery Errico

JEFFERY ERRICO

(signed) Jeffrey Newcommon

JEFFREY NEWCOMMON

(signed) Gordon Thompson

GORDON THOMPSON

PETRO ASSETS INC.

By: *(signed) John Driscoll*

Name: John Driscoll

Title: President

INTER PIPELINE GP CORP.

By: *(signed) William A. van Yzerloo*

Name: William A. van Yzerloo

Title: Chief Financial Officer

**INTER PIPELINE FUND, by its
general partner, PIPELINE
MANAGEMENT INC.**

By: *(signed) William A. van Yzerloo*

Name: William A. van Yzerloo

Title: Chief Financial Officer

Schedule A
Purchased Shares

Shareholder	Class	Number of Shares
Scott Gerla	Class B	3
Jeff Marchant	Class B	3
David Fesyk	Class B	9
Christian Bayle	Class B	3
Jeffery Errico	Class B	5
Jeffrey Newcommon	Class B	3
Gordon Thompson	Class B	5
Petro Assets Inc.	Class A	69
Total:		<u>100</u>

Schedule B

Consideration Shares

	Consideration Shares	
Shareholder	Number and Series of Class A Preferred Shares	Number and Series of Class B Preferred Shares
Scott Gerla	222,351 Series 1	211,662 Series 1
Jeff Marchant	222,351 Series 2	211,662 Series 2
David Fesyk	667,051 Series 3	634,987 Series 3
Christian Bayle	222,351 Series 4	211,662 Series 4
Jeffery Errico	370,584 Series 5	352,770 Series 5
Jeffrey Newcommon	222,351 Series 6	211,662 Series 6
Gordon Thompson	370,584 Series 7	352,770 Series 7
Petro Assets Inc.	5,114,060 Series 8	4,868,231 Series 8
Total:	7,411,683	7,055,406

Schedule C

Class A Preferred Share Terms and Conditions

The authorized capital of the Corporation shall consist of an unlimited number of Class A Voting Common Shares and an unlimited number of Class B Non-Voting Common Shares, which shares shall have the rights, privileges, restrictions and conditions set forth below, and 7,411,683 Class A Preferred Shares, issuable in series designated 1 through 8 and 7,055,406 Class B Preferred Shares, issuable in series designated 1 through 8, which shares shall have the rights, privileges, restrictions and conditions set forth in the Shares in Series Schedule attached hereto.

CLASS A VOTING COMMON SHARES

I. The Class A Voting Common Shares in the capital of the Corporation shall have the following rights, privileges, restrictions and conditions:

ARTICLE 1 VOTING RIGHTS

1.1 The holders of Class A Voting Common Shares shall be entitled to notice of, to attend and to one (1) vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Class A Voting Common Shares as such).

ARTICLE 2 DIVIDENDS

2.1 The holders of Class A Voting Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Class A Voting Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Class A Voting Common Shares in respect of dividends.

ARTICLE 3 LIQUIDATIONS

3.1 The holders of Class A Voting Common Shares shall be entitled in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Class A Voting Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the Class A Voting Common Shares in respect of return of capital, in such assets of the Corporation as are available for distribution.

CLASS B NON-VOTING COMMON SHARES

II. The Class B Non-Voting Common Shares in the capital of the Corporation shall have the following rights, privileges, restrictions and conditions:

ARTICLE 1
VOTING RIGHTS

- 1.1** The holders of Class B Non-Voting Common Shares shall not be entitled to notice of, to attend or to vote at any meeting of the shareholders of the Corporation except as required by applicable law.

ARTICLE 2
DIVIDENDS

- 2.1** The holders of Class B Non-Voting Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Class B Non-Voting Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Class B Non-Voting Common Shares in respect of dividends.

ARTICLE 3
LIQUIDATIONS

- 3.1** The holders of Class B Non-Voting Common Shares shall be entitled in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Class B Non-Voting Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the Class B Non-Voting Common Shares in respect of return of capital, in such assets of the Corporation as are available for distribution.

SHARES IN SERIES SCHEDULE

CLASS A PREFERRED SHARES

I. The Class A Preferred Shares in the capital of the Corporation shall be issuable in series and shall have the following rights, privileges, restrictions and conditions:

ARTICLE 1 **INTERPRETATION**

1.1 For the purposes of the rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares:

"Acquisition Proposal" means, other than in respect of the Conversion and the transactions contemplated thereby, (a) IPF or the board of directors of the General Partner (or any special committee thereof) approving, recommending or authorizing any proposal from, or the entering into of a definitive agreement with, any Person or group of Persons "acting jointly or in concert" (within the meaning of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids) which in either case constitutes, or may reasonably be expected to lead to (in either case in one transaction or a series of transactions): (i) an acquisition or purchase from IPF or the securityholders of IPF of 20% or more of the voting securities of IPF; (ii) a direct or indirect acquisition of 20% or more of the assets, determined by reference to the net book value of the assets (or any lease, long term supply agreement or other arrangement having the same economic effect as a purchase or sale of 20% or more of the assets) of IPF and its Subsidiaries taken as a whole; (iii) an amalgamation, arrangement, merger or consolidation involving IPF or its Subsidiaries; or (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization or similar transaction involving IPF and its Subsidiaries; (b) the approval of the requisite number of holders of voting securities of IPF of any proposal which constitutes, or may reasonably be expected to lead to (in one transaction or a series of transactions) an amalgamation, arrangement, merger or consolidation involving the Corporation or its Subsidiaries; (c) the take-up of and payment for any voting securities of IPF pursuant to a "take-over bid" (within the meaning of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids); or (d) entering into a binding agreement to consummate, or consummating, any other transaction, the consummation of which would reasonably be expected to impede, interfere with, prevent or delay the Conversion; provided that any such transaction (other than a transaction referenced in item (d) of this definition) solely between or among the Corporation and/or one or more of its Subsidiaries and/or between or among any of its Subsidiaries shall not constitute an "Acquisition Proposal".

"Act" means the *Business Corporations Act* (Alberta), as amended, consolidated or reenacted from time to time.

"Automatic Retraction Date" has the meaning provided in Section 7.9.

"Board of Directors" means the board of directors of the Corporation and any committee thereof acting within its authority.

"Business Day" means any day except Saturday, Sunday, any statutory holiday in the Province of Alberta, or any other day on which the principal chartered banks in the City of Calgary are closed for business.

"Change of Control" shall be deemed to have occurred if any Person or group of Persons "acting jointly or in concert" (within the meaning of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids) becomes the holder, directly or indirectly, of at least 90% of the Class A Units of IPF on a fully-diluted basis (other than in respect of the Conversion and the transactions contemplated thereby).

"Class A Preferred Shares" means Class A Preferred Shares in the capital of the Corporation.

"Class A Put Right" has the meaning provided in Section 8.1.

"Class A Retraction Amount" means, for each Class A Preferred Share and on any applicable date, an amount equal to the aggregate of, without duplication:

- (a) the Current Market Price of one Class A Unit; provided, however, if the Class A Retraction Amount is being calculated in connection with (i) a Redemption Date established under paragraph (b) of the definition of "Redemption Date" or (ii) the exercise of a Class A Put Right following the establishment of a Redemption Date under paragraph (b) of the definition of "Redemption Date", then in each case the applicable price under this paragraph (a) will be the price paid in respect of each Class A Unit in connection with the Change of Control; plus
- (b) an additional amount equal to the full amount of all cash dividends declared, payable and unpaid on such Class A Preferred Share; plus
- (c) an additional amount equal to the full amount of all cash distributions declared and payable or paid on one Class A Unit, which have not been declared or paid on Class A Preferred Shares in accordance herewith; plus
- (d) an additional amount equal to the Fair Market Value of the full amount of all non-cash dividends declared, payable and unpaid on such Class A Preferred Share; plus
- (e) an additional amount equal to the Fair Market Value of the full amount of all non-cash distributions declared and payable or paid on one Class A Unit, which have not been declared or paid on Class A Preferred Shares in accordance herewith (and such Class A Unit distribution is deemed to be represented by a Class A Preferred Share cash dividend in an amount equal to the Fair Market Value of the Class A Unit distribution for purposes of the determination of the Class A Retraction Amount).

The Class A Retraction Amount shall be payable in cash by cheque, provided that if a non-cash dividend has been declared and is payable and unpaid on the Class A Preferred Shares as provided in paragraph (d) above, the portion of the Class A Retraction Amount payable by such non-cash dividend shall be paid by the issue, transfer and delivery, as applicable, of property representing such non-cash dividend.

Further, (y) all consideration shall be delivered free and clear of any lien, claim, encumbrance, security interest or adverse claim or interest, and (z) all consideration shall be paid or transferred less any tax required to be deducted and withheld therefrom.

"Class A Retraction Availability Date" means the date of the earliest to occur of:

- (a) IPF, Pubco or Putco advising the holders of Class A Preferred Shares and Class B Preferred Shares, or any of them, in writing, that it has determined, for whatever reason, not to proceed with the Conversion;

- (b) any approval required in order for IPF, Pubco and Putco to proceed with the Conversion being denied or not being obtained;
- (c) the arrangement agreement governing the Plan of Arrangement being terminated;
- (d) any approval required for the inclusion of the Conversion Exchange as part of the Conversion being denied or not being obtained or the Conversion being completed without the Conversion Exchange being included therein;
- (e) an Acquisition Proposal;
- (f) the board of directors of the General Partner, the Corporation, Pubco or Putco proposing or taking any formal steps to implement or recommend a Specified Reorganization or, if any other person proposes a Specified Reorganization, such Specified Reorganization receiving any corporate or securityholder approval;
- (g) any of IPF, the Corporation, Pubco or Putco committing a material breach of its obligations under the Support Agreement or under the provisions hereof and such breach continues for 10 Business Days after written notice of such breach is given to each of them by the Required Holders;
- (h) a Change of Control; and
- (i) the one year anniversary of the date of first issue of Class A Preferred Shares;

"Class A Units" means Class A limited partnership units of IPF and, for clarity, after completion of the Conversion means Class A common shares in the capital of Pubco.

"Class A Voting Rate" means the amount of votes per Class A Preferred Share, calculated to the eleventh decimal place, determined by the formula $(16/A)(B/68)$, where:

A = the number of outstanding Class A Preferred Shares; and

B = the number of outstanding Voting Common Shares.

"Class B Preferred Shares" means Class B Preferred Shares of the Corporation.

"Conversion" means the series of transactions involving Pubco, Putco, IPF and the Corporation and their affected securityholders intended to effect a "corporate conversion" in respect of IPF, as defined and further described in the Support Agreement.

"Conversion Exchange" means the proposed exchange, as part of the Conversion, of Class A Preferred Shares and Class B Preferred Shares for securities of Pubco and cash (if applicable), as defined and further described in the Support Agreement.

"Corporation" means Inter Pipeline GP Corp., a corporation incorporated and existing under the Act, and includes any successor corporation.

"Current Market Price" means, in respect of a Class A Unit on any date, the weighted average price per unit (computed and rounded to the third decimal point) at which Class A Units have traded during the period of 20 consecutive trading days ending on the fifth trading day before such date on the Toronto Stock Exchange, or, if the Class A Units are not then traded on the

Toronto Stock Exchange, on such other stock exchange or automated quotation system on which the Class A Units are then listed or quoted, as may be selected by the Board of Directors for such purpose. The weighted average price per Class A Unit shall be determined by dividing the aggregate sale price of all Class A Units sold on the applicable stock exchange or automated quotation system during the said 20 trading day period, by the total number of Class A Units sold.

"**Effective Date**" means the date of first issue of Class A Preferred Shares.

"**Fair Market Value**" means, in respect of any property, the fair market value thereof as determined by the Board of Directors acting in good faith and in a commercially reasonable manner.

"**General Partner**" means Pipeline Management Inc., a corporation incorporated and existing under the Act, and includes any successor corporation.

"**IPF**" means Inter Pipeline Fund, a limited partnership formed and existing under the *Partnership Act* (Alberta).

"**IPF Distribution Declaration Date**" means the date on which the board of directors of the General Partner declares any distribution on the Class A Units.

"**Liquidation Amount**" has the meaning provided in Section 6.1.

"**Liquidation Date**" has the meaning provided in Section 6.1.

"**Non-Voting Common Shares**" means Class B Non-Voting Common Shares of the Corporation.

"**PAC**" means Pipeline Assets Corp.

"**PAC Financial Items**" means (a) the unaudited financial statements of PAC for the period commencing on January 1, 2013 and ended on the Effective Date and (b) the tax return of PAC filed in respect of the tax period ended on the Effective Date.

"**Person**" includes an individual, partnership, corporation, company, unincorporated syndicate or organization, trust, trustee, executor, administrator and other legal representative.

"**Plan of Arrangement**" means the plan of arrangement under the Act expected to be proposed by IPF and Pubco to undertake the Conversion, as defined and further described in the Support Agreement.

"**Preferred Share Fair Market Value**" means, for each Class A Preferred Share or Class B Preferred Share, as applicable, the highest price, expressed in terms of cash equivalents, at which such Class A Preferred Share or Class B Preferred Share would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms-length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

"**Pubco**" means Inter Pipeline Ltd., a corporation incorporated and existing under the Act, and includes any successor corporation.

"Put Closing Date" has the meaning ascribed thereto in the Support Agreement.

"Put Notice" has the meaning ascribed thereto in the Support Agreement.

"Putco" means Inter Pipeline Putco Corp., a corporation incorporated and existing under the Act, and includes any successor corporation.

"Redeemed Shares" has the meaning provided in Section 9.3.

"Redemption Date" means the date, if any, established by the Board of Directors for the redemption by the Corporation of all (and not less than all) of the outstanding Class A Preferred Shares pursuant to Article 9, which date shall be no earlier than the twenty-fifth anniversary of the Effective Date, unless:

- (a) the number of Class A Preferred Shares outstanding (excluding Class A Preferred Shares beneficially owned by Pubco, Putco, IPF or any of their respective Subsidiaries, and as such number of shares may be adjusted as deemed appropriate by the Board of Directors in good faith to give effect to any subdivision or consolidation of or stock dividend on the Class A Preferred Shares, any issue or distribution of other securities or rights or evidences of indebtedness or assets, or any other capital reorganization or other transaction affecting the Class A Preferred Shares) is fewer than 370,584, in which case the Board of Directors may accelerate such redemption date to such date prior to the twenty-fifth anniversary of the Effective Date as it may determine; or
- (b) a Change of Control occurs, in which case the Board of Directors may accelerate such redemption date to such date prior to the twenty-fifth anniversary of the Effective Date as it may determine.

In the case of a Change of Control where the consideration received by holders of Class A Units consisted of or included equity securities, the Board of Directors shall only be permitted to establish a Redemption Date in respect of such Change of Control if the holders of Class A Preferred Shares were entitled to participate in such Change of Control on substantially the same terms as the holders of Class A Units (taking into consideration the applicable Class A Retraction Amount on the date of the Change of Control), regardless of whether any holders of Class A Preferred Shares participated in the Change of Control.

"Redemption Notice" has the meaning provided in Section 9.2.

"Redemption Price" has the meaning provided in Section 9.1.

"Required Holders" means, in respect of the Class A Preferred Shares and at any particular time, where there are more than three registered holders of Class A Preferred Shares, at least three of the registered holders of Class A Preferred Shares and, where there are three or less registered holders of Class A Preferred Shares, any one or more of the registered holders of Class A Preferred Shares, in either case holding at least 75% of the then outstanding Class A Preferred Shares (excluding shares held, directly or indirectly and legally or beneficially, by IPF, Pubco, Putco or their respective Subsidiaries or their successors, assigns or transferees), and has the corresponding meaning in respect of the Class B Preferred Shares.

"Retracted Shares" has the meaning provided in Section 7.1(a).

"**Retraction Date**" has the meaning provided in Section 7.1(b).

"**Retraction Price**" has the meaning provided in Section 7.1.

"**Retraction Request**" has the meaning provided in Section 7.1.

"**Special Retraction Date**" has the meaning ascribed thereto in the Support Agreement.

"**Specified Reorganization**" has the meaning provided in the Support Agreement.

"**Subsidiary**", in relation to any Person, means any other Person of which more than 50% of the total voting power of shares of stock or units of ownership or beneficial interest entitled to vote in the election of directors (or members of a comparable governing body) is owned or controlled, directly or indirectly, by such first-mentioned Person.

"**Support Agreement**" means the Put Option and Support Agreement between IPF, Pubco, Putco, the Corporation and the holders of the outstanding Class A Preferred Shares and Class B Preferred Shares on the Effective Date, and made as of the Effective Date, as amended, modified or supplemented from time to time thereafter.

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

"**Unpaid Dividends**" means all declared, payable and unpaid, and all undeclared but payable, cash and non-cash dividends in respect of the Class A Preferred Shares as of a specified date.

"**Voting Common Shares**" means Class A Voting Common Shares of the Corporation.

- 1.2 The division of these share provisions into Articles and Sections and the insertion of headings are for convenience of reference and shall not impact the interpretation of the rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares.
- 1.3 Words importing the singular number include the plural and vice-versa and words importing any gender include all genders.
- 1.4 If any date on which any action is required to be taken is not a Business Day, such action shall be required to be taken on the next succeeding Business Day.

ARTICLE 2 **ISSUANCE IN SERIES**

- 2.1 The Class A Preferred Shares shall be issuable in series designated 1 through 8, which shall be limited in number as set forth below:
 - (a) 222,351 Series 1;
 - (b) 222,351 Series 2;
 - (c) 667,051 Series 3;
 - (d) 222,351 Series 4;
 - (e) 370,584 Series 5;

- (f) 222,351 Series 6;
- (g) 370,584 Series 7; and
- (h) 5,114,060 Series 8.

ARTICLE 3
RANKING OF CLASS A PREFERRED SHARES

- 3.1** Each series of Class A Preferred Shares shall rank on parity with every other series of Class A Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs.
- 3.2** The Class A Preferred Shares shall rank on parity with the Class B Preferred Shares and shall be entitled to a preference over the Voting Common Shares and the Non-Voting Common Shares and any other class of shares of the Corporation with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

ARTICLE 4
DIVIDENDS

- 4.1** A holder of a Class A Preferred Share shall be entitled to receive and the Board of Directors shall, subject to applicable law and Section 4.4 hereof, on each IPF Distribution Declaration Date, declare a dividend on each Class A Preferred Share, (a) in the case of a cash distribution declared on the Class A Units, in an amount in cash for each Class A Preferred Share equal to the cash distribution declared on each Class A Unit, (b) in the case of a distribution declared on the Class A Units to be paid in Class A Units, in an amount in cash based upon the Current Market Price of the Class A Units on the IPF Distribution Declaration Date and the number of Class A Units to be distributed on each Class A Unit, and (c) in the case of a distribution declared on the Class A Units in property other than cash or Class A Units (which may include other securities of IPF), in such type and amount of property to be distributed on each Class A Unit, or cash in an amount equal to the Fair Market Value of such property on the IPF Distribution Declaration Date, as determined by the Board of Directors. The dividend entitlement pursuant to this Section 4.1 shall commence with any IPF Distribution Declaration Date occurring from and after the Effective Date. Such dividends (less any tax required to be deducted and withheld from such dividends) shall be paid out of money, assets or property of the Corporation properly applicable to the payment of dividends, or out of authorized but unissued shares of the Corporation.
- 4.2** Cheques of the Corporation shall be issued in respect of any cash dividends contemplated by Section 4.1 hereof, and the sending of such a cheque to each holder of a Class A Preferred Share at the address for notice for the holder as provided in the Support Agreement shall satisfy the cash dividends represented thereby unless the cheque is not paid on presentation. Any other type and amount of property in respect of any dividends contemplated by Section 4.1(c) hereof shall be issued, transferred and/or delivered by the Corporation in such manner as the Board of Directors shall determine, and the issuance, transfer and/or delivery thereof by the Corporation to each holder of a Class A Preferred Share shall satisfy the dividend represented thereby. In all cases, any such dividends shall be subject to any reduction or adjustment for withholding tax required to be deducted and withheld from such dividends under the Tax Act, and, if applicable, the Corporation shall be entitled to liquidate some of the property which would otherwise be deliverable in payment of such dividends to a particular holder of Class A Preferred Shares to fund any statutory withholding obligation under the Tax Act.

- 4.3 Subject to the requirements of the Act and the articles and by-laws of the Corporation, the record date for the determination of the holders of Class A Preferred Shares entitled to receive payment of, and the payment date for, any dividend declared on the Class A Preferred Shares under Section 4.1 hereof shall be the same dates as the record date and payment date, respectively, for the corresponding distribution declared on the Class A Units. In the event that the requirements of applicable law or the articles and by-laws of the Corporation prevent the record date and the payment date of a dividend payable under Section 4.1 from conforming to the record date and payment date for a distribution on Class A Units, the Corporation shall use its reasonable efforts to cause the payment date for the Corporation dividend to be on or before the payment date for the applicable Class A Unit distribution.
- 4.4 Notwithstanding Section 4.1 hereof, the Board of Directors shall not declare a dividend on the Class A Preferred Shares until the earlier of (i) 15 days after receipt by the Corporation of the PAC Financial Items and (ii) 90 days after the Effective Date (the "**Dividend Commencement Date**"); provided that on the first IPF Distribution Declaration Date following the Dividend Commencement Date, the amount of the dividend to be declared by the Board of Directors on each Class A Preferred Share shall be equal to the aggregate amount that would have been declared in accordance with Section 4.1 had the Dividend Commencement Date occurred on the Effective Date.
- 4.5 If on any payment date for any dividends declared on the Class A Preferred Shares under Section 4.1 hereof the dividends are not paid in full on all of the Class A Preferred Shares then outstanding, any such dividends which remain unpaid shall be paid on a subsequent date or dates determined by the Board of Directors on which the Corporation shall have sufficient moneys, assets or property properly applicable to the payment of such dividends.
- 4.6 Except as provided in this Article 4, the holders of Class A Preferred Shares shall not be entitled to receive dividends in respect thereof.
- 4.7 Payment of the Class A Retraction Amount shall satisfy in full all Unpaid Dividends relating to the Class A Preferred Shares in respect of which the Class A Retraction Amount is paid.
- 4.8 The Corporation shall take all necessary steps to designate the full amount of all dividends that it pays or that it is deemed to pay as "eligible dividends" within the meaning of subsection 89(1) of the Tax Act, to the extent that such dividends or deemed dividends, as the case may be, exceed the amount of the Corporation's "low rate income pool", as defined in the Tax Act; provided, however, the foregoing shall not impact the Corporation's ability to complete the Amalgamation (as defined in the Support Agreement).

ARTICLE 5

CERTAIN RESTRICTIONS

- 5.1 So long as any of the Class A Preferred Shares are outstanding, the Corporation shall not at any time without, but may at any time with, the approval of the holders of the Class A Preferred Shares given as specified in Article 11 of these share provisions:
- (a) pay any dividends on the Non-Voting Common Shares, the Voting Common Shares or any other shares ranking junior to the Class A Preferred Shares, other than stock dividends payable in any such other shares ranking junior to the Class A Preferred Shares with respect to the payment of dividends;
 - (b) redeem or purchase or make any capital distribution in respect of Non-Voting Common Shares, the Voting Common Shares or any other shares ranking junior to the Class A Preferred Shares with respect to distribution on liquidation, distribution or winding-up of the Corporation;

- (c) pay any dividends on the Class B Preferred Shares or any other shares ranking on a parity with the Class A Preferred Shares with respect to the payment of dividends; and
- (d) redeem or purchase or make any capital distribution in respect of the Class B Preferred Shares or any other shares ranking on a parity with the Class A Preferred Shares with respect to distribution on liquidation, distribution or winding-up of the Corporation.

The above restrictions shall not apply if all dividends on the outstanding Class A Preferred Shares corresponding to distributions declared on Class A Units with a record date on or following the Effective Date (or as otherwise provided in Section 4.1) shall have been declared on the Class A Preferred Shares and paid in full; provided that dividends may be declared and paid on the Class B Preferred Shares before all dividends on the Class A Preferred Shares have been declared and paid in full, if dividends are paid rateably on such classes of shares, based upon the aggregate amount of all declared and unpaid dividends on the Class A Preferred Shares then outstanding, and the aggregate amount of all declared and unpaid dividends on the Class B Preferred Shares then outstanding.

ARTICLE 6

DISTRIBUTION ON LIQUIDATION

- 6.1** In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, a holder of a Class A Preferred Share shall be entitled to receive from the assets of the Corporation in respect of each Class A Preferred Share held by such holder on the effective date of such liquidation, dissolution or winding-up (the "**Liquidation Date**"), before any distribution of any part of the assets of the Corporation to the holders of the Non-Voting Common Shares, the Voting Common Shares or any other shares ranking junior to the Class A Preferred Shares, and subject to the rights of the holders of the Class B Preferred Shares which rank on a parity with the Class A Preferred Shares upon such a distribution (on the basis provided herein), an amount equal to the Class A Retraction Amount applicable on the Liquidation Date (the "**Liquidation Amount**") in accordance with Section 6.2, which, as set forth in Section 6.2, shall be fully paid and satisfied by the payment and delivery by the Corporation of consideration representing the Class A Retraction Amount, or a rateable portion thereof (and both cash and non-cash items forming part of the consideration representing the Class A Retraction Amount shall be appropriately pro-rated).
- 6.2** On or promptly after the Liquidation Date, (a) if there are sufficient assets to pay the total Liquidation Amount on all Class A Preferred Shares, as well as total Liquidation Amount (as defined in Part II(6.1) below in relation to the Class B Preferred Shares) on the Class B Preferred Shares, the Corporation shall cause to be paid and delivered to the holders of the Class B Preferred Shares the Liquidation Amount for each such Class A Preferred Share; and (b) if there are insufficient assets to pay the total Liquidation Amount of the Class A Preferred Shares, as well as the total Liquidation Amount (as defined in Part II(6.1) below in relation to the Class B Preferred Shares) on the Class B Preferred Shares, the Corporation shall cause to be paid and delivered to the holders of the Class A Preferred Shares an amount equal to a rateable proportion of the total Liquidation Amount of all Class A Preferred Shares held by them and holders of Class B Preferred Shares shall be entitled to receive the same rateable proportion of their total Liquidation Amount, as provided in Part II(6.1) below. In each case, the Liquidation Amount (or rateable proportion thereof) shall be delivered upon presentation and surrender of the certificates representing such Class A Preferred Shares at the registered office of the Corporation. Payment of the Liquidation Amount (or rateable portion thereof) for such Class A Preferred Shares shall be made by delivery to each holder, at the address for notice for the holder as provided in the Support Agreement, or by holding for pick up by the holder at the address for notice for the Corporation as provided in the Support Agreement, of the Liquidation Amount (or rateable portion thereof) representing such holder's entitlement as provided above. On and after the Liquidation Date, the holders of the Class A Preferred Shares shall cease to be holders of such Class A Preferred Shares and shall not be entitled to exercise any of the rights of holders in respect

thereof, other than the right to receive their proportionate part of the total Liquidation Amount, unless payment and delivery of the total Liquidation Amount (or rateable portion thereof) for Class A Preferred Shares shall not be made upon presentation and surrender of share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Liquidation Amount (or rateable portion thereof) has been paid and delivered in the manner hereinbefore provided. The Corporation shall have the right at any time on or after the Liquidation Date to deposit or cause to be deposited consideration representing the total Class A Retraction Amount in respect of the Class A Preferred Shares represented by certificates that have not, at the Liquidation Date, been surrendered by the holders thereof in a custodial account or for safe keeping, in the case of non-cash items, with any chartered bank or trust company in Canada. Upon such deposit being made, the rights of the holders of the Class A Preferred Shares after such deposit shall be limited to receiving their proportionate part of the total Liquidation Amount (or rateable portion thereof) for such Class A Preferred Shares so deposited, against presentation and surrender of the said certificates held by them, in accordance with the foregoing provisions.

- 6.3** After the Corporation has satisfied its obligations to pay the holders of the Class A Preferred Shares the Liquidation Amount per Class A Preferred Share, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.
- 6.4** The Corporation shall give written notice to the holders of Class A Preferred Shares of any Liquidation Date. In the case of a voluntary liquidation, distribution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs that has been approved by the shareholders as required under applicable law, such notice shall be given at least 60 days before the proposed Liquidation Date. In the case of any other liquidation, dissolution or winding-up of the Corporation or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, such notice shall be given as far in advance of the anticipated Liquidation Date as reasonably practicable in the circumstances, and in any event, not less than five Business Days before the anticipated Liquidation Date.

ARTICLE 7

RETRACTION OF CLASS A PREFERRED SHARES BY HOLDER

- 7.1** A holder of Class A Preferred Shares may not require the redemption by the Corporation of any Class A Preferred Shares prior to the Class A Retraction Availability Date. A holder of Class A Preferred Shares shall be entitled, at any time on or after the Class A Retraction Availability Date, subject to applicable law and otherwise upon compliance with the provisions of this Article 7, to require the Corporation to redeem any or all of the Class A Preferred Shares registered in the name of such holder for an amount equal to the Class A Retraction Amount applicable on the Business Day of delivery of the Retraction Request to the address for notice for the Corporation as provided in the Support Agreement (the "**Retraction Price**"), such payment to be made as further provided in Section 7.3. To effect such redemption, the holder shall present and surrender at the address for notice for the Corporation as provided in the Support Agreement the certificate or certificates representing the Class A Preferred Shares which the holder desires to have the Corporation redeem, together with such other documents and instruments as may be required to effect a transfer of the Class A Preferred Shares under applicable law and the articles and by-laws of the Corporation, and together with a duly executed statement (the "**Retraction Request**") in the form of Appendix "A" hereto or in such other form as may be acceptable to the Corporation, acting reasonably:
- (a) specifying that the holder desires to have all or any number specified therein of the Class A Preferred Shares represented by such certificate or certificates (the "**Retracted Shares**") redeemed by the Corporation; and

- (b) stating the Business Day on which the holder desires to have the Corporation redeem the Retracted Shares (the "**Retraction Date**"), provided that the Retraction Date shall be not earlier than the 20th Business Day after the date on which the Retraction Request is received by the Corporation, and further provided that in the event that no such Business Day is specified by the holder in the Retraction Request, the Retraction Date shall be deemed to be the 20th Business Day after the date on which the Retraction Request is received by the Corporation, and further provided that the Corporation and the applicable holder may thereafter agree to a different Retraction Date than the Business Day specified in the Retraction Request, and such agreed date shall thereafter be deemed to be the applicable Retraction Date hereunder.
- 7.2** Upon receipt by the Corporation in the manner specified in Section 7.1 hereof of a certificate or certificates representing the number of Class A Preferred Shares which the holder desires to have the Corporation redeem, together with a Retraction Request, the Corporation shall redeem the Retracted Shares effective at the close of business on the Retraction Date and shall cause to be delivered to such holder the total Retraction Price with respect to such shares in accordance with Section 7.3 hereof. If only a part of the Class A Preferred Shares represented by any certificate are redeemed, a new certificate for the balance of such Class A Preferred Shares shall be issued to the holder at the expense of the Corporation.
- 7.3** Subject to receipt by the Corporation of a Retraction Request, the Corporation shall deliver to the relevant holder, at the address for notice for the holder as specified in the Support Agreement or at the address specified in the holder's Retraction Request or by holding for pick up by the holder at the address for notice to the Corporation as specified in the Support Agreement, as may be specified in the Retraction Request, the consideration representing the total Retraction Price, and such delivery of consideration representing the total Retraction Price to the holder shall be deemed to be payment of and shall satisfy and discharge all liability for the total Retraction Price except as to any cheque included therein which is not paid on due presentation.
- 7.4** On and after the close of business on the Retraction Date, the holder of the Retracted Shares shall cease to be a holder of such Retracted Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive such holder's total Retraction Price unless after presentation and surrender of certificates in accordance with the foregoing provisions, payment of the total Retraction Price shall not be made, in which case the rights of such holder shall remain unaffected until consideration representing the total Retraction Price has been paid.
- 7.5** Notwithstanding any other provision of this Article 7, the Corporation shall not be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent that such redemption of Retracted Shares would be contrary to liquidity or solvency requirements or other provisions of applicable law. If the Corporation believes that on any Retraction Date it would not be permitted by any of such provisions to redeem the Retracted Shares tendered for redemption in respect of such date, the Corporation shall only be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent of the maximum number that may be so redeemed (rounded down to a whole number of shares) as would not be contrary to such provisions and shall notify the holder at least two Business Days prior to the Retraction Date as to the number of Retracted Shares which will not be redeemed by the Corporation. In any case in which the redemption by the Corporation of Retracted Shares would be contrary to liquidity or solvency requirements or other provisions of applicable law, the Corporation shall redeem Retracted Shares in accordance with Section 7.2 of these share provisions on a pro rata basis. The holder of any such Retracted Shares not redeemed by the Corporation pursuant to Section 7.2 hereof as a result of liquidity or solvency requirements or applicable law shall be deemed by giving the Retraction Request to require Putco to purchase such Retracted Shares from such holder on the Retraction Date or as soon as practicable thereafter on payment by Putco to such holder of the Retraction Price for each such Retracted Share, as further provided in Section 7.6, and Putco shall make such purchase.

- 7.6 For purposes of completing the purchase by Putco of Retracted Shares as provided in Section 7.5, Putco shall deposit with the Corporation (as paying agent) on the Retraction Date or as soon as reasonably practicable thereafter, consideration representing the total Retraction Price of the Retracted Shares to be so purchased. Closing of the purchase and sale shall be deemed to have occurred at the close of business on the later of the Retraction Date and the date of such deposit. The Corporation (as paying agent) shall deliver to the relevant holder at the address for notice to the holder as provided in the Support Agreement or at the address specified in the holder's Retraction Request or by holding for pick up by the holder at the registered office of the Corporation, as may be specified in the Retraction Request, the consideration representing the total applicable Retraction Price, and such delivery of such consideration shall be deemed to be payment of and shall satisfy and discharge all liability for the total applicable Retraction Price, except as to any cheque included therein which is not paid on due presentation.
- 7.7 Notwithstanding any other provisions of this Article 7, at any time after the giving of a Put Notice by a holder of Class A Preferred Shares and prior to the Put Closing Date to which such Put Notice relates, the holder may, at its sole election, by delivering a notice in writing to Putco, IPF, Pubco and the Corporation, deem such Put Notice to be a Retraction Request, in which case the Corporation shall accept and shall be deemed to have accepted such Put Notice as a Retraction Request and shall redeem the Class A Preferred Shares to which such Put Notice relates in accordance with the provisions of this Article 7 for an amount equal to the Class A Retraction Amount applicable on the Business Day of delivery of the Put Notice; provided, however, the Retraction Date for purposes of this Section 7.7 shall be the applicable Put Closing Date.
- 7.8 Notwithstanding any other provisions of this Article 7, if the Conversion Exchange is not approved, a holder of Class A Preferred Shares may at its option determine to immediately retract any or all of its Class A Preferred Shares by delivering a Retraction Request to the address for notice for the Corporation as provided in the Support Agreement at any time before 5:00 p.m. (Calgary time) on the Special Retraction Date, in which case the Corporation shall forthwith issue an instrument in writing to such holder acknowledging its obligation to pay such holder the aggregate Class A Retraction Amount applicable on the Business Day of delivery of such Retraction Request within 20 days thereof and shall redeem the Class A Preferred Shares to which such Retraction Request relates in accordance with the provisions of this Article 7 for such Class A Retraction Amount and such retraction shall be deemed for all purposes to have been effective on the Special Retraction Date.
- 7.9 Notwithstanding any other provisions of this Article 7, at any time after a holder of Class A Preferred Shares has received notice of a Specified Reorganization and prior to 5:00 p.m. (Calgary time) on the Business Day (the "**Automatic Retraction Date**") immediately prior to the effective date of such Specified Reorganization, the holder may at its option determine to immediately retract any or all of its Class A Preferred Shares by delivering a Retraction Request to the address for notice for the Corporation as provided in the Support Agreement at any time before 5:00 p.m. (Calgary time) on the Automatic Retraction Date, in which case the Corporation shall forthwith issue an instrument in writing to such holder acknowledging its obligation to pay such holder the aggregate Class A Retraction Amount applicable on the Business Day of delivery of such Retraction Request within 20 days thereof and shall redeem the Class A Preferred Shares to which such Retraction Request relates in accordance with the provisions of this Article 7 for such Class A Retraction Amount and such retraction shall be deemed for all purposes to have been effective on the Automatic Retraction Date.

ARTICLE 8

CLASS A PUT RIGHT

- 8.1 Upon and subject to the terms and conditions contained in the Support Agreement:
- (a) a holder of Class A Preferred Shares shall have the right (the "**Class A Put Right**"), exercisable at any time on or after the Class A Retraction Availability Date, to require

Putco to purchase all or any part of the Class A Preferred Shares of the holder, provided that in connection with the liquidation, dissolution or winding-up of the Corporation, the Class A Put Right must be exercised by a holder by no later than the Business Day before any Liquidation Date.

(b) upon the exercise by the holder of the Class A Put Right, the holder shall be required to sell to Putco, and Putco shall be required to purchase from the holder, that number of Class A Preferred Shares in respect of which the Class A Put Right is exercised, in consideration of the payment by Putco of the Preferred Share Fair Market Value applicable thereto (which shall be the Preferred Share Fair Market Value applicable on the Business Day of exercise of the Class A Put Right), as further provided in the Support Agreement.

8.2 The exercise of the Class A Put Right and the completion of any sale and purchase pursuant to the Class A Put Right shall occur on the terms and conditions described in the Support Agreement.

8.3 If only a part of the Class A Preferred Shares represented by any certificate are to be sold and purchased pursuant to the exercise of the Class A Put Right, a new certificate for the balance of such Class A Preferred Shares shall be issued to the holder at the expense of the Corporation.

ARTICLE 9 **REDEMPTION OF CLASS A PREFERRED SHARES BY THE CORPORATION**

9.1 Subject to applicable law and the right of each holder of Class A Preferred Shares to exercise the Class A Put Right, on the Redemption Date the Corporation shall redeem all (and not less than all) of the then outstanding Class A Preferred Shares for an amount per share equal to the Class A Retraction Amount applicable on the Business Day immediately before the Redemption Date (the "**Redemption Price**"), such payment to be made as further provided in Section 9.3.

9.2 In any case of a redemption of Class A Preferred Shares under this Article 9, the Corporation shall send or cause to be sent to each holder of Class A Preferred Shares a notice in writing of the redemption by the Corporation of the Class A Preferred Shares held by such holder (the "**Redemption Notice**"). The Redemption Notice shall set out the formula for determining the Redemption Price, the Redemption Date and the requirements to exercise the Class A Put Right. The Redemption Notice shall be sent:

(a) in the case of a Redemption Date established under paragraph (b) of the definition of "Redemption Date", at least 15 days before the Redemption Date; and

(b) in the case of any other Redemption Date, at least 60 days before the Redemption Date.

9.3 On the Redemption Date, and subject to the exercise by any holder of the Class A Put Right, the Corporation shall cause the Redemption Price for each Class A Preferred Share to be delivered to the holders of the Class A Preferred Shares to be redeemed (the "**Redeemed Shares**") at the address for notice for such holders as provided in the Support Agreement upon presentation and surrender of the Redeemed Shares at the address for notice for the Corporation as provided in the Support Agreement.

9.4 On and after the Redemption Date, the holders of the Redeemed Shares shall cease to be holders of such shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Redemption Price, unless payment of such holder's proportionate share of the total Redemption Price shall not be made upon such holder's presentation and surrender of certificates in accordance with the

foregoing provisions, in which case the rights of such holder shall remain unaffected until such holder's proportionate share of the total Redemption Price has been paid to such holder.

- 9.5** Notwithstanding any proposed redemption of the Class A Preferred Shares by the Corporation, each holder of Class A Preferred Shares shall have the right to exercise the Class A Put Right at any time up to and including the Business Day prior to the Redemption Date. Upon the due exercise of the Class A Put Right on or before the Business Day prior to the Redemption Date as required above, any proposed redemption by the Corporation will automatically terminate with respect to such holder, and the completion of the sale and purchase shall occur in accordance with the terms and conditions described in the Support Agreement.

ARTICLE 10 **VOTING RIGHTS**

- 10.1** The holders of the Class A Preferred Shares shall be entitled as such to receive notice of and to attend any meeting of the shareholders of the Corporation and to vote in respect of each Class A Preferred Share held at any such meeting at the Class A Voting Rate per Class A Preferred Share.

ARTICLE 11 **AMENDMENT AND APPROVAL**

- 11.1** The rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares may be added to, changed or removed but, except as hereinafter provided, only with the approval of the Required Holders of the Class A Preferred Shares given as hereinafter specified.
- 11.2** Any approval given by the holders of the Class A Preferred Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class A Preferred Shares or any other matter requiring the approval or consent of the holders of the Class A Preferred Shares under applicable law shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by a resolution passed by the Required Holders by instrument in writing or by Persons represented in person or by proxy at a meeting of holders of Class A Preferred Shares (excluding Class A Preferred Shares beneficially owned by Putco, Pubco, IPF or any of their respective Subsidiaries) duly called and held at which the holders of at least 75% of the outstanding Class A Preferred Shares at that time are present or represented by proxy.

ARTICLE 12 **RECIPROCAL CHANGES, ETC. IN RESPECT OF CLASS A UNITS**

- 12.1** If IPF:
- (a) subdivides, redivides or changes the then outstanding Class A Units into a greater number of Class A Units; or
 - (b) reduces, combines or consolidates or changes the then outstanding Class A Units into a lesser number of Class A Units; or
 - (c) reclassifies or otherwise changes the Class A Units or effects an amalgamation, merger, reorganization or other transaction involving or affecting the Class A Units,

then the same change, *mutatis mutandis*, will simultaneously be made to, or in the rights of the holders of, the Class A Preferred Shares, as determined by the Board of Directors acting in good faith.

ARTICLE 13
LEGEND

- 13.1** The certificates evidencing the Class A Preferred Shares shall contain or have affixed thereto a legend, in form and on terms approved by the Board of Directors, with respect to the Support Agreement.

ARTICLE 14
MISCELLANEOUS

- 14.1** Except where otherwise provided herein, any notice, request or other communication to be given to the Corporation, Pubco, Putco or IPF by a holder of Class A Preferred Shares shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by facsimile or by delivery to the address for notice to the Corporation, Pubco, Putco or IPF, as applicable, as provided in the Support Agreement. Any such notice, request or other communication, shall only be deemed to have been given and received upon actual receipt thereof by the Corporation, Pubco, Putco or IPF, as applicable.
- 14.2** Except where otherwise provided herein, any presentation and surrender by a holder of Class A Preferred Shares to the Corporation of certificates representing Class A Preferred Shares in connection with the liquidation, dissolution or winding-up of the Corporation or the retraction, redemption or sale of Class A Preferred Shares shall be made by registered mail (postage prepaid) or by delivery to the address for notice to the Corporation as provided in the Support Agreement. Any such presentation and surrender of certificates shall only be deemed to have been made and to be effective upon actual receipt thereof by the Corporation, and the method of any such presentation and surrender of certificates shall be at the sole risk of the holder.
- 14.3** Except where otherwise provided herein, any notice, request or other communication to be given to a holder of Class A Preferred Shares by or on behalf of the Corporation, Pubco, Putco or IPF shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by delivery to the address for notice to the holder as provided in the Support Agreement. Any such notice, request or other communication, shall only be deemed to have been given or received upon actual receipt thereof by the holder.
- 14.4** For greater certainty, any payments to the holders of Class A Preferred Shares shall be net of applicable taxes, if any, and the payor shall not be obliged to gross up or increase the amount of such payment which would otherwise be made to take into account such taxes. Any such taxes which have been withheld or deducted by the payor thereof shall be remitted to the applicable tax authority within the time required for such remittance.
- 14.5** For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) the "specified amount" in respect of each Class A Preferred Share shall be \$21.75.

Schedule D

Class B Preferred Share Terms and Conditions

CLASS B PREFERRED SHARES

II. The Class B Preferred Shares in the capital of the Corporation shall be issuable in series and shall have the following rights, privileges, restrictions and conditions:

ARTICLE 1 INTERPRETATION

1.1 For the purposes of the rights, privileges, restrictions and conditions attaching to the Class B Preferred Shares:

"Acquisition Proposal" means, other than in respect of the Conversion and the transactions contemplated thereby, (a) IPF or the board of directors of the General Partner (or any special committee thereof) approving, recommending or authorizing any proposal from, or the entering into of a definitive agreement with, any Person or group of Persons "acting jointly or in concert" (within the meaning of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids) which in either case constitutes, or may reasonably be expected to lead to (in either case in one transaction or a series of transactions): (i) an acquisition or purchase from IPF or the securityholders of IPF of 20% or more of the voting securities of IPF; (ii) a direct or indirect acquisition of 20% or more of the assets, determined by reference to the net book value of the assets (or any lease, long term supply agreement or other arrangement having the same economic effect as a purchase or sale of 20% or more of the assets) of IPF and its Subsidiaries taken as a whole; (iii) an amalgamation, arrangement, merger or consolidation involving IPF or its Subsidiaries; or (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization or similar transaction involving IPF and its Subsidiaries; (b) the approval of the requisite number of holders of voting securities of IPF of any proposal which constitutes, or may reasonably be expected to lead to (in one transaction or a series of transactions) an amalgamation, arrangement, merger or consolidation involving the Corporation or its Subsidiaries; (c) the take-up of and payment for any voting securities of IPF pursuant to a "take-over bid" (within the meaning of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids); or (d) entering into a binding agreement to consummate, or consummating, any other transaction, the consummation of which would reasonably be expected to impede, interfere with, prevent or delay the Conversion; provided that any such transaction (other than a transaction referenced in item (d) of this definition) solely between or among the Corporation and/or one or more of its Subsidiaries and/or between or among any of its Subsidiaries shall not constitute an "Acquisition Proposal".

"Act" means the *Business Corporations Act* (Alberta), as amended, consolidated or reenacted from time to time.

"Automatic Retraction Date" has the meaning provided in Section 7.9.

"Board of Directors" means the board of directors of the Corporation and any committee thereof acting within its authority.

"Business Day" means any day except Saturday, Sunday, any statutory holiday in the Province of Alberta, or any other day on which the principal chartered banks in the City of Calgary are closed for business.

"Change of Control" shall be deemed to have occurred if any Person or group of Persons "acting jointly or in concert" (within the meaning of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids) becomes the holder, directly or indirectly, at least 90% of the Class A Units of IPF on a fully-diluted basis (other than in respect of the Conversion and the transactions contemplated thereby).

"Class A Preferred Shares" means Class A Preferred Shares of the Corporation.

"Class A Units" means Class A limited partnership units of IPF and, for clarity, after completion of the Conversion means Class A common shares in the capital of Pubco.

"Class B Preferred Shares" means Class B Preferred Shares in the capital of the Corporation.

"Class B Put Right" has the meaning provided in Section 8.1.

"Class B Retraction Amount" means, for each Class B Preferred Share and on any applicable date, an amount equal to the aggregate of, without duplication:

- (a) the Current Market Price of one Class A Unit; provided, however, if the Class B Retraction Amount is being calculated in connection with (i) a Redemption Date established under paragraph (b) of the definition of "Redemption Date" or (ii) the exercise of a Class B Put Right following the establishment of a Redemption Date under paragraph (b) of the definition of "Redemption Date", then in each case the applicable price under this paragraph (a) will be the price paid in respect of each Class A Unit in connection with the Change of Control; plus
- (b) an additional amount equal to the full amount of all cash dividends declared, payable and unpaid on such Class B Preferred Share; plus
- (c) an additional amount equal to the full amount of all cash distributions declared and payable or paid on one Class A Unit on or after the Class B Retraction Availability Date, which have not been declared or paid on Class B Preferred Shares in accordance herewith; plus
- (d) an additional amount equal to the Fair Market Value of the full amount of all non-cash dividends declared, payable and unpaid on such Class B Preferred Share; plus
- (e) an additional amount equal to the Fair Market Value of the full amount of all non-cash distributions declared and payable or paid on one Class A Unit on or after the Class B Retraction Availability Date, which have not been declared or paid on Class B Preferred Shares in accordance herewith (and such Class A Unit distribution is deemed to be represented by a Class B Preferred Share cash dividend in an amount equal to the Fair Market Value of the Class A Unit distribution for purposes of the determination of the Class B Retraction Amount); plus
- (f) an additional amount equal to the amount of any Excess Distributions paid by IPF in cash prior to the Class B Retraction Availability Date and the Fair Market Value of all non-cash distributions constituting Excess Distributions made by IPF prior to the Class B Retraction Availability Date, in each case increased by the interest that would have accrued thereon

from the date paid by IPF to the date on which the Class B Retraction Amount is being determined if interest thereon were to be calculated monthly at the nominal annual rate declared from time to time by Canadian Imperial Bank of Commerce to be its prime rate for Canadian dollar commercial loans made in Canada,

provided that if the Class B Retraction Availability Date occurs by reason of the occurrence of the Outside Date, then the Class B Retraction Amount shall be reduced, and shall equal the product of (y) the amount as otherwise determined above, multiplied by (z) the Reduction Factor.

The Class B Retraction Amount shall be payable in cash by cheque, provided that if a non-cash dividend has been declared and is payable and unpaid on the Class B Preferred Shares as provided in paragraph (d) above, the portion of the Class B Retraction Amount payable by such non-cash dividend shall be paid by the issue, transfer and delivery, as applicable, of property representing such non-cash dividend (reduced as provided above, if applicable).

Further, (y) all consideration shall be delivered free and clear of any lien, claim, encumbrance, security interest or adverse claim or interest, and (z) all consideration shall be paid or transferred less any tax required to be deducted and withheld therefrom.

"Class B Retraction Availability Date" means the date of the earliest to occur of:

- (a) an Acquisition Proposal;
- (b) the board of directors of the General Partner, the Corporation, Putco or Pubco proposing or taking any formal steps to implement or recommend a Specified Reorganization or, if any other person proposes a Specified Reorganization, such Specified Reorganization receiving any corporate or securityholder approval;
- (c) any of IPF, the Corporation, Putco or Pubco committing a material breach of its obligations under the Support Agreement or under the provisions hereof and such breach continues for 10 Business Days after written notice of such breach is given to each of them by the Required Holders;
- (d) the Class B Trigger Date;
- (e) a Change of Control; and
- (f) the Outside Date.

"Class B Trigger Date" means the earlier to occur of:

- (a) the earliest date on which both of the following conditions has been met:
 - (i) under the Bitumen Blend Transportation Services Agreement dated March 26, 2013 between IPF and FCCL Partnership, IPF has begun to receive (or become entitled to receive) either the FCCL Fees or the ACF (in each case as defined as therein and collectively referred to herein as the "**Bitumen Fees**"); and
 - (ii) under the Condensate Transportation Services Agreement dated March 26, 2013 between IPF and FCCL Partnership, IPF has begun to receive (or become entitled to receive) FCCL Fees or the ACF (in each case as defined therein and collectively referred to herein as the "**Condensate Fees**"); and

- (b) any acquisition or purchase from IPF or its Subsidiaries (whether of voting securities or assets or by lease, long term supply agreement or otherwise) that has had or would have the effect of transferring IPF's entitlement to receive the Bitumen Fees or Condensate Fees prior to the conditions in clause (a) of this definition being met.

"Class B Voting Rate" means the amount of votes per Class B Preferred Share, calculated to the eleventh decimal place, determined by the formula $(16 / A)(B/68)$, where:

A = the number of outstanding Class B Preferred Shares; and

B = the number of outstanding Voting Common Shares.

"Conversion" means the series of transactions involving Pubco, Putco, IPF and the Corporation and their affected securityholders intended to effect a "corporate conversion" in respect of IPF, as defined and further described in the Support Agreement.

"Corporation" means Inter Pipeline GP Corp., a corporation incorporated and existing under the Act, and includes any successor corporation.

"Current Market Price" means, in respect of a Class A Unit on any date, the weighted average price per unit (computed and rounded to the third decimal point) at which Class A Units have traded during the period of 20 consecutive trading days ending on the fifth trading day before such date on the Toronto Stock Exchange, or, if the Class A Units are not then traded on the Toronto Stock Exchange, on such other stock exchange or automated quotation system on which the Class A Units are then listed or quoted, as may be selected by the Board of Directors for such purpose. The weighted average price per Class A Unit shall be determined by dividing the aggregate sale price of all Class A Units sold on the applicable stock exchange or automated quotation system during the said 20 trading day period, by the total number of Class A Units sold.

"Effective Date" means the date of first issue of Class B Preferred Shares.

"Excess Distributions" means in respect of any calendar year, any distributions declared by IPF (or, after the Conversion, Pubco) other than ordinary course cash distributions on the Class A Units (or, after the Conversion, ordinary course cash dividends on the Class A common shares of Pubco).

"Fair Market Value" means, in respect of any property, the fair market value thereof as determined by the Board of Directors acting in good faith and in a commercially reasonable manner.

"General Partner" means Pipeline Management Inc., a corporation incorporated and existing under the Act, and includes any successor corporation.

"IPF" means Inter Pipeline Fund, a limited partnership formed and existing under the *Partnership Act* (Alberta).

"IPF Distribution Declaration Date" means the date on which the board of directors of the General Partner declares any distribution on the Class A Units.

"Liquidation Amount" has the meaning provided in Section 6.1.

"**Liquidation Date**" has the meaning provided in Section 6.1.

"**Non-Voting Common Shares**" means Class B Non-Voting Common Shares of the Corporation.

"**Outside Date**" means January 1, 2017.

"**Person**" includes an individual, partnership, corporation, company, unincorporated syndicate or organization, trust, trustee, executor, administrator and other legal representative.

"**Plan of Arrangement**" means the plan of arrangement under the Act expected to be proposed by IPF and Pubco to undertake the Conversion, as defined and further described in the Support Agreement.

"**Preferred Share Fair Market Value**" means, for each Class A Preferred Share or Class B Preferred Share, as applicable, the highest price, expressed in terms of cash equivalents, at which such Class A Preferred Share or Class B Preferred Share would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms-length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

"**Pubco**" means Inter Pipeline Ltd., a corporation incorporated and existing under the Act, and includes any successor corporation.

"**Put Closing Date**" has the meaning ascribed thereto in the Support Agreement.

"**Put Notice**" has the meaning ascribed thereto in the Support Agreement.

"**Putco**" means Inter Pipeline Putco Corp., a corporation incorporated and existing under the Act, and includes any successor corporation.

"**Redeemed Shares**" has the meaning provided in Section 9.3.

"**Redemption Date**" means the date, if any, established by the Board of Directors for the redemption by the Corporation of all (and not less than all) of the outstanding Class B Preferred Shares pursuant to Article 9, which date shall be no earlier than the twenty-fifth anniversary of the Effective Date, unless:

- (a) the number of Class B Preferred Shares outstanding (excluding Class B Preferred Shares beneficially owned by Pubco, Putco, IPF or any of their respective Subsidiaries, and as such number of shares may be adjusted as deemed appropriate by the Board of Directors in good faith to give effect to any subdivision or consolidation of or stock dividend on the Class B Preferred Shares, any issue or distribution of other securities or rights or evidences of indebtedness or assets, or any other capital reorganization or other transaction affecting the Class B Preferred Shares) is fewer than 352,770, in which case the Board of Directors may accelerate such redemption date to such date prior to the twenty-fifth anniversary of the Effective Date as it may determine; or
- (b) a Change of Control occurs, in which case the Board of Directors may accelerate such redemption date to such date prior to the twenty-fifth anniversary of the Effective Date as it may determine.

In the case of a Change of Control where the consideration received by holders of Class A Units consisted of or included equity securities, the Board of Directors shall only be permitted to establish a Redemption Date in respect of such Change of Control if the holders of Class B Preferred Shares were entitled to participate in such Change of Control on substantially the same terms as the holders of Class A Units (taking into consideration the applicable Class B Retraction Amount on the date of the Change of Control), regardless of whether any holders of Class B Preferred Shares participated in the Change of Control.

"**Redemption Notice**" has the meaning provided in Section 9.2.

"**Redemption Price**" has the meaning provided in Section 9.1.

"**Reduction Factor**" means 70/170, which for purposes of these share provisions shall be expressed as a fraction with a numerator calculated to five decimal places and a denominator of one.

"**Required Holders**" means, in respect of the Class B Preferred Shares and at any particular time, where there are more than three registered holders of Class B Preferred Shares, at least three of the registered holders of Class B Preferred Shares and, where there are three or less registered holders of Class B Preferred Shares, any one or more of the registered holders of Class B Preferred Shares, in either case holding at least 75% of the then outstanding Class B Preferred Shares (excluding shares held, directly or indirectly and legally or beneficially, by IPF, Pubco, Putco or their respective Subsidiaries or their successors, assigns or transferees), and has the corresponding meaning in respect of the Class A Preferred Shares.

"**Retracted Shares**" has the meaning provided in Section 7.1(a).

"**Retraction Date**" has the meaning provided in Section 7.1(b).

"**Retraction Price**" has the meaning provided in Section 7.1.

"**Retraction Request**" has the meaning provided in Section 7.1.

"**Special Retraction Date**" has the meaning ascribed thereto in the Support Agreement.

"**Specified Reorganization**" has the meaning provided in the Support Agreement.

"**Subsidiary**", in relation to any Person, means any other Person of which more than 50% of the total voting power of shares of stock or units of ownership or beneficial interest entitled to vote in the election of directors (or members of a comparable governing body) is owned or controlled, directly or indirectly, by such first-mentioned Person.

"**Support Agreement**" means the Put Option and Support Agreement between IPF, Pubco, Putco, the Corporation and the holders of the outstanding Class A Preferred Shares and Class B Preferred Shares on the Effective Date, and made as of the Effective Date, as amended, modified or supplemented from time to time thereafter.

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

"Unpaid Dividends" means all declared, payable and unpaid, and all undeclared but payable, cash and non-cash dividends in respect of the Class B Preferred Shares as of a specified date.

"Voting Common Shares" means Class A Voting Common Shares of the Corporation.

- 1.2 The division of these share provisions into Articles and Sections and the insertion of headings are for convenience of reference and shall not impact the interpretation of the rights, privileges, restrictions and conditions attaching to the Class B Preferred Shares.
- 1.3 Words importing the singular number include the plural and vice-versa and words importing any gender include all genders.
- 1.4 If any date on which any action is required to be taken is not a Business Day, such action shall be required to be taken on the next succeeding Business Day.

ARTICLE 2 **ISSUANCE IN SERIES**

- 2.1 The Class B Preferred Shares shall be issuable in series designated 1 through 8, which shall be limited in number as set forth below:
 - (a) 211,662 Series 1;
 - (b) 211,662 Series 2;
 - (c) 634,987 Series 3;
 - (d) 211,662 Series 4;
 - (e) 352,770 Series 5;
 - (f) 211,662 Series 6;
 - (g) 352,770 Series 7; and
 - (h) 4,868,231 Series 8.

ARTICLE 3 **RANKING OF CLASS B PREFERRED SHARES**

- 3.1 Each series of Class B Preferred Shares shall rank on parity with every other series of Class B Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs.
- 3.2 The Class B Preferred Shares shall rank on parity with the Class A Preferred Shares and shall be entitled to a preference over the Voting Common Shares and the Non-Voting Common Shares and any other class of shares of the Corporation with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

ARTICLE 4 **DIVIDENDS**

- 4.1** A holder of a Class B Preferred Share shall not be entitled to receive dividends in respect thereof prior to the Class B Retraction Availability Date. A holder of a Class B Preferred Share shall be entitled to receive and the Board of Directors shall, subject to applicable law, on each IPF Distribution Declaration Date occurring on or after the Class B Retraction Availability Date, declare a dividend on each Class B Preferred Share, (a) in the case of a cash distribution declared on the Class A Units, in an amount in cash for each Class B Preferred Share equal to the cash distribution declared on each Class A Unit, (b) in the case of a distribution declared on the Class A Units to be paid in Class A Units, in an amount in cash based upon the Current Market Price of the Class A Units on the IPF Distribution Declaration Date and the number of Class A Units to be distributed on each Class A Unit, and (c) in the case of a distribution declared on the Class A Units in property other than cash or Class A Units (which may include other securities of IPF), in such type and amount of property to be distributed on each Class A Unit, or cash in an amount equal to the Fair Market Value of such property on the IPF Distribution Declaration Date, as determined by the Board of Directors; provided that if the Class B Retraction Availability Date occurs by reason of the occurrence of the Outside Date, then each component of the dividends on the Class B Preferred Shares as provided above shall be reduced, and shall equal the product of: (y) the amount of such component as otherwise determined above, multiplied by (z) the Reduction Factor. Such dividends (less any tax required to be deducted and withheld from such dividends) shall be paid out of money, assets or property of the Corporation properly applicable to the payment of dividends, or out of authorized but unissued shares of the Corporation.
- 4.2** Cheques of the Corporation shall be issued in respect of any cash dividends contemplated by Section 4.1 hereof, and the sending of such a cheque to each holder of a Class B Preferred Share at the address for notice for the holder as provided in the Support Agreement shall satisfy the cash dividends represented thereby unless the cheque is not paid on presentation. Any other type and amount of property in respect of any dividends contemplated by Section 4.1(c) hereof shall be issued, transferred and/or delivered by the Corporation in such manner as the Board of Directors shall determine, and the issuance, transfer and/or delivery thereof by the Corporation to each holder of a Class B Preferred Share shall satisfy the dividend represented thereby. In all cases, any such dividends shall be subject to any reduction or adjustment for withholding tax required to be deducted and withheld from such dividends under the Tax Act, and, if applicable, the Corporation shall be entitled to liquidate some of the property which would otherwise be deliverable in payment of such dividends to a particular holder of Class B Preferred Shares to fund any statutory withholding obligation under the Tax Act.
- 4.3** Subject to the requirements of the Act and the articles and by-laws of the Corporation, the record date for the determination of the holders of Class B Preferred Shares entitled to receive payment of, and the payment date for, any dividend declared on the Class B Preferred Shares under Section 4.1 hereof shall be the same dates as the record date and payment date, respectively, for the corresponding distribution declared on the Class A Units. In the event that the requirements of applicable law or the articles and by-laws of the Corporation prevent the record date and the payment date of a dividend payable under Section 4.1 from conforming to the record date and payment date for a distribution on Class A Units, the Corporation shall use its reasonable efforts to cause the payment date for the Corporation dividend to be on or before the payment date for the applicable Class A Unit distribution.
- 4.4** If on any payment date for any dividends declared on the Class B Preferred Shares under Section 4.1 hereof the dividends are not paid in full on all of the Class B Preferred Shares then outstanding, any such dividends which remain unpaid shall be paid on a subsequent date or dates determined by the Board of Directors on which the Corporation shall have sufficient moneys, assets or property properly applicable to the payment of such dividends.
- 4.5** Except as provided in this Article 4, the holders of Class B Preferred Shares shall not be entitled to receive dividends in respect thereof.

- 4.6 Payment of the Class B Retraction Amount shall satisfy in full all Unpaid Dividends relating to the Class B Preferred Shares in respect of which the Class B Retraction Amount is paid.
- 4.7 The Corporation shall take all necessary steps to designate the full amount of all dividends that it pays or that it is deemed to pay as "eligible dividends" within the meaning of subsection 89(1) of the Tax Act, to the extent that such dividends or deemed dividends, as the case may be, exceed the amount of the Corporation's "low rate income pool", as defined in the Tax Act; provided, however, the foregoing shall not impact the Corporation's ability to complete the Amalgamation (as defined in the Support Agreement).

ARTICLE 5

CERTAIN RESTRICTIONS

- 5.1 So long as any of the Class B Preferred Shares are outstanding, the Corporation shall not at any time without, but may at any time with, the approval of the holders of the Class B Preferred Shares given as specified in Article 11 of these share provisions:
- (a) pay any dividends on the Non-Voting Common Shares, the Voting Common Shares or any other shares ranking junior to the Class B Preferred Shares, other than stock dividends payable in any such other shares ranking junior to the Class B Preferred Shares with respect to the payment of dividends;
 - (b) redeem or purchase or make any capital distribution in respect of Non-Voting Common Shares, the Voting Common Shares or any other shares ranking junior to the Class B Preferred Shares with respect to distribution on liquidation, distribution or winding-up of the Corporation;
 - (c) pay any dividends on the Class A Preferred Shares or any other shares ranking on a parity with the Class B Preferred Shares with respect to the payment of dividends; and
 - (d) redeem or purchase or make any capital distribution in respect of the Class A Preferred Shares or any other shares ranking on a parity with the Class B Preferred Shares with respect to distribution on liquidation, distribution or winding-up of the Corporation.

The above restrictions shall not apply prior to the Class B Retraction Availability Date, and shall not apply after the Class B Retraction Availability Date if all dividends on the outstanding Class B Preferred Shares corresponding to distributions declared on Class A Units with a record date on or following the Class B Retraction Availability Date shall have been declared on the Class B Preferred Shares and paid in full; provided that dividends may be declared and paid on the Class A Preferred Shares before all dividends on the Class B Preferred Shares have been declared and paid in full, if dividends are paid rateably on such classes of shares, based upon the aggregate amount of all declared and unpaid dividends on the Class A Preferred Shares then outstanding, and the aggregate amount of all declared and unpaid dividends on the Class B Preferred Shares then outstanding.

ARTICLE 6

DISTRIBUTION ON LIQUIDATION

- 6.1 In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, a holder of a Class B Preferred Share shall be entitled to receive from the assets of the Corporation in respect of each Class B Preferred Share held by such holder on the effective date of such liquidation, dissolution or winding-up (the "**Liquidation Date**"), before any distribution of any part of the assets of the Corporation to the holders of the Non-Voting Common Shares, the Voting Common Shares or any other shares ranking junior to the Class B Preferred Shares, and subject to the rights of the holders of the Class A Preferred Shares which rank on a parity with the

Class B Preferred Shares upon such a distribution (on the basis provided herein), an amount equal to the Class B Retraction Amount applicable on the Liquidation Date (the "**Liquidation Amount**") in accordance with Section 6.2, which, as set forth in Section 6.2, shall be fully paid and satisfied by the payment and delivery by the Corporation of consideration representing the Class B Retraction Amount, or a rateable portion thereof (and both cash and non-cash items forming part of the consideration representing the Class B Retraction Amount shall be appropriately pro-rated).

- 6.2** On or promptly after the Liquidation Date, (a) if there are sufficient assets to pay the total Liquidation Amount on all Class B Preferred Shares, as well as total Liquidation Amount (as defined in Part I(6.1) above in relation to the Class A Preferred Shares) on the Class A Preferred Shares, the Corporation shall cause to be paid and delivered to the holders of the Class B Preferred Shares the Liquidation Amount for each such Class B Preferred Share; and (b) if there are insufficient assets to pay the total Liquidation Amount of the Class B Preferred Shares, as well as the total Liquidation Amount (as defined in Part I(6.1) above in relation to the Class A Preferred Shares) on the Class A Preferred Shares, the Corporation shall cause to be paid and delivered to the holders of the Class B Preferred Shares an amount equal to a rateable proportion of the total Liquidation Amount of all Class B Preferred Shares held by them and holders of Class A Preferred Shares shall be entitled to receive the same rateable proportion of their total Liquidation Amount, as provided in Part I(6.1) above. In each case, the Liquidation Amount (or rateable proportion thereof) shall be delivered upon presentation and surrender of the certificates representing such Class B Preferred Shares at the registered office of the Corporation. Payment of the Liquidation Amount (or rateable portion thereof) for such Class B Preferred Shares shall be made by delivery to each holder, at the address for notice for the holder as provided in the Support Agreement, or by holding for pick up by the holder at the address for notice for the Corporation as provided in the Support Agreement, of the Liquidation Amount (or rateable portion thereof) representing such holder's entitlement as provided above. On and after the Liquidation Date, the holders of the Class B Preferred Shares shall cease to be holders of such Class B Preferred Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Liquidation Amount, unless payment and delivery of the total Liquidation Amount (or rateable portion thereof) for Class B Preferred Shares shall not be made upon presentation and surrender of share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Liquidation Amount (or rateable portion thereof) has been paid and delivered in the manner hereinbefore provided. The Corporation shall have the right at any time on or after the Liquidation Date to deposit or cause to be deposited consideration representing the total Class B Retraction Amount in respect of the Class B Preferred Shares represented by certificates that have not, at the Liquidation Date, been surrendered by the holders thereof in a custodial account or for safe keeping, in the case of non-cash items, with any chartered bank or trust company in Canada. Upon such deposit being made, the rights of the holders of the Class B Preferred Shares after such deposit shall be limited to receiving their proportionate part of the total Liquidation Amount (or rateable portion thereof) for such Class B Preferred Shares so deposited, against presentation and surrender of the said certificates held by them, in accordance with the foregoing provisions.
- 6.3** After the Corporation has satisfied its obligations to pay the holders of the Class B Preferred Shares the Liquidation Amount per Class B Preferred Share, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.
- 6.4** The Corporation shall give written notice to the holders of Class A Preferred Shares of any Liquidation Date. In the case of a voluntary liquidation, distribution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs that has been approved by the shareholders as required under applicable law, such notice shall be given at least 60 days before the proposed Liquidation Date. In the case of any other liquidation, dissolution or winding-up of the Corporation or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up

its affairs, such notice shall be given as far in advance of the anticipated Liquidation Date as reasonably practicable in the circumstances, and in any event, not less than five Business Days before the anticipated Liquidation Date.

ARTICLE 7

RETRACTION OF CLASS B PREFERRED SHARES BY HOLDER

- 7.1** A holder of Class B Preferred Shares may not require the redemption by the Corporation of any Class B Preferred Shares prior to the Class B Retraction Availability Date. A holder of Class B Preferred Shares shall be entitled, at any time on or after the Class B Retraction Availability Date, subject to applicable law and otherwise upon compliance with the provisions of this Article 7, to require the Corporation to redeem any or all of the Class B Preferred Shares registered in the name of such holder for an amount equal to the Class B Retraction Amount applicable on the Business Day of delivery of the Retraction Request to the address for notice for the Corporation as provided in the Support Agreement (the "**Retraction Price**"), such payment to be made as further provided in Section 7.3. To effect such redemption, the holder shall present and surrender at the address for notice for the Corporation as provided in the Support Agreement the certificate or certificates representing the Class B Preferred Shares which the holder desires to have the Corporation redeem, together with such other documents and instruments as may be required to effect a transfer of the Class B Preferred Shares under applicable law and the articles and by-laws of the Corporation, and together with a duly executed statement (the "**Retraction Request**") in the form of Appendix "A" hereto or in such other form as may be acceptable to the Corporation, acting reasonably:
- (a) specifying that the holder desires to have all or any number specified therein of the Class B Preferred Shares represented by such certificate or certificates (the "**Retracted Shares**") redeemed by the Corporation; and
 - (b) stating the Business Day on which the holder desires to have the Corporation redeem the Retracted Shares (the "**Retraction Date**"), provided that the Retraction Date shall be not earlier than the 20th Business Day after the date on which the Retraction Request is received by the Corporation, and further provided that in the event that no such Business Day is specified by the holder in the Retraction Request, the Retraction Date shall be deemed to be the 20th Business Day after the date on which the Retraction Request is received by the Corporation, and further provided that the Corporation and the applicable holder may thereafter agree to a different Retraction Date than the Business Day specified in the Retraction Request, and such agreed date shall thereafter be deemed to be the applicable Retraction Date hereunder.
- 7.2** Upon receipt by the Corporation in the manner specified in Section 7.1 hereof of a certificate or certificates representing the number of Class B Preferred Shares which the holder desires to have the Corporation redeem, together with a Retraction Request, the Corporation shall redeem the Retracted Shares effective at the close of business on the Retraction Date and shall cause to be delivered to such holder the total Retraction Price with respect to such shares in accordance with Section 7.3 hereof. If only a part of the Class B Preferred Shares represented by any certificate are redeemed, a new certificate for the balance of such Class B Preferred Shares shall be issued to the holder at the expense of the Corporation.
- 7.3** Subject to receipt by the Corporation of a Retraction Request, the Corporation shall deliver to the relevant holder, at the address for notice for the holder as specified in the Support Agreement or at the address specified in the holder's Retraction Request or by holding for pick up by the holder at the address for notice to the Corporation as specified in the Support Agreement, as may be specified in the Retraction Request, the consideration representing the total Retraction Price, and such delivery of consideration representing the total Retraction Price to the holder shall be deemed to be payment of and shall satisfy and discharge all liability for the total Retraction Price except as to any cheque included therein which is not paid on due presentation.

- 7.4** On and after the close of business on the Retraction Date, the holder of the Retracted Shares shall cease to be a holder of such Retracted Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive such holder's total Retraction Price unless after presentation and surrender of certificates in accordance with the foregoing provisions, payment of the total Retraction Price shall not be made, in which case the rights of such holder shall remain unaffected until consideration representing the total Retraction Price has been paid.
- 7.5** Notwithstanding any other provision of this Article 7, the Corporation shall not be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent that such redemption of Retracted Shares would be contrary to liquidity or solvency requirements or other provisions of applicable law. If the Corporation believes that on any Retraction Date it would not be permitted by any of such provisions to redeem the Retracted Shares tendered for redemption in respect of such date, the Corporation shall only be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent of the maximum number that may be so redeemed (rounded down to a whole number of shares) as would not be contrary to such provisions and shall notify the holder at least two Business Days prior to the Retraction Date as to the number of Retracted Shares which will not be redeemed by the Corporation. In any case in which the redemption by the Corporation of Retracted Shares would be contrary to liquidity or solvency requirements or other provisions of applicable law, the Corporation shall redeem Retracted Shares in accordance with Section 7.2 of these share provisions on a pro rata basis. The holder of any such Retracted Shares not redeemed by the Corporation pursuant to Section 7.2 hereof as a result of liquidity or solvency requirements or applicable law shall be deemed by giving the Retraction Request to require Putco to purchase such Retracted Shares from such holder on the Retraction Date or as soon as practicable thereafter on payment by Putco to such holder of the Retraction Price for each such Retracted Share, as further provided in Section 7.6, and Putco shall make such purchase.
- 7.6** For purposes of completing the purchase by Putco of Retracted Shares as provided in Section 6.5, Putco shall deposit with the Corporation (as paying agent) on the Retraction Date or as soon as reasonably practicable thereafter, consideration representing the total Retraction Price of the Retracted Shares to be so purchased. Closing of the purchase and sale shall be deemed to have occurred at the close of business on the later of the Retraction Date and the date of such deposit. The Corporation (as paying agent) shall deliver to the relevant holder at the address for notice to the holder as provided in the Support Agreement or at the address specified in the holder's Retraction Request or by holding for pick up by the holder at the registered office of the Corporation, as may be specified in the Retraction Request, the consideration representing the total applicable Retraction Price, and such delivery of such consideration shall be deemed to be payment of and shall satisfy and discharge all liability for the total applicable Retraction Price, except as to any cheque included therein which is not paid on due presentation.
- 7.7** Notwithstanding any other provisions of this Article 7, at any time after the giving of a Put Notice by a holder of Class B Preferred Shares and prior to the Put Closing Date to which such Put Notice relates, the holder may, at its sole election, by delivering a notice in writing to Putco, IPF, Pubco and the Corporation, deem such Put Notice to be a Retraction Request, in which case the Corporation shall accept and shall be deemed to have accepted such Put Notice as a Retraction Request and shall redeem the Class B Preferred Shares to which such Put Notice relates in accordance with the provisions of this Article 7 for an amount equal to the Class B Retraction Amount applicable on the Business Day of delivery of the Put Notice; provided, however, the Retraction Date for purposes of this Section 7.7 shall be the applicable Put Closing Date.
- 7.8** Notwithstanding any other provisions of this Article 7, if the Conversion Exchange is not approved and the Class B Retraction Availability Date has occurred, a holder of Class B Preferred Shares may at its option determine to immediately retract any or all of its Class B Preferred Shares by delivering a Retraction Request to the address for notice for the Corporation as provided in the Support Agreement at any time before 5:00 p.m. (Calgary time) on the Special Retraction Date, in

which case the Corporation shall forthwith issue an instrument in writing to such holder acknowledging its obligation to pay such holder the aggregate Class B Retraction Amount applicable on the Business Day of delivery of such Retraction Request within 20 days thereof and shall redeem the Class B Preferred Shares to which such Retraction Request relates in accordance with the provisions of this Article 7 for such Class B Retraction Amount and such retraction shall be deemed for all purposes to have been effective on the Special Retraction Date.

- 7.9 Notwithstanding any other provisions of this Article 7, at any time after a holder of Class B Preferred Shares has received notice of a Specified Reorganization and prior to 5:00 p.m. (Calgary time) on the Business Day (the "**Automatic Retraction Date**") immediately prior to the effective date of such Specified Reorganization, the holder may at its option determine to immediately retract any or all of its Class B Preferred Shares by delivering a Retraction Request to the address for notice for the Corporation as provided in the Support Agreement at any time before 5:00 p.m. (Calgary time) on the Automatic Retraction Date, in which case the Corporation shall forthwith issue an instrument in writing to such holder acknowledging its obligation to pay such holder the aggregate Class B Retraction Amount applicable on the Business Day of delivery of such Retraction Request within 20 days thereof and shall redeem the Class B Preferred Shares to which such Retraction Request relates in accordance with the provisions of this Article 7 for such Class B Retraction Amount and such retraction shall be deemed for all purposes to have been effective on the Automatic Retraction Date.

ARTICLE 8 **CLASS B PUT RIGHT**

- 8.1 Upon and subject to the terms and conditions contained in the Support Agreement:
- (a) a holder of Class B Preferred Shares shall have the right (the "**Class B Put Right**"), exercisable at any time on or after the Class B Retraction Availability Date, to require Putco to purchase all or any part of the Class B Preferred Shares of the holder, provided that in connection with the liquidation, dissolution or winding-up of the Corporation, the Class B Put Right must be exercised by a holder by no later than the Business Day before any Liquidation Date.
 - (b) upon the exercise by the holder of the Class B Put Right, the holder shall be required to sell to Putco, and Putco shall be required to purchase from the holder, that number of Class B Preferred Shares in respect of which the Class B Put Right is exercised, in consideration of the payment by Putco of the Preferred Share Fair Market Value applicable thereto (which shall be the Preferred Share Fair Market Value applicable on the Business Day of exercise of the Class B Put Right), as further provided in the Support Agreement.
- 8.2 The exercise of the Class B Put Right and the completion of any sale and purchase pursuant to the Class B Put Right shall occur on the terms and conditions described in the Support Agreement.
- 8.3 If only a part of the Class B Preferred Shares represented by any certificate are to be sold and purchased pursuant to the exercise of the Class B Put Right, a new certificate for the balance of such Class B Preferred Shares shall be issued to the holder at the expense of the Corporation.

ARTICLE 9 **REDEMPTION OF CLASS B PREFERRED SHARES BY THE CORPORATION**

- 9.1 Subject to applicable law and the right of each holder of Class B Preferred Shares to exercise the Class B Put Right, on the Redemption Date the Corporation shall redeem all (and not less than all) of the then outstanding Class B Preferred Shares for an amount per share equal to the Class

B Retraction Amount applicable on the Business Day immediately before the Redemption Date (the "**Redemption Price**"), such payment to be made as further provided in Section 9.3.

- 9.2** In any case of a redemption of Class B Preferred Shares under this Article 9, the Corporation shall send or cause to be sent to each holder of Class B Preferred Shares a notice in writing of the redemption by the Corporation of the Class B Preferred Shares held by such holder (the "**Redemption Notice**"). The Redemption Notice shall set out the formula for determining the Redemption Price, the Redemption Date and the requirements to exercise the Class B Put Right. The Redemption Notice shall be sent:
- (a) in the case of a Redemption Date established under paragraph (b) of the definition of "Redemption Date", at least 15 days before the Redemption Date; and
 - (b) in the case of any other Redemption Date, at least 60 days before the Redemption Date.
- 9.3** On the Redemption Date, and subject to the exercise by any holder of the Class B Put Right, the Corporation shall cause the Redemption Price for each Class B Preferred Share to be delivered to the holders of the Class B Preferred Shares to be redeemed (the "**Redeemed Shares**") at the address for notice for such holders as provided in the Support Agreement upon presentation and surrender of the Redeemed Shares at the address for notice for the Corporation as provided in the Support Agreement.
- 9.4** On and after the Redemption Date, the holders of the Redeemed Shares shall cease to be holders of such shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Redemption Price, unless payment of such holder's proportionate share of the total Redemption Price shall not be made upon such holder's presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of such holder shall remain unaffected until such holder's proportionate share of the total Redemption Price has been paid to such holder.
- 9.5** Notwithstanding any proposed redemption of the Class B Preferred Shares by the Corporation, each holder of Class B Preferred Shares shall have the right to exercise the Class B Put Right at any time up to and including the Business Day prior to the Redemption Date. Upon the due exercise of the Class B Put Right on or before the Business Day prior to the Redemption Date as required above, any proposed redemption by the Corporation will automatically terminate with respect to such holder, and the completion of the sale and purchase shall occur in accordance with the terms and conditions described in the Support Agreement.

ARTICLE 10 **VOTING RIGHTS**

- 10.1** The holders of the Class B Preferred Shares shall be entitled as such to receive notice of and to attend any meeting of the shareholders of the Corporation and to vote in respect of each Class B Preferred Share held at any such meeting at the Class B Voting Rate per Class B Preferred Share.

ARTICLE 11 **AMENDMENT AND APPROVAL**

- 11.1** The rights, privileges, restrictions and conditions attaching to the Class B Preferred Shares may be added to, changed or removed but, except as hereinafter provided, only with the approval of the Required Holders of the Class B Preferred Shares given as hereinafter specified.
- 11.2** Any approval given by the holders of the Class B Preferred Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class B Preferred Shares or any other

matter requiring the approval or consent of the holders of the Class B Preferred Shares under applicable law shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by a resolution passed by the Required Holders by instrument in writing or by Persons represented in person or by proxy at a meeting of holders of Class B Preferred Shares (excluding Class B Preferred Shares beneficially owned by Putco, Pubco, IPF or any of their respective Subsidiaries) duly called and held at which the holders of at least 75% of the outstanding Class B Preferred Shares at that time are present or represented by proxy.

ARTICLE 12
RECIPROCAL CHANGES, ETC. IN RESPECT OF CLASS A UNITS

12.1 If IPF:

- (a) subdivides, redivides or changes the then outstanding Class A Units into a greater number of Class A Units; or
- (b) reduces, combines or consolidates or changes the then outstanding Class A Units into a lesser number of Class A Units; or
- (c) reclassifies or otherwise changes the Class A Units or effects an amalgamation, merger, reorganization or other transaction involving or affecting the Class A Units,

then the same change, *mutatis mutandis*, will simultaneously be made to, or in the rights of the holders of, the Class B Preferred Shares, as determined by the Board of Directors acting in good faith.

ARTICLE 13
LEGEND

13.1 The certificates evidencing the Class B Preferred Shares shall contain or have affixed thereto a legend, in form and on terms approved by the Board of Directors, with respect to the Support Agreement.

ARTICLE 14
MISCELLANEOUS

14.1 Except where otherwise provided herein, any notice, request or other communication to be given to the Corporation, Pubco, Putco or IPF by a holder of Class B Preferred Shares shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by facsimile or by delivery to the address for notice to the Corporation, Pubco, Putco or IPF, as applicable, as provided in the Support Agreement. Any such notice, request or other communication, shall only be deemed to have been given and received upon actual receipt thereof by the Corporation, Pubco, Putco or IPF, as applicable.

14.2 Except where otherwise provided herein, any presentation and surrender by a holder of Class B Preferred Shares to the Corporation of certificates representing Class B Preferred Shares in connection with the liquidation, dissolution or winding-up of the Corporation or the retraction, redemption or sale of Class B Preferred Shares shall be made by registered mail (postage prepaid) or by delivery to the address for notice to the Corporation as provided in the Support Agreement. Any such presentation and surrender of certificates shall only be deemed to have been made and to be effective upon actual receipt thereof by the Corporation, and the method of any such presentation and surrender of certificates shall be at the sole risk of the holder.

- 14.3** Except where otherwise provided herein, any notice, request or other communication to be given to a holder of Class B Preferred Shares by or on behalf of the Corporation, Pubco, Putco or IPF shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by delivery to the address for notice to the holder as provided in the Support Agreement. Any such notice, request or other communication, shall only be deemed to have been given or received upon actual receipt thereof by the holder.
- 14.4** For greater certainty, any payments to the holders of Class B Preferred Shares shall be net of applicable taxes, if any, and the payor shall not be obliged to gross up or increase the amount of such payment which would otherwise be made to take into account such taxes. Any such taxes which have been withheld or deducted by the payor thereof shall be remitted to the applicable tax authority within the time required for such remittance.
- 14.5** For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) the "specified amount" in respect of each Class B Preferred Share shall be \$17.25.

Please check box if the cheque(s) and any other non-cash assets resulting from the retraction of the Retracted Shares are to be held for pick-up by the shareholder at the address for notice to the Corporation as provided in the Support Agreement, failing which the cheque(s) and any other non-cash assets will be delivered to the shareholder in accordance with the Share Provisions.

NOTE: This request must be completed and the accompanying share certificate(s), together with such other documents and instruments as may be required to effect a transfer of the Class A Preferred Shares or Class B Preferred Shares, as applicable, under applicable law and the articles and by-laws of the Corporation, must be deposited with the Corporation at the address for notice to the Corporation as provided in the Support Agreement. The cheque(s) and any other non-cash assets resulting from the retraction or purchase of the Retracted Shares will be issued and made payable to, or transferred into, respectively, the name of the shareholder as it appears on the register of the Corporation and the cheque(s) and any other non-cash assets resulting from such retraction or purchase will be delivered to the shareholder at the address for notice to the shareholder as specified in the Support Agreement unless the provisions appearing immediately below are duly completed.

Name of Person in Whose Name Cheque(s) or Any Other Non-cash Assets Are To Be Registered, Issued or Delivered (please print)

Date

Street Address or P.O. Box

Signature of Shareholder

City, Province

NOTE: If this retraction request is for less than all of the share(s) represented by the accompanying certificate, a certificate representing the remaining shares of the Corporation will be issued and registered in the name of the shareholder as it appears on the register of the Corporation.

Schedule E
Support Agreement

PUT OPTION AND SUPPORT AGREEMENT

THIS AGREEMENT dated as of June 1, 2013 among:

INTER PIPELINE LTD., a corporation existing under the laws of the Province of Alberta (hereinafter referred to as "**Pubco**"),

- and -

INTER PIPELINE GP CORP., a corporation existing under the laws of the Province of Alberta (hereinafter referred to as the "**Corporation**"),

- and -

INTER PIPELINE PUTCO CORP., a corporation existing under the laws of the Province of Alberta (hereinafter referred to as "**Putco**"),

- and -

INTER PIPELINE FUND, a limited partnership formed under the laws of the Province of Alberta (hereinafter referred to as "**IPF**"),

- and -

PETRO ASSETS INC., SCOTT GERLA, JEFF MARCHANT, DAVID FESYK, CHRISTIAN BAYLE, JEFFERY ERRICO, JEFFREY NEWCOMMON AND GORDON THOMPSON (each a "**Shareholder**" and collectively, the "**Shareholders**")

WHEREAS Pursuant to a share purchase agreement (the "**Share Purchase Agreement**") dated as of June 1, 2013, by and among the Corporation, IPF, and the Shareholders, the Corporation has acquired all of the issued and outstanding shares of Pipeline Assets Corp. from the Shareholders for consideration consisting of series 1 through series 8 of Class A Preferred Shares (collectively, the "**Class A Preferred Shares**") in the capital of the Corporation and series 1 through series 8 of Class B Preferred Shares (collectively, the "**Class B Preferred Shares**") in the capital of the Corporation;

AND WHEREAS The Articles of Incorporation of the Corporation set forth the rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares (the "**Class A Preferred Share Provisions**") and the Class B Preferred Shares (the "**Class B Preferred Share Provisions**") and, together with the Class A Preferred Share Provisions and the USA, as defined herein, the "**Share Provisions**"), and a copy of such Class A Preferred Share Provisions and Class B Preferred Share Provisions is attached hereto as Schedule A;

AND WHEREAS In connection with the Share Purchase Agreement, the parties hereto wish to enter into this agreement to provide for certain rights and obligations of the parties hereto with respect to, among other things, the Class A Preferred Shares and Class B Preferred Shares and the conduct of business of the Corporation, Putco and Pubco.

NOW THEREFORE in consideration of the respective covenants and agreements provided in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 **Definitions**

In this Agreement, the following terms shall have the following meanings:

"**Act**" has the meaning ascribed thereto in the Share Provisions.

"**Agreement**" means this Put Option and Support Agreement, as the same may be amended, supplemented or restated from time to time.

"**Amalco**" has the meaning ascribed thereto in Section 6.1 hereof.

"**Amalgamation**" has the meaning ascribed thereto in Section 6.1 hereof.

"**Automatic Put Rights**" has the meaning ascribed thereto in Section 4.1 hereof.

"**Automatic Retraction Date**" has the meaning ascribed thereto in Section 4.6 hereof.

"**Board of Directors**" has the meaning ascribed thereto in the Share Provisions.

"**Business Day**" has the meaning ascribed thereto in the Share Provisions.

"**Call Agreement**" means the call option agreement dated the date hereof between Pubco and the Trust in the form attached hereto as Schedule E.

"**Class A Preferred Share Provisions**" has the meaning set out in the recitals hereto.

"**Class A Preferred Shares**" has the meaning set out in the recitals hereto.

"**Class A Put Right**" has the meaning ascribed thereto in Section 2.1(a) hereof.

"**Class A Retraction Amount**" has the meaning ascribed thereto in the Class A Preferred Share Provisions.

"**Class A Retraction Availability Date**" has the meaning ascribed thereto in the Class A Preferred Share Provisions.

"**Class A Units**" means Class A limited partnership units of IPF; provided, however, that from and after completion of the Conversion, references to Class A Units shall instead refer to the Pubco Common Shares that holders of Class A Units will receive in exchange therefor as part of the Conversion.

"**Class B Preferred Share Provisions**" has the meaning set out in the recitals hereto.

"**Class B Preferred Shares**" has the meaning set out in the recitals hereto.

"**Class B Put Right**" has the meaning ascribed thereto in Section 2.1(b) hereof.

"**Class B Retraction Amount**" has the meaning ascribed thereto in the Class B Preferred Share Provisions.

"**Class B Retraction Availability Date**" has the meaning ascribed thereto in the Class B Preferred Share Provisions.

"**Class B Trigger Date**" has the meaning ascribed thereto in the Class B Preferred Share Provisions.

"**Closing Time**" has the meaning ascribed thereto in the Share Purchase Agreement.

"**Conversion**" has the meaning ascribed thereto in Section 6.2(a) and, for greater certainty, unless the context otherwise requires, will include either the Conversion Exchange or the transactions specified in Section 6.2(c), as applicable.

"**Conversion Exchange**" has the meaning ascribed thereto in Section 6.2(b).

"**Current Market Price**" has the meaning ascribed thereto in the Share Provisions.

"**Governmental Authority**" means any (i) federal, provincial, state, territorial, municipal, local or other government, domestic or foreign, (ii) governmental or public ministry, department, agency, tribunal, commission, board, bureau or instrumentality, domestic or foreign, (iii) subdivision or authority of any of the foregoing, or (iv) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

"**Lien**" means any lien, mortgage, charge, pledge, hypothec, security interest, assignment, option, conditional sale, lease, sublease, easement, restrictive covenant, title retention agreement, statutory or deemed trust, adverse claim or other encumbrance of any kind, which secures payment or performance of an obligation or otherwise affects the right, title or interest in or to any particular property.

"**LPA**" means the limited partnership agreement governing IPF.

"**Officer's Certificate**" means a certificate signed by any one of the directors or officers of the general partner of IPF, for and on behalf of IPF.

"Other Amounts" means, with respect to a Class A Preferred Share and at any particular time, the aggregate of the amounts referred to in paragraphs (b) through (e) of the definition of "Class A Retraction Amount" in the Class A Preferred Share Provisions at such time.

"Person" includes an individual, partnership, corporation, company, unincorporated syndicate or organization, trust, trustee, executor, administrator and other legal representative.

"Plan of Arrangement" has the meaning ascribed thereto in Section 6.2(a).

"PMI" means Pipeline Management Inc., a corporation incorporated under the laws of Alberta.

"Preferred Share Fair Market Value" means, for each Class A Preferred Share or Class B Preferred Share, as applicable, the highest price, expressed in terms of cash equivalents, at which such Class A Preferred Share or Class B Preferred Share would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms-length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

"Pubco Common Shares" means Class A common shares in the capital of Pubco having the rights, privileges, restrictions and conditions set forth in Schedule B hereto.

"Pubco Convertible Shares" means convertible shares in the capital of Pubco having the rights, privileges, restrictions and conditions set forth in Schedule C hereto.

"Put Closing Date" has the meaning ascribed thereto in Section 3.2 hereof.

"Put Date" has the meaning ascribed thereto in Section 3.1 hereof.

"Put Notice" has the meaning ascribed thereto in Section 3.1 hereof.

"Put Rights" means the Class A Put Rights and the Class B Put Rights or either of them as the context requires.

"Required Shareholders" means, where there are more than three Shareholders, at least three of the Shareholders and, where there are three or less Shareholders, any one or more of the Shareholders, in either case holding at least 75% of the then outstanding Class A Preferred Shares and 75% of the then outstanding Class B Preferred Shares (excluding shares held, directly or indirectly and legally or beneficially, by IPF, Pubco, Putco or their respective Subsidiaries or their successors, assigns or transferees).

"Retracted Shares" has the meaning ascribed thereto in the applicable Share Provisions.

"Retraction Request" has the meaning ascribed thereto in the applicable Share Provisions.

"Share Provisions" has the meaning ascribed thereto in the recitals hereto.

"Share Purchase Agreement" has the meaning ascribed thereto in the recitals hereto.

"Shareholder" and **"Shareholders"** have the meanings ascribed thereto in the recitals hereto and, unless the context otherwise requires, includes their respective successors and permitted assigns.

"Shareholders' Representatives" has the meaning ascribed thereto in the Share Purchase Agreement to the term "Vendors' Representatives".

"Specified Reorganization" means the dissolution, liquidation or winding-up of any of IPF, the Corporation, PMI or Pubco or any reorganization of any of IPF, the Corporation, PMI or Pubco by way of (a) amalgamation, plan of arrangement, merger, reconstruction, reorganization or consolidation, (b) transfer, sale, distribution or lease of any material undertaking, property or assets out of the ordinary course of business, or (c) other fundamental change to their respective constitutions or business and affairs, excluding in each case either (x) the Conversion provided it includes either the Conversion Exchange or the transactions specified in Section 6.2(c), as applicable, or (y) a transaction which has been approved in writing by the Shareholders' Representatives.

"Special Retraction Date" has the meaning ascribed thereto in Section 6.2(c).

"Subsidiary" has the meaning ascribed thereto in the Share Provisions.

"Successor" has the meaning ascribed thereto in Section 9.1(a) hereof.

"Tax Act" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

"Tax" or **"Taxes"** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable tax legislation, including Canadian and U.S. federal, provincial, state, territorial, municipal and local, foreign or other income, capital, goods and services, sales, use, consumption, excise, value-added, business, real property, personal property, transfer, franchise, withholding, payroll or employer health taxes, customs, import, anti-dumping or countervailing duties, Canada Pension Plan contributions, provincial pension plan contributions, employment insurance premiums, and provincial workers' compensation payments, including any interest, penalties and fines associated therewith.

"Trust" means Inter Pipeline GP Holding Trust.

"USA" means the unanimous shareholder agreement entered into among the Trust, IPF and the Shareholders, being all of the shareholders of the Corporation, and the Corporation, on and as of the date hereof.

1.2 Consent

Whenever a provision of this Agreement requires or contemplates the consent or approval of a Party and that approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, that Party will be deemed to have withheld its approval or consent.

1.3 Currency

Unless otherwise specified, all dollar amounts in this Agreement, including the symbol "\$", refer to Canadian currency.

1.4 Gender and Number

In this Agreement, unless the context requires otherwise, any reference to gender includes all genders and words importing the singular number only include the plural and vice versa.

1.5 Headings

The division of this Agreement into Articles, Sections, subsections, paragraphs and other subdivisions, and the inclusion of headings and a table of contents are provided for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.6 Including

Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following the words "include", "includes" or "including" shall not to be considered to set forth an exhaustive list.

1.7 Performance on Holidays

If any act (including the giving of notice) is otherwise required by the terms hereof to be performed on a day that is not a Business Day, such act shall be valid if performed on the next succeeding Business Day.

1.8 References to Documents

Unless otherwise specified, any reference in this Agreement to this Agreement or any other agreement, document or instrument, is a reference to this Agreement or the other agreement, document or instrument as it may have been, or may from time to time be, amended, supplemented, modified, varied, restated, novated or replaced and includes all schedules, appendices and exhibits to it.

1.9 References to Persons

Unless the context otherwise requires, any reference in this Agreement to a Person includes its heirs, administrators, executors and other legal representatives, successors and permitted assigns.

1.10 References to this Agreement

The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Article, Section, subsection, paragraph or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to an Article, Section, subsection, paragraph or clause are to the applicable article, section, subsection, paragraph or clause of this Agreement.

1.11 Statutory References

Unless otherwise specified, any reference in this Agreement to a statute includes all rules and regulations made under it, in each case as it or they may have been, or may from time to time be, amended, re-enacted or replaced.

1.12 Time

Time is of the essence of this Agreement, and no extension or variation of this Agreement will operate as a waiver of this provision.

1.13 Time Periods

Unless otherwise specifically provided herein, a period of days will be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Calgary time) on the last day of the period. If a period of time is to expire hereunder on any day that is not a Business Day, the period will be deemed to expire at 5:00 p.m. (Calgary time) on the next succeeding Business Day.

1.14 Schedules

The following Schedules are part of this Agreement:

Schedule A	Share Provisions
Schedule B	Pubco Common Shares
Schedule C	Pubco Convertible Shares
Schedule D	Notice of Put
Schedule E	Call Agreement
Schedule F	Articles of Amalgamation

ARTICLE 2 SHAREHOLDER PUT RIGHTS

2.1 Grant of the Put Rights

Upon and subject to the terms and conditions contained herein and in the Share Provisions, Putco hereby grants to each Shareholder:

- (a) the right (the "**Class A Put Right**"), but not the obligation, to require Putco to purchase all or any part of the Class A Preferred Shares held by such Shareholder at any time on or after the Class A Retraction Availability Date at a price per Class A Preferred Share equal to the Preferred Share Fair Market Value thereof on the applicable Put Date; and
- (b) the right (the "**Class B Put Right**"), but not the obligation, to require Putco to purchase all or any part of the Class B Preferred Shares held by such Shareholder at any time on or after the Class B Retraction Availability Date at a price per Class B Preferred Share equal to the Preferred Share Fair Market Value thereof on the applicable Put Date.

2.2 Put Subsequent to a Retraction

In the event that a Shareholder has exercised its right under Article 7 of the applicable Share Provisions to require the Corporation to redeem any or all of the Class A Preferred Shares and/or Class B Preferred Shares held by the Shareholder and (a) such Shareholder is notified by the Corporation pursuant to Section 7.5 of the applicable Share Provisions that the Corporation will not be permitted as a result of liquidity or solvency requirements or other provisions of applicable law to redeem any or all of such Retracted Shares; (b) such Shareholder is notified by the Corporation that it is otherwise not able to redeem any or all of such Retracted Shares, whether because the Corporation does not have sufficient funds to fund such redemption or otherwise; or (c) the Corporation fails to redeem any or all of such Retracted Shares on the Retraction Date in accordance with the applicable Share Provisions, then, subject to receipt by the Shareholder of written notice to that effect from the Corporation in the case of (a) and (b) above and following the Retraction Date in the case of (c) above, the Retraction Request will be deemed to constitute a requirement for Putco to acquire those Retracted Shares which the Corporation is unable to redeem unless the Shareholder otherwise directs Putco and the Corporation in writing. In any such event, the Corporation hereby agrees to immediately notify the Shareholder and Putco of such inability or failure to redeem the Retracted Shares or prohibition against the Corporation redeeming the Retracted Shares. Such purchase and sale of the Retracted Shares by Putco will be completed in accordance with Article 8 of the applicable Share Provisions and the provisions of this Agreement.

2.3 Retraction Subsequent to a Put

Notwithstanding any other provisions of this Agreement or the Share Provisions, at any time after the giving of a Put Notice by a Shareholder and prior to the Business Day immediately preceding the Put Closing Date to which such Put Notice relates, the Shareholder may, at its sole election, by notice in writing to Putco, IPF, Pubco and the Corporation deem such Put Notice to be a Retraction Request, in which case the Corporation shall accept and shall be deemed to have accepted such Put Notice as a Retraction Request and shall redeem the Class A Preferred Shares and/or Class B Preferred Shares to which such Put Notice relates in accordance with the provisions of Article 7 of the Share Provisions at the Retraction Price applicable on the Put Date.

2.4 Payment for Grant of Put Rights

On the date hereof, each Shareholder shall pay Putco the sum of \$50.00 and IPF the sum of \$50.00 for each Purchased Share held by the Shareholder in consideration for Putco and

IPF respectively granting all of the rights and benefits made available by each of them to the Shareholder hereunder, including without limitation the Put Rights granted by Putco and the guarantee in respect thereof provided by IPF.

ARTICLE 3
EXERCISE OF PUT RIGHTS

3.1 Exercise of the Put Right

- (a) The Class A Put Right provided in Section 2.1(a) hereof may be exercised by a Shareholder at any time and from time to time on or after the Class A Retraction Availability Date (subject to the restriction referred to in Section 8.1(a) of the Class A Preferred Share Provisions) and the Class B Put Right provided in Section 2.1(b) hereof may be exercised by a Shareholder at any time and from time to time on or after the Class B Retraction Availability Date (subject to the restriction referred to in Section 8.1(a) of the Class B Preferred Share Provisions), in either case, by notice (a "**Put Notice**") in writing in the form of Schedule D annexed hereto given by the Shareholder to Putco, the Corporation, Pubco and IPF (the date of delivery of such notice being the "**Put Date**") and accompanied by presentation and surrender of the certificate(s) representing the Class A Preferred Shares and/or Class B Preferred Shares, as applicable, to be sold pursuant to the exercise of the Class A Put Right or Class B Put Right, as applicable, together with a duly executed stock transfer and power of attorney, at the addresses for notice set forth in Section 11.6 hereof. Such Put Notice shall stipulate the number of Class A Preferred Shares and/or Class B Preferred Shares in respect of which the Class A Put Right and/or Class B Put Right, as the case may be, is exercised, shall state the amount that the Shareholder reasonably believes to be the Preferred Share Fair Market Value per share of such shares on the Put Date and, except as provided in Section 2.3 and Section 3.1(c), shall be irrevocable unless the purchase and sale is not completed in accordance herewith.
- (b) Upon the exercise by a Shareholder of the Class A Put Right and/or Class B Put Right, but subject to Section 2.3 and Section 3.1(c), the Shareholder shall be required to sell to Putco, and Putco shall be required to purchase from the Shareholder, that number of Class A Preferred Shares and/or Class B Preferred Shares in respect of which the Class A Put Right or Class B Put Right, as applicable, is exercised, in consideration of the payment by Putco of the aggregate Preferred Share Fair Market Value thereof in immediately available funds.
- (c) In the event that Putco disagrees with the Preferred Share Fair Market Value per share specified in a Put Notice given by a Shareholder, Putco shall notify the Shareholder in writing of such disagreement, including the amount that Putco reasonably believes to be the Preferred Share Fair Market Value per share on the Put Date, within three Business Days of receipt of such Put Notice and Putco and the Shareholder shall work expeditiously and in good faith in an attempt to

resolve such disagreement within a period of five Business Days after the delivery of written notification by Putco to the Shareholder of such disagreement, failing which the determination of Preferred Share Fair Market Value shall be submitted to an independent valuator mutually agreed to by Putco and the Shareholder (and, failing such agreement within two Business Days days, such independent valuator shall be PricewaterhouseCoopers LLP or, if they are unable or unwilling to act as valuator, KPMG LLP). Putco and the Shareholder will cause the independent valuator to make a determination of the applicable Preferred Share Fair Market Value per share on the Put Date within ten Business Days and such determination shall be final and binding upon Putco and the Shareholder for the purposes of the exercise of the Put Right to which the dispute relates and will not be subject to appeal, absent manifest error; provided that if the applicable Preferred Share Fair Market Value per share on the Put Date determined by the independent valuator is less than the Class A Retraction Amount or Class B Retraction Amount, as applicable, on the Put Date, the Shareholder may, at its sole election, revoke the Put Notice. The costs of the valuation shall be paid by whichever of Putco or the Shareholder had initially proposed a Preferred Share Fair Market Value that was most divergent from the value determined by the independent valuator.

3.2 Completion of Purchase and Sale

The completion of a purchase and sale referred to in Section 3.1 hereof shall be required to occur, and each of Putco, IPF and the Corporation shall be required to take all actions on its part necessary to permit it to occur, not later than the last to occur of (a) close of business on the 30th day following the applicable Put Date, and (b) close of business on the 7th day following the date on which the Preferred Share Fair Market Value per share is determined in accordance with Section 3.1(c), if applicable (the “**Put Closing Date**”). On the Put Closing Date, Putco shall deliver to the Shareholder who exercised the Put Right, at the address for notice to the Shareholder specified in this Agreement, or at the address specified in the Put Notice or by holding for pick up by the Shareholder at the address for notice for Putco specified in this Agreement, as may be specified in the Put Notice, a certified cheque or bank draft or other form of immediately available funds for the aggregate Preferred Share Fair Market Value for the Class A Preferred Shares and/or Class B Preferred Shares in respect of which the Class A Put Right and/or Class B Put Right, as the case may be, was exercised; provided that if the aggregate Preferred share Fair Market Value payable to such Shareholder is greater than or equal to \$25 million, the payment shall be made by wire transfer to an account specified by the Shareholder. Such delivery to the applicable Shareholder shall be deemed to be payment of and shall satisfy and discharge all liability for the total Preferred Share Fair Market Value of the Class A Preferred Shares and/or Class B Preferred Shares in respect of which the Class A Put Right and/or Class B Put Right, as the case may be, is exercised except as to any cheque included therein which is not paid on due presentation. If only a part of the Class A Preferred Shares and/or Class B Preferred Shares represented by any certificate are to be sold and purchased pursuant to the exercise of a Class A Put Right or Class B Put Right, as applicable, a new certificate for the balance of such Class A Preferred Shares or Class B Preferred Shares, as applicable, shall be issued to the applicable Shareholder at the expense of the Corporation.

3.3 Representation, Warranty and Covenant of Shareholder

The surrender by a Shareholder of Class A Preferred Shares and/or Class B Preferred Shares under Section 3.2 hereof shall constitute the representation, warranty and covenant of such Shareholder to Putco that as at the Put Closing Date (a) such Class A Preferred Shares and/or Class B Preferred Shares, as applicable, are owned by the Shareholder as the registered and beneficial owner, free and clear of all Liens, other than pursuant to the Share Provisions or this Agreement, (b) on closing pursuant to Section 3.2 hereof, such Class A Preferred Shares and/or Class B Preferred Shares, as applicable, will be sold to Putco free and clear of all Liens, other than pursuant to the Share Provisions or this Agreement, and (c) no Person has any written or oral agreement or option, or any right or privilege capable of becoming an agreement or option, for the purchase or other acquisition from the Shareholder of any of such Class A Preferred Shares and/or Class B Preferred Shares, as applicable.

3.4 Rights of Shareholders

On or after the close of business on a Put Closing Date, the Shareholder of the Class A Preferred Shares and/or Class B Preferred Shares in respect of which the Put Right was exercised shall not be entitled to exercise any of the rights of a shareholder in respect thereof, other than the right to receive the total applicable Preferred Share Fair Market Value in respect thereof, unless upon presentation and surrender of certificates in accordance with the foregoing provisions, delivery of the total applicable Preferred Share Fair Market Value shall not be made in accordance with the provisions hereof, in which case the rights of such Shareholder with respect to such Class A Preferred Shares or Class B Preferred Shares, as applicable, shall remain unaffected until delivery of such Preferred Share Fair Market Value has been made.

ARTICLE 4

AUTOMATIC PURCHASE IN CERTAIN CIRCUMSTANCES

4.1 Notice of Specified Reorganization Proposals

Without limiting any other provision hereof, IPF will promptly give each Shareholder written notice (an "**Automatic Put Notice**" and the date on which such notice is given being referred to herein as the "**Automatic Put Date**") if the board of directors of any of PMI (on its own behalf or as general partner of IPF), Putco, the Corporation or Pubco resolves or takes any formal steps to implement or recommend a Specified Reorganization, or if any other person makes a formal proposal in respect of any of IPF, PMI, Putco, the Corporation or Pubco that if implemented would or could reasonably be expected to result in a Specified Reorganization; provided that each Shareholder hereby covenants and agrees with IPF that it shall keep the notice and the contents thereof strictly confidential and shall not disclose, divulge or communicate the notice or the contents thereof unless and until the Specified Reorganization to which the notice relates has been publically announced by IPF, PMI, Putco, the Corporation or Pubco.

The Automatic Put Notice to be provided by IPF shall include a brief description of the Specified Reorganization, shall identify the proposed effective date thereof (which, to the extent within the control of IPF, PMI, Putco, the Corporation or Pubco, shall not be less than 21 days after the Automatic Put Date) and shall describe the automatic purchase of Class A Preferred

Shares and Class B Preferred Shares provided for in Section 4.2 hereof (the "**Automatic Put Rights**").

4.2 Exercise of Automatic Put Rights

- (a) Unless a Shareholder notifies Putco in writing prior to the proposed effective date of the relevant Specified Reorganization that it elects not to have the Automatic Put Rights apply to its holdings of Class A Preferred Shares and Class B Preferred Shares (a "**Decline Notice**") and subject to Section 4.6, Putco shall be deemed to have purchased each Class A Preferred Share and Class B Preferred Share outstanding immediately prior to the effective time of the Specified Reorganization held by each Shareholder who did not deliver a Decline Notice, and each such Shareholder shall be deemed to have sold the Class A Preferred Shares and Class B Preferred Shares held by it at such time, for a purchase price per share equal to the Preferred Share Fair Market Value thereof applicable on the Automatic Put Date. Together with the Automatic Put Notice, Putco will provide to the selling Shareholders an Officer's Certificate setting forth the calculation of the Preferred Share Market Value for each Class A Preferred Share and Class B Preferred Share. In the event that a Shareholder disagrees with the Preferred Share Fair Market Value per share specified in the Officer's Certificate, the Shareholder shall notify Putco in writing of such disagreement, including the Shareholder's determination of the Preferred Share Fair Market Value, within three Business Days of receipt of such Officer's Certificate and Putco and the Shareholder shall work expeditiously and in good faith in an attempt to resolve such disagreement within a period of five Business Days after the date of delivery of written notification by the Shareholder to Putco of such disagreement, failing which the determination of Preferred Share Fair Market Value shall be submitted to an independent valuator mutually agreed to by Putco and the Shareholder (and, failing such agreement within two Business Days, such independent valuator shall be PricewaterhouseCoopers LLP or, if they are unable or unwilling to act as valuator, KPMG LLP). Putco and the Shareholder will cause the independent valuator to make a determination of the applicable Preferred Share Fair Market Value within ten Business Days and such determination shall be final and binding upon Putco and the Shareholder for the purposes of this Article 4 and will not be subject to appeal, absent manifest error; provided that if the applicable Preferred Share Fair Market Value per share determined by the independent valuator is less than the Class A Retraction Amount or Class B Retraction Amount, as applicable, on the applicable date, the Shareholder may, at its sole election, deliver a Decline Notice, in which case the Automatic Put Rights shall not apply to such Shareholder's holdings of Class A Preferred Shares and Class B Preferred Shares. The reasonable costs of the valuation shall be paid by whichever of Putco or the Shareholder had initially proposed a Preferred Share Fair Market Value that was most divergent from the value determined by the independent valuator. To the extent within the control of IPF, PMI, Putco, the Corporation or Pubco, the effective date of a Specified Reorganization shall not occur until the applicable

Preferred Share Fair Market Value has been agreed to or finally determined by a valuator in accordance with this Section 4.2.

4.3 Closing of Automatic Put Right Transaction

The closing of the transaction of purchase and sale contemplated by Section 4.2 hereof shall be deemed to have occurred immediately prior to the effective time of the Specified Reorganization, and each Shareholder who has not delivered a Decline Notice shall be deemed to have transferred to Putco all of the Shareholder's right, title and interest in and to such Class A Preferred Shares and Class B Preferred Shares and shall cease to be a holder of such Class A Preferred Shares and Class B Preferred Shares. Upon surrender by the Shareholder of certificates representing the Class A Preferred Shares and/or Class B Preferred Shares so purchased, together with a duly executed stock transfer and power of attorney, on or after the effective time of the Specified Reorganization, Putco shall deliver to each Shareholder at the address for notice to the Shareholders contained in this Agreement the aggregate Preferred Share Fair Market Value, in immediately available funds, deliverable to such Shareholder upon the automatic purchase of Class A Preferred Shares and Class B Preferred Shares provided in Section 4.2.

4.4 Representation, Warranty and Covenant of Shareholder

The surrender by a Shareholder of Class A Preferred Shares and/or Class B Preferred Shares under Section 4.3 hereof shall constitute the representation, warranty and covenant of such Shareholder to Putco that as at the date of closing pursuant to Section 4.3 hereof (a) such Class A Preferred Shares and/or Class B Preferred Shares, as applicable, are owned by the Shareholder as the registered and beneficial owner, free and clear of all Liens, other than pursuant to the Share Provisions or this Agreement, (b) on closing pursuant to Section 4.3 hereof, such Class A Preferred Shares and/or Class B Preferred Shares, as applicable, will be sold to Putco free and clear of all Liens, other than pursuant to the Share Provisions or this Agreement, and (c) no Person has any written or oral agreement or option, or any right or privilege capable of becoming an agreement or option, for the purchase or other acquisition from the Shareholder of any of such Class A Preferred Shares and/or Class B Preferred Shares, as applicable.

4.5 Rights of Shareholders

On or after the close of business on the date of closing pursuant to Section 4.3, the Shareholder of the Class A Preferred Shares and/or Class B Preferred Shares in respect of which the Automatic Put Right was exercised shall not be entitled to exercise any of the rights of a shareholder in respect thereof, other than the right to receive the total applicable Preferred Share Fair Market Value in respect thereof, unless upon presentation and surrender of certificates in accordance with the foregoing provisions, delivery of the total applicable Preferred Share Fair Market Value shall not be made in accordance with the provisions hereof, in which case the rights of such Shareholder with respect to such Class A Preferred Shares or Class B Preferred Shares, as applicable, shall remain unaffected until delivery of such Preferred Share Fair Market Value has been made.

4.6 Retraction Subsequent to Automatic Put

Notwithstanding any other provisions of this Agreement or the Share Provisions, at any time after a Shareholder has received notice of a Specified Reorganization and prior to 5:00 p.m. (Calgary time) on the Business Day (the “**Automatic Retraction Date**”) immediately prior to the effective date of such Specified Reorganization, the Shareholder may at its option determine to immediately retract any or all of its Class A Preferred Shares and/or Class B Preferred Shares by delivering a Retraction Request to the address for notice for the Corporation as provided in this Agreement at any time before 5:00 p.m. (Calgary time) on the Automatic Retraction Date, in which case the Corporation shall forthwith issue an instrument in writing to such holder acknowledging its obligation to pay such holder the aggregate Class A Retraction Amount and/or Class B Retraction Amount applicable on the Business Day of delivery of such Retraction Request within 20 days thereof and shall redeem the Class A Preferred Shares and/or Class B Preferred Shares to which such Retraction Request relates in accordance with the provisions of Article 7 of the applicable Share Provisions for such Class A Retraction Amount and/or Class B Retraction Amount, as applicable, and such retraction shall be deemed for all purposes to have been effective on the Automatic Retraction Date. If a Shareholder delivers a Retraction Request pursuant to this Section 4.6, Putco shall not and shall not be required to purchase such Shareholder’s Class A Preferred Shares and Class B Preferred Shares pursuant to the Automatic Put Rights provided in this Article 4.

ARTICLE 5 WITHHOLDING RIGHTS

5.1 Right to Withhold

Pubco, IPF, Putco and the Corporation shall be entitled to deduct and withhold from any consideration otherwise payable under this Agreement to any Shareholder such amounts as Pubco, IPF, Putco or the Corporation is required, pursuant to the provisions of the Tax Act or any provision of provincial, state, local or foreign tax law, in each case as amended or succeeded, to deduct and withhold with respect to such payment. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to such Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. Each Shareholder covenants and agrees to notify Pubco, IPF, Putco and the Corporation if such Shareholder becomes a “non-resident” of Canada within the meaning of the Tax Act as soon as reasonably practicable after becoming such a “non-resident”.

ARTICLE 6 CONTEMPLATED TRANSACTIONS

6.1 Post-Closing Amalgamation

The Shareholders acknowledge that, as soon as reasonably practicable after the Closing Time, the Corporation intends to take all necessary steps to cause it to amalgamate (the “**Amalgamation**”) with Pipeline Assets Corp. pursuant to a vertical short form amalgamation under the Act with the Corporation being the holding corporation as defined in the Act (the entity resulting from the Amalgamation being referred to as “**Amalco**”) pursuant to Articles of Amalgamation in the form previously attached hereto as Schedule F. The Corporation shall

promptly deliver to the Shareholders a copy of the Certificate and Articles of Amalgamation after such certificate is obtained from the Registrar under the Act. Following the Amalgamation, Amalco will, by operation of law, become, without further action, bound by all of the terms and provisions of this Agreement and all references herein to the Corporation shall be deemed to refer to Amalco and the Put Rights shall continue in full force and effect accordingly. The Parties acknowledge and agree that the effective time of the Amalgamation shall be after the Closing Time.

6.2 IPF Conversion

- (a) As soon as reasonably practicable and in any event within 90 days of the date hereof, IPF and Pubco will (A) take, or cause to be taken, all steps necessary or advisable to call a meeting of the unitholders of IPF to consider and, if thought advisable, approve a plan of arrangement (the “**Plan of Arrangement**”) affecting, *inter alia*, Pubco, IPF and the Corporation and involving a series of transactions intended to effect a “corporate conversion” in respect of IPF which shall include, *inter alia*, the following components or have the following results (collectively, the “**Conversion**”), such meeting of unitholders to occur within 60 days of the calling of such meeting, and (B) assuming that the Conversion receives the required unitholder approval, but subject to the last sentence of this paragraph (a), implement the Conversion within 15 days of obtaining such approval:
- (i) Pubco will acquire all of the issued and outstanding shares of the Corporation (or Amalco, if applicable) not held by the Shareholders or IPF;
 - (ii) all holders of Class A Units of IPF will transfer such units to Pubco in exchange for the same number of Pubco Common Shares; and
 - (iii) PMI will acquire all of the Class A Units of IPF held by Pubco and, as a result, IPF will have only one partner and IPF will accordingly cease to exist and the LPA will be terminated.

IPF and Pubco agree that if the Conversion is proposed it will be proposed on the above basis in all material respects and otherwise on such terms and conditions that would not reasonably be expected to have a material adverse effect on the Shareholders or any of them. The Corporation shall consult with, and consider in good faith any suggestions or comments made by the Shareholders’ Representatives with respect to the implementation of, and documentation relating to, the Conversion. The Shareholders acknowledge that completion of the Conversion will be subject to receipt of required securityholder, regulatory, court and third party approvals, including the approval of the holders of Class A Units.

- (b) If the Conversion is proposed, as part of the Conversion, the Corporation, Pubco and IPF will propose the following (the “**Conversion Exchange**”) all as part of the Plan of Arrangement:

- (i) if applicable, the Corporation will declare a dividend on each Class A Preferred Share to holders of record immediately prior to the time the Plan of Arrangement becomes effective equal to the Other Amounts, if any, applicable to each such share at such time;
- (ii) each Class A Preferred Share shall be acquired by Pubco in exchange for one Pubco Common Share;
- (iii) each Class B Preferred Share shall be acquired by Pubco in exchange for one Pubco Convertible Share;
- (iv) effective on the day following the day the transactions in Section 6.2(a) and paragraphs (i), (ii) and (iii) become effective, Pubco, the Corporation (or Amalco, if applicable), Putco and PMI will be amalgamated; and
- (v) Pubco will, at the request of any Shareholder, execute an income tax election under subsection 85(1) of the Tax Act in respect of the Conversion Exchange. Such election will be prepared by the Shareholder in accordance with the provisions of subsection 85(1) of the Tax Act, and provided to Pubco for execution. Pubco's execution of any election will not be construed or indicative that such election is correct or complete in accordance with the Tax Act. Pubco will execute and return the election to the Shareholder within 30 days following receipt thereof by Pubco. Each such Shareholder shall be entitled to specify the "elected amount" in respect of the Class A Preferred Shares and Class B Preferred Shares for purposes of the Tax Act within the limits thereon imposed by the Tax Act and Pubco will not be responsible for the proper completion, review or filing of any election form with a Government Authority or for any Taxes, interest or penalties resulting from the failure of a Shareholder to properly complete or file such election. Pubco will also, at the request of any Shareholder and to the extent necessary under the applicable laws of the relevant province, jointly elect with such Shareholder under corresponding provisions of applicable provincial income Tax legislation with respect to the Conversion Exchange on the same basis as the foregoing with respect to elections under subsection 85(1) of the Tax Act *mutatis mutandis*. Each Shareholder will file an election referred to above, if any, on or before the day that is five months after the date of the Conversion.

Each Shareholder agrees that, subject to the terms of the Plan of Arrangement otherwise being satisfactory to them, acting reasonably, they will consent to the Conversion Exchange and, if required in connection with the Plan of Arrangement, vote their Class A Preferred Shares and Class B Preferred Shares in favour of the Plan of Arrangement and the Arrangement Agreement and will not exercise any right of dissent in respect thereto. For greater certainty, a Shareholder shall not be required to consent to the Conversion Exchange to the extent that it would have a material adverse effect on such Shareholder,

including, without limitation, as a result of amendments, including proposed amendments, to the Tax Act, and public announcements by or on behalf of the Minister of Finance (Canada) in respect thereof.

- (c) The parties acknowledge that in accordance with stock exchange requirements, approval of the Conversion Exchange will require a separate affirmative vote of the holders of the Class A Units of IPF, with the result that the Conversion may be implemented without the Conversion Exchange. Accordingly, the parties agree that if the Plan of Arrangement receives all necessary approvals but the Conversion Exchange is not approved, and IPF and Pubco elect to proceed with the Conversion, then the Plan of Arrangement will in all events be structured such that (i) Pubco will succeed to all or substantially all of the assets of IPF and will assume all of IPF's obligations hereunder, (ii) the Corporation (or Amalco, if applicable), PMI and Pubco shall, as part of the Plan of Arrangement, amalgamate effective on the day following the day the transactions in Section 6.2(a) become effective on terms satisfactory to the Shareholders, acting reasonably, and without adversely affecting the Shareholders in any material respect, whereby each Class A Preferred Share and each Class B Preferred Share will be exchanged for one Class A preferred share and one Class B preferred share, respectively, of the amalgamated entity having terms and conditions substantially the same as the Class A Preferred Shares and Class B Preferred Shares, with such changes as are necessary as a result of the Conversion, and acceptable to the Shareholders' Representatives, acting reasonably, and provided that such Class A preferred shares and Class B preferred shares of the amalgamated entity will not have any voting rights except as required by applicable law; and (iii) if the Conversion Exchange is not approved, then at least one full Business Day will elapse between the issuance of a press release by IPF disclosing such non-approval and the implementation of the Conversion (the last Business Day before the date on which the Conversion becomes effective being referred to as the "**Special Retraction Date**").

6.3 Agreed Hold Periods

If the Conversion occurs and includes the Conversion Exchange, then each Shareholder receiving Pubco Common Shares in exchange for Class A Preferred Shares agrees that in the six month period immediately following the day on which the Conversion Exchange becomes effective, such Shareholder will not, without the prior written consent of Pubco, sell, offer to sell, grant any option or warrant for the sale of, or otherwise lend, transfer or dispose of (including without limitation making any short sale, engaging in any hedging transaction or entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Pubco Common Shares) any of the Pubco Common Shares received by such Shareholder pursuant to the Conversion Exchange.

ARTICLE 7
COVENANTS OF IPF, THE CORPORATION AND PUBCO

7.1 Reciprocal Changes, etc., in Respect of IPF Units

So long as any Class A Preferred Shares or Class B Preferred Shares are outstanding, IPF covenants to and agrees with the Shareholders that it will not:

- (a) issue or distribute:
 - (i) Class A Units (or securities exchangeable for or convertible into or carrying rights to acquire Class A Units) to the holders of all or substantially all of the then outstanding Class A Units;
 - (ii) rights, options or warrants to the holders of all or substantially all of the then outstanding Class A Units entitling them to subscribe for or to purchase Class A Units (or securities exchangeable for or convertible into or carrying rights to acquire Class A Units); or
 - (iii) to the holders of all or substantially all of the then outstanding Class A Units (A) units or securities of IPF of any class other than Class A Units (other than securities exchangeable for or convertible into or carrying rights to acquire Class A Units), (B) rights, options or warrants other than those referred to in Section 7.1(a)(ii) above, (C) evidences of indebtedness of IPF, or (D) assets of IPF,
- (b) subdivide, redivide or change the then outstanding Class A Units into a greater number of Class A Units;
- (c) reduce, combine or consolidate or change the then outstanding Class A Units into a lesser number of Class A Units; or
- (d) reclassify or otherwise change the Class A Units or effect an amalgamation, merger, reorganization or other transaction involving or affecting the Class A Units,

unless, in any such case, the Corporation is able to and does concurrently comply with the applicable Share Provisions with respect to any of the above actions (including, in the case of paragraph (a) above, Article 4 of the applicable Share Provisions and, in the case of paragraphs (b), (c) and (d) above, Article 12 of the applicable Share Provisions. The Corporation covenants and agrees that it will comply with the applicable Share Provisions with respect to any of the above actions (including, in the case of paragraph (a) above, Article 4 of the applicable Share Provisions and, in the case of paragraphs (b), (c) and (d) above, Article 12 of the applicable Share Provisions.

7.2 IPF, Putco and Pubco Not to Vote Class A Preferred Shares or Class B Preferred Shares

Each of IPF, Putco and Pubco covenants and agrees that it will appoint and cause to be appointed proxy holders with respect to any and all Class A Preferred Shares and Class B

Preferred Shares held by IPF, Putco and Pubco and their respective Subsidiaries and their successors, assigns or transferees for the sole purpose of attending each meeting of holders of Class A Preferred Shares or Class B Preferred Shares in order to be counted as part of the quorum for each such meeting. Each of IPF, Putco and Pubco further covenants and agrees that it will not, and will cause its Subsidiaries and its and their successors, assigns or transferees not to, exercise any voting rights which may be exercisable by holders of Class A Preferred Shares and Class B Preferred Shares from time to time pursuant to the Share Provisions or pursuant to the provisions of the Act with respect to any Class A Preferred Shares or Class B Preferred Shares held by it or its Subsidiaries in respect of any matter considered at any meeting of holders of Class A Preferred Shares or Class B Preferred Shares.

7.3 Conduct of Business of the Corporation, Putco and Pubco

- (a) Each of Pubco, Putco and the Corporation covenants and agrees that, during the period from the date of this Agreement until the earlier of the completion of the Conversion (provided it includes either the Conversion Exchange or the transactions specified in Section 6.2(c) of this Agreement, as applicable) and the date upon which no Class A Preferred Shares and no Class B Preferred Shares are held by the Shareholders or their successors or permitted assigns (the "**Interim Period**"), except:
- (i) as required or expressly permitted by this Agreement;
 - (ii) as required by applicable law;
 - (iii) as required in connection with the Amalgamation;
 - (iv) as required in connection with the Conversion;
 - (v) as permitted in the Share Provisions in connection with a Change of Control (as defined in the applicable Share Provisions); or
 - (vi) with the prior approval of the Required Shareholders,
- (the exceptions noted at items (i) through (v) above are collectively referred to herein as, the "**Permitted Exceptions**"), it shall conduct no business nor undertake any activity not reasonably required in order to perform its obligations hereunder and under the Share Purchase Agreement or as may reasonably be considered ancillary thereto, which, for greater certainty, does not include the business or activities of PMI or IPF.
- (b) Without limiting the generality of paragraph (a) above, but subject to the Permitted Exceptions, during the Interim Period each of Pubco and the Corporation shall maintain and preserve its business organization and assets, and shall not make any change in its business, assets, liabilities, operations, capital or affairs, which, for greater certainty, does not include the business, organization, assets, liabilities, operations, capital or affairs of PMI or IPF.

- (c) Without limiting the generality of paragraphs (a) and (b) above, but subject to the Permitted Exceptions, during the Interim Period, neither the Corporation, Putco nor Pubco shall:
- (i) amend its articles, by-laws or the terms of any of its securities;
 - (ii) split, combine or reclassify any of its securities;
 - (iii) undertake any capital reorganization;
 - (iv) declare, set aside or pay any dividend, reduction of capital, or other distribution in stock or property or any combination thereof, other than dividends on the Class A Preferred Shares and Class B Preferred Shares;
 - (v) redeem, repurchase, or otherwise acquire or offer to redeem, repurchase or otherwise acquire any of its securities, other than Class A Preferred Shares and Class B Preferred Shares pursuant to the terms of this Agreement and the Share Provisions;
 - (vi) issue, deliver, sell or grant or authorize the issuance, delivery, sale or grant with respect to any of its securities, any options, warrants or such similar rights exercisable or exchangeable for or convertible into securities, or payable by reference to the value of such securities;
 - (vii) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation, reorganization or winding-up or reorganize, amalgamate or merge with any third party; or
 - (viii) create, incur, assume or otherwise become liable for, in one transaction or in a series of related transactions, any indebtedness for borrowed money or guarantees thereof or of other obligations.

7.4 Call Agreement

Pubco shall fully comply in a timely manner with all of its obligations under the Call Agreement and, except with the prior approval of the Required Shareholders, shall not terminate, make any changes to, waive any rights under or otherwise alter or amend the Call Agreement.

ARTICLE 8
GUARANTEE

8.1 Guarantee

IPF hereby unconditionally guarantees (a) the performance by Putco, the Corporation and Pubco of their respective obligations under this Agreement, and (b) the performance by the Corporation of its obligations under the Share Provisions. IPF's guarantee obligation under this Section 8.1 shall not be discharged or released by:

- (a) any extension, renewal, settlement, compromise or waiver by the Shareholders of obligations owing by Putco, the Corporation or Pubco under this Agreement or the Share Provisions;
- (b) any delay or failure by the Shareholders to exercise any right or remedy against Putco, the Corporation or Pubco under this Agreement or the Share Provisions or failure by the Shareholders to provide IPF with notice of any default or breach hereunder or thereunder by Putco, the Corporation or Pubco;
- (c) any modification, supplement or amendment to this Agreement or the Share Provisions;
- (d) any change in the name, existence, structure or ownership of Putco, the Corporation or Pubco;
- (e) any insolvency, bankruptcy, merger, amalgamation, reorganization or other similar proceeding affecting Putco, the Corporation or Pubco or their respective assets; or
- (f) any other applicable laws, event or circumstance or any other act or failure to act or delay of any kind by the Shareholders which might constitute a legal or equitable defence to, or release, discharge, limitation or reduction of, the obligations of IPF under this Section 8.1.

ARTICLE 9
SUCCESSORS

9.1 Certain Requirements in Respect of Reorganizations, etc.

Without limiting any other provision hereof, none of Pubco, IPF, Putco or the Corporation shall enter into any transaction (whether by way of reconstruction, reorganization, consolidation, merger, transfer, sale, lease or otherwise) whereby all or substantially all of its undertaking, property and assets would become the property of any other Person or, in the case of a merger, of the continuing corporation resulting therefrom unless:

- (a) such other Person or continuing corporation (the "**Successor**") (i) by operation of law, becomes, without further action, bound by the terms and provisions of this Agreement or, (ii) if not so bound, executes, prior to or contemporaneously with the consummation of such transaction, an agreement supplemental hereto

and such other instruments (if any) as are reasonably satisfactory to the Shareholders and in the opinion of legal counsel to the Shareholders are necessary or advisable to evidence the assumption by the Successor of liability for all moneys payable and property deliverable hereunder and the covenant of such Successor to pay and deliver or cause to be delivered the same and its agreement to observe and perform all the covenants and obligations of Pubco, IPF or the Corporation, as the case may be, under this Agreement; and

- (b) such transaction shall, to the satisfaction of the Shareholders, acting reasonably, be upon such terms and conditions as substantially to preserve and not to impair in any material respect any of the rights, duties, powers and authorities of the other parties hereunder.

9.2 Vesting of Powers in Successor

Whenever the conditions of Section 9.1 hereof have been duly observed and performed, the Shareholders, IPF, Putco, the Corporation, Pubco and the Successor, as the case may be, shall execute and deliver the supplemental agreement provided for in Section 9.1 hereof and thereupon the Successor shall possess and from time to time may exercise each and every right and power of Pubco, IPF, Putco or the Corporation, as the case may be, under this Agreement in the name of Pubco, IPF, Putco or the Corporation, as the case may be, or otherwise and any act or proceeding by any provision of this Agreement required to be done or performed by the board of directors of Pubco, the general partner of IPF, Putco or the Corporation, as the case may be, or any officers of Pubco, the general partner of IPF, Putco or the Corporation, as the case may be, may be done and performed with like force and effect by the directors or officers of such Successor.

ARTICLE 10 AMENDMENTS AND SUPPLEMENTAL AGREEMENTS

10.1 Amendments, Modifications, etc.

This Agreement may not be amended, modified or waived except by an agreement in writing executed by the Corporation, IPF, Pubco, Putco and the Required Shareholders.

10.2 Changes in Capital of IPF and the Corporation

At all times after the occurrence of any event, as a result of which Class A Units, Class A Preferred Shares and/or Class B Preferred Shares are in any way changed as permitted hereunder and under the Share Provisions, except pursuant to the Conversion Exchange, this Agreement shall forthwith be deemed to be amended and modified as necessary in order that it shall apply with full force and effect, *mutatis mutandis*, to all new securities into which Class A Units, Class A Preferred Shares and/or Class B Preferred Shares are so changed and the parties hereto shall execute and deliver a supplemental agreement giving effect to and evidencing such necessary amendments and modifications.

ARTICLE 11
GENERAL

11.1 Term

This Agreement shall continue in effect so long as any Class A Preferred Shares or Class B Preferred Shares are held by a Shareholder or any of their respective successors or permitted assigns (other than Pubco, Putco or IPF).

11.2 Further Assurances

Each Party shall from time to time execute, acknowledge and deliver or cause to be executed, acknowledged and delivered all further acts, documents and instruments as may be reasonably necessary or desirable in order to give full effect to this Agreement or any provision of it.

11.3 Waiver of Rights

Any waiver of any of the provisions of this Agreement will be binding only if it is in writing and signed by the Parties to be bound by it, and only in the specific instance and for the specific purpose for which it has been given. The failure or delay of any Party in exercising any right under this Agreement will not operate as a waiver of that right. No single or partial exercise of any right will preclude any other or further exercise of that right or the exercise of any other right, and no waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar).

11.4 Severability

If any provision of this Agreement or its application to any Party or circumstance is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, it will be ineffective only to the extent of its illegality, invalidity or unenforceability without affecting the validity or the enforceability of the remaining provisions of this Agreement and without affecting its application to other Parties or circumstances.

11.5 Enurement and Assignment

Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by a Shareholder without the prior written consent of the Corporation, IPF, Putco and Pubco, except that (a) PAI may assign the benefit of its rights hereunder to one Affiliate to which PAI is concurrently transferring up to 500,000 of its Class A Preferred Shares; provided, however, that no such assignment shall release PAI from its obligations hereunder and no such assignee shall be liable for any obligation arising under this Agreement and provided further that only one assignment may be made by PAI in reliance on this provision; and (b) any Shareholder may assign the benefit of its rights hereunder to a family trust or holding company controlled by such Shareholder to which such Shareholder is concurrently transferring any or all of its Class A Preferred Shares or Class B Preferred Shares provided that such family trust or holding company enters into an assumption agreement in favour of the other Parties hereto agreeing to assume and be bound by all of the rights and obligations of the relevant Shareholder hereunder to the extent of such transfer and assignment; provided, however, that no such assignment shall release such Shareholder from its

obligations hereunder. Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by the Corporation, IPF, Putco or Pubco. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors (including in the case of the Corporation, IPF, Putco and Pubco pursuant to the Amalgamation and the Conversion) and permitted assigns.

11.6 Notices

Any notice, direction or other communication (in this Section 11.6, a "**notice**") regarding the matters contemplated by this Agreement must be in writing and must be delivered personally, sent by courier or transmitted by e-mail, as follows:

(a) If to Pubco:

Inter Pipeline Ltd.
2600, 237 – 4th Avenue S.W.
Calgary, Alberta, T2P 4K3

Attn.: William D. Robertson
Email: *[Redacted Personal Information]*

with a copy to:

Burnet, Duckworth & Palmer LLP
2400, 525 - 8th Avenue S.W.
Calgary, Alberta, T2P 1G1

Attn.: William S. Maslechko
Email: wsm@bdplaw.com

(b) If to the Corporation:

Inter Pipeline GP Corp.
2600, 237 – 4th Avenue S.W.
Calgary, Alberta, T2P 4K3

Attn.: William D. Robertson
Email: *[Redacted Personal Information]*

with a copy to:

Burnet, Duckworth & Palmer LLP
2400, 525 - 8th Avenue S.W.
Calgary, Alberta, T2P 1G1

Attn.: William S. Maslechko
Email: wsm@bdplaw.com

(c) If to IPF:

Inter Pipeline Fund
2600, 237 – 4th Avenue S.W.
Calgary, Alberta, T2P 4K3

Attn.: William D. Robertson
Email: *[Redacted Personal Information]*

with a copy to:

Burnet, Duckworth & Palmer LLP
2400, 525 - 8th Avenue S.W.
Calgary, Alberta, T2P 1G1

Attn.: William S. Maslechko
Email: wsm@bdplaw.com

and

Blake, Cassels & Graydon LLP
3500, 855 - 2nd Street S.W.
Calgary, Alberta, T2P 4J8

Attn.: Pat Finnerty
Email: pcf@blakes.com

(d) If to Putco:

Inter Pipeline Putco Corp.
2600, 237 – 4th Avenue S.W.
Calgary, Alberta, T2P 4K3

Attn.: William D. Robertson
Email: *[Redacted Personal Information]*

with a copy to:

Burnet, Duckworth & Palmer LLP
2400, 525 - 8th Avenue S.W.
Calgary, Alberta, T2P 1G1

Attn.: William S. Maslechko
Email: wsm@bdplaw.com

(e) If to a Shareholder:

To the address listed beside such Shareholder's name in Section 8.1(c) of the Share Purchase Agreement,

With a copy to:

Dentons Canada LLP
15th Floor, 850 - 2nd Street SW
Calgary, AB T2P 0R8

Attn.: Wm. K. Jenkins
E-mail: bill.jenkins@dentons.com

and

Norton Rose Canada LLP
3800, 200 Bay Street
Toronto, ON M5J 2Z4

Attn.: Marvin Singer
E-mail: marvin.singer@nortonrose.com

11.7 Counterparts and Delivery by Facsimile or Email

This Agreement may be executed in any number of counterparts (including counterparts by facsimile or email), each of which will be deemed to be an original and all of which, taken together, will be deemed to constitute one and the same instrument. Delivery by facsimile or email of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement. Any Party delivering an executed counterpart of this Agreement by facsimile or email shall also deliver an originally executed counterpart of this Agreement, but the failure to deliver an originally executed counterpart does not affect the validity, enforceability or binding effect of this Agreement.

11.8 Governing Law; Attornment

This Agreement will be construed, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each Party irrevocably attorns and submits to the exclusive jurisdiction of the courts of the Province of Alberta and irrevocably waives objection to the venue of any proceeding in those courts or that those courts provide an inconvenient forum. Each Shareholder hereby appoints Dentons

Canada LLP at its Calgary, Alberta office as its attorney for service for any proceeding arising from this Agreement.

11.9 IPF Limit of Liability of Limited Partners

IPF is a limited partnership formed under the *Partnership Act* (Alberta), a limited partner of which is only liable for any of its liabilities or any of its losses to the extent of the amount that the limited partner has contributed or agreed to contribute to its capital and the limited partner's *pro rata* share of any undistributed income.

[Signature Page Follows on Next Page.]

THIS AGREEMENT has been executed by the parties as of the date first written above.

SCOTT GERLA

JEFF MARCHANT

DAVID FESYK

CHRISTIAN BAYLE

JEFFERY ERRICO

JEFFREY NEWCOMMON

GORDON THOMPSON

PETRO ASSETS INC.

By: _____

Name: John Driscoll
Title: President

INTER PIPELINE GP CORP.

INTER PIPELINE LTD.

By: _____

Name:
Title:

By: _____

Name:
Title:

INTER PIPELINE FUND, by its general partner, PIPELINE MANAGEMENT INC.

INTER PIPELINE PUTCO CORP.

By: _____

Name:
Title:

By: _____

Name:
Title:

SCHEDULE A
SHARE PROVISIONS

The authorized capital of the Corporation shall consist of an unlimited number of Class A Voting Common Shares and an unlimited number of Class B Non-Voting Common Shares, which shares shall have the rights, privileges, restrictions and conditions set forth below, and 7,411,683 Class A Preferred Shares, issuable in series designated 1 through 8 and 7,055,406 Class B Preferred Shares, issuable in series designated 1 through 8, which shares shall have the rights, privileges, restrictions and conditions set forth in the Shares in Series Schedule attached hereto.

CLASS A VOTING COMMON SHARES

I. The Class A Voting Common Shares in the capital of the Corporation shall have the following rights, privileges, restrictions and conditions:

ARTICLE 1 VOTING RIGHTS

1.1 The holders of Class A Voting Common Shares shall be entitled to notice of, to attend and to one (1) vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Class A Voting Common Shares as such).

ARTICLE 2 DIVIDENDS

2.1 The holders of Class A Voting Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Class A Voting Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Class A Voting Common Shares in respect of dividends.

ARTICLE 3 LIQUIDATIONS

3.1 The holders of Class A Voting Common Shares shall be entitled in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Class A Voting Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the Class A Voting Common Shares in respect of return of capital, in such assets of the Corporation as are available for distribution.

CLASS B NON-VOTING COMMON SHARES

II. The Class B Non-Voting Common Shares in the capital of the Corporation shall have the following rights, privileges, restrictions and conditions:

ARTICLE 1 VOTING RIGHTS

1.1 The holders of Class B Non-Voting Common Shares shall not be entitled to notice of, to attend or to vote at any meeting of the shareholders of the Corporation except as required by applicable law.

ARTICLE 2
DIVIDENDS

- 2.1** The holders of Class B Non-Voting Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Class B Non-Voting Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Class B Non-Voting Common Shares in respect of dividends.

ARTICLE 3
LIQUIDATIONS

- 3.1** The holders of Class B Non-Voting Common Shares shall be entitled in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Class B Non-Voting Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the Class B Non-Voting Common Shares in respect of return of capital, in such assets of the Corporation as are available for distribution.

SHARES IN SERIES SCHEDULE

CLASS A PREFERRED SHARES

I. The Class A Preferred Shares in the capital of the Corporation shall be issuable in series and shall have the following rights, privileges, restrictions and conditions:

ARTICLE 1 **INTERPRETATION**

1.1 For the purposes of the rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares:

"Acquisition Proposal" means, other than in respect of the Conversion and the transactions contemplated thereby, (a) IPF or the board of directors of the General Partner (or any special committee thereof) approving, recommending or authorizing any proposal from, or the entering into of a definitive agreement with, any Person or group of Persons "acting jointly or in concert" (within the meaning of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids) which in either case constitutes, or may reasonably be expected to lead to (in either case in one transaction or a series of transactions): (i) an acquisition or purchase from IPF or the securityholders of IPF of 20% or more of the voting securities of IPF; (ii) a direct or indirect acquisition of 20% or more of the assets, determined by reference to the net book value of the assets (or any lease, long term supply agreement or other arrangement having the same economic effect as a purchase or sale of 20% or more of the assets) of IPF and its Subsidiaries taken as a whole; (iii) an amalgamation, arrangement, merger or consolidation involving IPF or its Subsidiaries; or (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization or similar transaction involving IPF and its Subsidiaries; (b) the approval of the requisite number of holders of voting securities of IPF of any proposal which constitutes, or may reasonably be expected to lead to (in one transaction or a series of transactions) an amalgamation, arrangement, merger or consolidation involving the Corporation or its Subsidiaries; (c) the take-up of and payment for any voting securities of IPF pursuant to a "take-over bid" (within the meaning of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids); or (d) entering into a binding agreement to consummate, or consummating, any other transaction, the consummation of which would reasonably be expected to impede, interfere with, prevent or delay the Conversion; provided that any such transaction (other than a transaction referenced in item (d) of this definition) solely between or among the Corporation and/or one or more of its Subsidiaries and/or between or among any of its Subsidiaries shall not constitute an "Acquisition Proposal".

"Act" means the *Business Corporations Act* (Alberta), as amended, consolidated or reenacted from time to time.

"Automatic Retraction Date" has the meaning provided in Section 7.9.

"Board of Directors" means the board of directors of the Corporation and any committee thereof acting within its authority.

"Business Day" means any day except Saturday, Sunday, any statutory holiday in the Province of Alberta, or any other day on which the principal chartered banks in the City of Calgary are closed for business.

"Change of Control" shall be deemed to have occurred if any Person or group of Persons "acting jointly or in concert" (within the meaning of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids) becomes the holder, directly or indirectly, of at least 90% of the Class A Units of IPF on a fully-diluted basis (other than in respect of the Conversion and the transactions contemplated thereby).

"Class A Preferred Shares" means Class A Preferred Shares in the capital of the Corporation.

"Class A Put Right" has the meaning provided in Section 8.1.

"Class A Retraction Amount" means, for each Class A Preferred Share and on any applicable date, an amount equal to the aggregate of, without duplication:

- (a) the Current Market Price of one Class A Unit; provided, however, if the Class A Retraction Amount is being calculated in connection with (i) a Redemption Date established under paragraph (b) of the definition of "Redemption Date" or (ii) the exercise of a Class A Put Right following the establishment of a Redemption Date under paragraph (b) of the definition of "Redemption Date", then in each case the applicable price under this paragraph (a) will be the price paid in respect of each Class A Unit in connection with the Change of Control; plus
- (b) an additional amount equal to the full amount of all cash dividends declared, payable and unpaid on such Class A Preferred Share; plus
- (c) an additional amount equal to the full amount of all cash distributions declared and payable or paid on one Class A Unit, which have not been declared or paid on Class A Preferred Shares in accordance herewith; plus
- (d) an additional amount equal to the Fair Market Value of the full amount of all non-cash dividends declared, payable and unpaid on such Class A Preferred Share; plus
- (e) an additional amount equal to the Fair Market Value of the full amount of all non-cash distributions declared and payable or paid on one Class A Unit, which have not been declared or paid on Class A Preferred Shares in accordance herewith (and such Class A Unit distribution is deemed to be represented by a Class A Preferred Share cash dividend in an amount equal to the Fair Market Value of the Class A Unit distribution for purposes of the determination of the Class A Retraction Amount).

The Class A Retraction Amount shall be payable in cash by cheque, provided that if a non-cash dividend has been declared and is payable and unpaid on the Class A Preferred Shares as provided in paragraph (d) above, the portion of the Class A Retraction Amount payable by such non-cash dividend shall be paid by the issue, transfer and delivery, as applicable, of property representing such non-cash dividend.

Further, (y) all consideration shall be delivered free and clear of any lien, claim, encumbrance, security interest or adverse claim or interest, and (z) all consideration shall be paid or transferred less any tax required to be deducted and withheld therefrom.

"Class A Retraction Availability Date" means the date of the earliest to occur of:

- (a) IPF, Pubco or Putco advising the holders of Class A Preferred Shares and Class B Preferred Shares, or any of them, in writing, that it has determined, for whatever reason, not to proceed with the Conversion;

- (b) any approval required in order for IPF, Pubco and Putco to proceed with the Conversion being denied or not being obtained;
- (c) the arrangement agreement governing the Plan of Arrangement being terminated;
- (d) any approval required for the inclusion of the Conversion Exchange as part of the Conversion being denied or not being obtained or the Conversion being completed without the Conversion Exchange being included therein;
- (e) an Acquisition Proposal;
- (f) the board of directors of the General Partner, the Corporation, Pubco or Putco proposing or taking any formal steps to implement or recommend a Specified Reorganization or, if any other person proposes a Specified Reorganization, such Specified Reorganization receiving any corporate or securityholder approval;
- (g) any of IPF, the Corporation, Pubco or Putco committing a material breach of its obligations under the Support Agreement or under the provisions hereof and such breach continues for 10 Business Days after written notice of such breach is given to each of them by the Required Holders;
- (h) a Change of Control; and
- (i) the one year anniversary of the date of first issue of Class A Preferred Shares;

"Class A Units" means Class A limited partnership units of IPF and, for clarity, after completion of the Conversion means Class A common shares in the capital of Pubco.

"Class A Voting Rate" means the amount of votes per Class A Preferred Share, calculated to the eleventh decimal place, determined by the formula $(16/A)(B/68)$, where:

A = the number of outstanding Class A Preferred Shares; and

B = the number of outstanding Voting Common Shares.

"Class B Preferred Shares" means Class B Preferred Shares of the Corporation.

"Conversion" means the series of transactions involving Pubco, Putco, IPF and the Corporation and their affected securityholders intended to effect a "corporate conversion" in respect of IPF, as defined and further described in the Support Agreement.

"Conversion Exchange" means the proposed exchange, as part of the Conversion, of Class A Preferred Shares and Class B Preferred Shares for securities of Pubco and cash (if applicable), as defined and further described in the Support Agreement.

"Corporation" means Inter Pipeline GP Corp., a corporation incorporated and existing under the Act, and includes any successor corporation.

"Current Market Price" means, in respect of a Class A Unit on any date, the weighted average price per unit (computed and rounded to the third decimal point) at which Class A Units have traded during the period of 20 consecutive trading days ending on the fifth trading day before such date on the Toronto Stock Exchange, or, if the Class A Units are not then traded on the

Toronto Stock Exchange, on such other stock exchange or automated quotation system on which the Class A Units are then listed or quoted, as may be selected by the Board of Directors for such purpose. The weighted average price per Class A Unit shall be determined by dividing the aggregate sale price of all Class A Units sold on the applicable stock exchange or automated quotation system during the said 20 trading day period, by the total number of Class A Units sold.

"Effective Date" means the date of first issue of Class A Preferred Shares.

"Fair Market Value" means, in respect of any property, the fair market value thereof as determined by the Board of Directors acting in good faith and in a commercially reasonable manner.

"General Partner" means Pipeline Management Inc., a corporation incorporated and existing under the Act, and includes any successor corporation.

"IPF" means Inter Pipeline Fund, a limited partnership formed and existing under the *Partnership Act* (Alberta).

"IPF Distribution Declaration Date" means the date on which the board of directors of the General Partner declares any distribution on the Class A Units.

"Liquidation Amount" has the meaning provided in Section 6.1.

"Liquidation Date" has the meaning provided in Section 6.1.

"Non-Voting Common Shares" means Class B Non-Voting Common Shares of the Corporation.

"PAC" means Pipeline Assets Corp.

"PAC Financial Items" means (a) the unaudited financial statements of PAC for the period commencing on January 1, 2013 and ended on the Effective Date and (b) the tax return of PAC filed in respect of the tax period ended on the Effective Date.

"Person" includes an individual, partnership, corporation, company, unincorporated syndicate or organization, trust, trustee, executor, administrator and other legal representative.

"Plan of Arrangement" means the plan of arrangement under the Act expected to be proposed by IPF and Pubco to undertake the Conversion, as defined and further described in the Support Agreement.

"Preferred Share Fair Market Value" means, for each Class A Preferred Share or Class B Preferred Share, as applicable, the highest price, expressed in terms of cash equivalents, at which such Class A Preferred Share or Class B Preferred Share would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms-length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

"Pubco" means Inter Pipeline Ltd., a corporation incorporated and existing under the Act, and includes any successor corporation.

"Put Closing Date" has the meaning ascribed thereto in the Support Agreement.

"Put Notice" has the meaning ascribed thereto in the Support Agreement.

"Putco" means Inter Pipeline Putco Corp., a corporation incorporated and existing under the Act, and includes any successor corporation.

"Redeemed Shares" has the meaning provided in Section 9.3.

"Redemption Date" means the date, if any, established by the Board of Directors for the redemption by the Corporation of all (and not less than all) of the outstanding Class A Preferred Shares pursuant to Article 9, which date shall be no earlier than the twenty-fifth anniversary of the Effective Date, unless:

- (a) the number of Class A Preferred Shares outstanding (excluding Class A Preferred Shares beneficially owned by Pubco, Putco, IPF or any of their respective Subsidiaries, and as such number of shares may be adjusted as deemed appropriate by the Board of Directors in good faith to give effect to any subdivision or consolidation of or stock dividend on the Class A Preferred Shares, any issue or distribution of other securities or rights or evidences of indebtedness or assets, or any other capital reorganization or other transaction affecting the Class A Preferred Shares) is fewer than 370,584, in which case the Board of Directors may accelerate such redemption date to such date prior to the twenty-fifth anniversary of the Effective Date as it may determine; or
- (b) a Change of Control occurs, in which case the Board of Directors may accelerate such redemption date to such date prior to the twenty-fifth anniversary of the Effective Date as it may determine.

In the case of a Change of Control where the consideration received by holders of Class A Units consisted of or included equity securities, the Board of Directors shall only be permitted to establish a Redemption Date in respect of such Change of Control if the holders of Class A Preferred Shares were entitled to participate in such Change of Control on substantially the same terms as the holders of Class A Units (taking into consideration the applicable Class A Retraction Amount on the date of the Change of Control), regardless of whether any holders of Class A Preferred Shares participated in the Change of Control.

"Redemption Notice" has the meaning provided in Section 9.2.

"Redemption Price" has the meaning provided in Section 9.1.

"Required Holders" means, in respect of the Class A Preferred Shares and at any particular time, where there are more than three registered holders of Class A Preferred Shares, at least three of the registered holders of Class A Preferred Shares and, where there are three or less registered holders of Class A Preferred Shares, any one or more of the registered holders of Class A Preferred Shares, in either case holding at least 75% of the then outstanding Class A Preferred Shares (excluding shares held, directly or indirectly and legally or beneficially, by IPF, Pubco, Putco or their respective Subsidiaries or their successors, assigns or transferees), and has the corresponding meaning in respect of the Class B Preferred Shares.

"Retracted Shares" has the meaning provided in Section 7.1(a).

"**Retraction Date**" has the meaning provided in Section 7.1(b).

"**Retraction Price**" has the meaning provided in Section 7.1.

"**Retraction Request**" has the meaning provided in Section 7.1.

"**Special Retraction Date**" has the meaning ascribed thereto in the Support Agreement.

"**Specified Reorganization**" has the meaning provided in the Support Agreement.

"**Subsidiary**", in relation to any Person, means any other Person of which more than 50% of the total voting power of shares of stock or units of ownership or beneficial interest entitled to vote in the election of directors (or members of a comparable governing body) is owned or controlled, directly or indirectly, by such first-mentioned Person.

"**Support Agreement**" means the Put Option and Support Agreement between IPF, Pubco, Putco, the Corporation and the holders of the outstanding Class A Preferred Shares and Class B Preferred Shares on the Effective Date, and made as of the Effective Date, as amended, modified or supplemented from time to time thereafter.

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

"**Unpaid Dividends**" means all declared, payable and unpaid, and all undeclared but payable, cash and non-cash dividends in respect of the Class A Preferred Shares as of a specified date.

"**Voting Common Shares**" means Class A Voting Common Shares of the Corporation.

- 1.2 The division of these share provisions into Articles and Sections and the insertion of headings are for convenience of reference and shall not impact the interpretation of the rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares.
- 1.3 Words importing the singular number include the plural and vice-versa and words importing any gender include all genders.
- 1.4 If any date on which any action is required to be taken is not a Business Day, such action shall be required to be taken on the next succeeding Business Day.

ARTICLE 2

ISSUANCE IN SERIES

- 2.1 The Class A Preferred Shares shall be issuable in series designated 1 through 8, which shall be limited in number as set forth below:

- (a) 222,351 Series 1;
- (b) 222,351 Series 2;
- (c) 667,051 Series 3;
- (d) 222,351 Series 4;
- (e) 370,584 Series 5;

- (f) 222,351 Series 6;
- (g) 370,584 Series 7; and
- (h) 5,114,060 Series 8.

ARTICLE 3
RANKING OF CLASS A PREFERRED SHARES

- 3.1** Each series of Class A Preferred Shares shall rank on parity with every other series of Class A Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs.
- 3.2** The Class A Preferred Shares shall rank on parity with the Class B Preferred Shares and shall be entitled to a preference over the Voting Common Shares and the Non-Voting Common Shares and any other class of shares of the Corporation with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

ARTICLE 4
DIVIDENDS

- 4.1** A holder of a Class A Preferred Share shall be entitled to receive and the Board of Directors shall, subject to applicable law and Section 4.4 hereof, on each IPF Distribution Declaration Date, declare a dividend on each Class A Preferred Share, (a) in the case of a cash distribution declared on the Class A Units, in an amount in cash for each Class A Preferred Share equal to the cash distribution declared on each Class A Unit, (b) in the case of a distribution declared on the Class A Units to be paid in Class A Units, in an amount in cash based upon the Current Market Price of the Class A Units on the IPF Distribution Declaration Date and the number of Class A Units to be distributed on each Class A Unit, and (c) in the case of a distribution declared on the Class A Units in property other than cash or Class A Units (which may include other securities of IPF), in such type and amount of property to be distributed on each Class A Unit, or cash in an amount equal to the Fair Market Value of such property on the IPF Distribution Declaration Date, as determined by the Board of Directors. The dividend entitlement pursuant to this Section 4.1 shall commence with any IPF Distribution Declaration Date occurring from and after the Effective Date. Such dividends (less any tax required to be deducted and withheld from such dividends) shall be paid out of money, assets or property of the Corporation properly applicable to the payment of dividends, or out of authorized but unissued shares of the Corporation.
- 4.2** Cheques of the Corporation shall be issued in respect of any cash dividends contemplated by Section 4.1 hereof, and the sending of such a cheque to each holder of a Class A Preferred Share at the address for notice for the holder as provided in the Support Agreement shall satisfy the cash dividends represented thereby unless the cheque is not paid on presentation. Any other type and amount of property in respect of any dividends contemplated by Section 4.1(c) hereof shall be issued, transferred and/or delivered by the Corporation in such manner as the Board of Directors shall determine, and the issuance, transfer and/or delivery thereof by the Corporation to each holder of a Class A Preferred Share shall satisfy the dividend represented thereby. In all cases, any such dividends shall be subject to any reduction or adjustment for withholding tax required to be deducted and withheld from such dividends under the Tax Act, and, if applicable, the Corporation shall be entitled to liquidate some of the property which would otherwise be deliverable in payment of such dividends to a particular holder of Class A Preferred Shares to fund any statutory withholding obligation under the Tax Act.

- 4.3 Subject to the requirements of the Act and the articles and by-laws of the Corporation, the record date for the determination of the holders of Class A Preferred Shares entitled to receive payment of, and the payment date for, any dividend declared on the Class A Preferred Shares under Section 4.1 hereof shall be the same dates as the record date and payment date, respectively, for the corresponding distribution declared on the Class A Units. In the event that the requirements of applicable law or the articles and by-laws of the Corporation prevent the record date and the payment date of a dividend payable under Section 4.1 from conforming to the record date and payment date for a distribution on Class A Units, the Corporation shall use its reasonable efforts to cause the payment date for the Corporation dividend to be on or before the payment date for the applicable Class A Unit distribution.
- 4.4 Notwithstanding Section 4.1 hereof, the Board of Directors shall not declare a dividend on the Class A Preferred Shares until the earlier of (i) 15 days after receipt by the Corporation of the PAC Financial Items and (ii) 90 days after the Effective Date (the "**Dividend Commencement Date**"); provided that on the first IPF Distribution Declaration Date following the Dividend Commencement Date, the amount of the dividend to be declared by the Board of Directors on each Class A Preferred Share shall be equal to the aggregate amount that would have been declared in accordance with Section 4.1 had the Dividend Commencement Date occurred on the Effective Date.
- 4.5 If on any payment date for any dividends declared on the Class A Preferred Shares under Section 4.1 hereof the dividends are not paid in full on all of the Class A Preferred Shares then outstanding, any such dividends which remain unpaid shall be paid on a subsequent date or dates determined by the Board of Directors on which the Corporation shall have sufficient moneys, assets or property properly applicable to the payment of such dividends.
- 4.6 Except as provided in this Article 4, the holders of Class A Preferred Shares shall not be entitled to receive dividends in respect thereof.
- 4.7 Payment of the Class A Retraction Amount shall satisfy in full all Unpaid Dividends relating to the Class A Preferred Shares in respect of which the Class A Retraction Amount is paid.
- 4.8 The Corporation shall take all necessary steps to designate the full amount of all dividends that it pays or that it is deemed to pay as "eligible dividends" within the meaning of subsection 89(1) of the Tax Act, to the extent that such dividends or deemed dividends, as the case may be, exceed the amount of the Corporation's "low rate income pool", as defined in the Tax Act; provided, however, the foregoing shall not impact the Corporation's ability to complete the Amalgamation (as defined in the Support Agreement).

ARTICLE 5

CERTAIN RESTRICTIONS

- 5.1 So long as any of the Class A Preferred Shares are outstanding, the Corporation shall not at any time without, but may at any time with, the approval of the holders of the Class A Preferred Shares given as specified in Article 11 of these share provisions:
- (a) pay any dividends on the Non-Voting Common Shares, the Voting Common Shares or any other shares ranking junior to the Class A Preferred Shares, other than stock dividends payable in any such other shares ranking junior to the Class A Preferred Shares with respect to the payment of dividends;
 - (b) redeem or purchase or make any capital distribution in respect of Non-Voting Common Shares, the Voting Common Shares or any other shares ranking junior to the Class A Preferred Shares with respect to distribution on liquidation, distribution or winding-up of the Corporation;

- (c) pay any dividends on the Class B Preferred Shares or any other shares ranking on a parity with the Class A Preferred Shares with respect to the payment of dividends; and
- (d) redeem or purchase or make any capital distribution in respect of the Class B Preferred Shares or any other shares ranking on a parity with the Class A Preferred Shares with respect to distribution on liquidation, distribution or winding-up of the Corporation.

The above restrictions shall not apply if all dividends on the outstanding Class A Preferred Shares corresponding to distributions declared on Class A Units with a record date on or following the Effective Date (or as otherwise provided in Section 4.1) shall have been declared on the Class A Preferred Shares and paid in full; provided that dividends may be declared and paid on the Class B Preferred Shares before all dividends on the Class A Preferred Shares have been declared and paid in full, if dividends are paid rateably on such classes of shares, based upon the aggregate amount of all declared and unpaid dividends on the Class A Preferred Shares then outstanding, and the aggregate amount of all declared and unpaid dividends on the Class B Preferred Shares then outstanding.

ARTICLE 6

DISTRIBUTION ON LIQUIDATION

- 6.1** In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, a holder of a Class A Preferred Share shall be entitled to receive from the assets of the Corporation in respect of each Class A Preferred Share held by such holder on the effective date of such liquidation, dissolution or winding-up (the "**Liquidation Date**"), before any distribution of any part of the assets of the Corporation to the holders of the Non-Voting Common Shares, the Voting Common Shares or any other shares ranking junior to the Class A Preferred Shares, and subject to the rights of the holders of the Class B Preferred Shares which rank on a parity with the Class A Preferred Shares upon such a distribution (on the basis provided herein), an amount equal to the Class A Retraction Amount applicable on the Liquidation Date (the "**Liquidation Amount**") in accordance with Section 6.2, which, as set forth in Section 6.2, shall be fully paid and satisfied by the payment and delivery by the Corporation of consideration representing the Class A Retraction Amount, or a rateable portion thereof (and both cash and non-cash items forming part of the consideration representing the Class A Retraction Amount shall be appropriately pro-rated).
- 6.2** On or promptly after the Liquidation Date, (a) if there are sufficient assets to pay the total Liquidation Amount on all Class A Preferred Shares, as well as total Liquidation Amount (as defined in Part II(6.1) below in relation to the Class B Preferred Shares) on the Class B Preferred Shares, the Corporation shall cause to be paid and delivered to the holders of the Class B Preferred Shares the Liquidation Amount for each such Class A Preferred Share; and (b) if there are insufficient assets to pay the total Liquidation Amount of the Class A Preferred Shares, as well as the total Liquidation Amount (as defined in Part II(6.1) below in relation to the Class B Preferred Shares) on the Class B Preferred Shares, the Corporation shall cause to be paid and delivered to the holders of the Class A Preferred Shares an amount equal to a rateable proportion of the total Liquidation Amount of all Class A Preferred Shares held by them and holders of Class B Preferred Shares shall be entitled to receive the same rateable proportion of their total Liquidation Amount, as provided in Part II(6.1) below. In each case, the Liquidation Amount (or rateable proportion thereof) shall be delivered upon presentation and surrender of the certificates representing such Class A Preferred Shares at the registered office of the Corporation. Payment of the Liquidation Amount (or rateable portion thereof) for such Class A Preferred Shares shall be made by delivery to each holder, at the address for notice for the holder as provided in the Support Agreement, or by holding for pick up by the holder at the address for notice for the Corporation as provided in the Support Agreement, of the Liquidation Amount (or rateable portion thereof) representing such holder's entitlement as provided above. On and after the Liquidation Date, the holders of the Class A Preferred Shares shall cease to be holders of such Class A Preferred Shares and shall not be entitled to exercise any of the rights of holders in respect

thereof, other than the right to receive their proportionate part of the total Liquidation Amount, unless payment and delivery of the total Liquidation Amount (or rateable portion thereof) for Class A Preferred Shares shall not be made upon presentation and surrender of share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Liquidation Amount (or rateable portion thereof) has been paid and delivered in the manner hereinbefore provided. The Corporation shall have the right at any time on or after the Liquidation Date to deposit or cause to be deposited consideration representing the total Class A Retraction Amount in respect of the Class A Preferred Shares represented by certificates that have not, at the Liquidation Date, been surrendered by the holders thereof in a custodial account or for safe keeping, in the case of non-cash items, with any chartered bank or trust company in Canada. Upon such deposit being made, the rights of the holders of the Class A Preferred Shares after such deposit shall be limited to receiving their proportionate part of the total Liquidation Amount (or rateable portion thereof) for such Class A Preferred Shares so deposited, against presentation and surrender of the said certificates held by them, in accordance with the foregoing provisions.

- 6.3** After the Corporation has satisfied its obligations to pay the holders of the Class A Preferred Shares the Liquidation Amount per Class A Preferred Share, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.
- 6.4** The Corporation shall give written notice to the holders of Class A Preferred Shares of any Liquidation Date. In the case of a voluntary liquidation, distribution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs that has been approved by the shareholders as required under applicable law, such notice shall be given at least 60 days before the proposed Liquidation Date. In the case of any other liquidation, dissolution or winding-up of the Corporation or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, such notice shall be given as far in advance of the anticipated Liquidation Date as reasonably practicable in the circumstances, and in any event, not less than five Business Days before the anticipated Liquidation Date.

ARTICLE 7

RETRACTION OF CLASS A PREFERRED SHARES BY HOLDER

- 7.1** A holder of Class A Preferred Shares may not require the redemption by the Corporation of any Class A Preferred Shares prior to the Class A Retraction Availability Date. A holder of Class A Preferred Shares shall be entitled, at any time on or after the Class A Retraction Availability Date, subject to applicable law and otherwise upon compliance with the provisions of this Article 7, to require the Corporation to redeem any or all of the Class A Preferred Shares registered in the name of such holder for an amount equal to the Class A Retraction Amount applicable on the Business Day of delivery of the Retraction Request to the address for notice for the Corporation as provided in the Support Agreement (the "**Retraction Price**"), such payment to be made as further provided in Section 7.3. To effect such redemption, the holder shall present and surrender at the address for notice for the Corporation as provided in the Support Agreement the certificate or certificates representing the Class A Preferred Shares which the holder desires to have the Corporation redeem, together with such other documents and instruments as may be required to effect a transfer of the Class A Preferred Shares under applicable law and the articles and by-laws of the Corporation, and together with a duly executed statement (the "**Retraction Request**") in the form of Appendix "A" hereto or in such other form as may be acceptable to the Corporation, acting reasonably:
- (a) specifying that the holder desires to have all or any number specified therein of the Class A Preferred Shares represented by such certificate or certificates (the "**Retracted Shares**") redeemed by the Corporation; and

- (b) stating the Business Day on which the holder desires to have the Corporation redeem the Retracted Shares (the "**Retraction Date**"), provided that the Retraction Date shall be not earlier than the 20th Business Day after the date on which the Retraction Request is received by the Corporation, and further provided that in the event that no such Business Day is specified by the holder in the Retraction Request, the Retraction Date shall be deemed to be the 20th Business Day after the date on which the Retraction Request is received by the Corporation, and further provided that the Corporation and the applicable holder may thereafter agree to a different Retraction Date than the Business Day specified in the Retraction Request, and such agreed date shall thereafter be deemed to be the applicable Retraction Date hereunder.
- 7.2** Upon receipt by the Corporation in the manner specified in Section 7.1 hereof of a certificate or certificates representing the number of Class A Preferred Shares which the holder desires to have the Corporation redeem, together with a Retraction Request, the Corporation shall redeem the Retracted Shares effective at the close of business on the Retraction Date and shall cause to be delivered to such holder the total Retraction Price with respect to such shares in accordance with Section 7.3 hereof. If only a part of the Class A Preferred Shares represented by any certificate are redeemed, a new certificate for the balance of such Class A Preferred Shares shall be issued to the holder at the expense of the Corporation.
- 7.3** Subject to receipt by the Corporation of a Retraction Request, the Corporation shall deliver to the relevant holder, at the address for notice for the holder as specified in the Support Agreement or at the address specified in the holder's Retraction Request or by holding for pick up by the holder at the address for notice to the Corporation as specified in the Support Agreement, as may be specified in the Retraction Request, the consideration representing the total Retraction Price, and such delivery of consideration representing the total Retraction Price to the holder shall be deemed to be payment of and shall satisfy and discharge all liability for the total Retraction Price except as to any cheque included therein which is not paid on due presentation.
- 7.4** On and after the close of business on the Retraction Date, the holder of the Retracted Shares shall cease to be a holder of such Retracted Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive such holder's total Retraction Price unless after presentation and surrender of certificates in accordance with the foregoing provisions, payment of the total Retraction Price shall not be made, in which case the rights of such holder shall remain unaffected until consideration representing the total Retraction Price has been paid.
- 7.5** Notwithstanding any other provision of this Article 7, the Corporation shall not be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent that such redemption of Retracted Shares would be contrary to liquidity or solvency requirements or other provisions of applicable law. If the Corporation believes that on any Retraction Date it would not be permitted by any of such provisions to redeem the Retracted Shares tendered for redemption in respect of such date, the Corporation shall only be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent of the maximum number that may be so redeemed (rounded down to a whole number of shares) as would not be contrary to such provisions and shall notify the holder at least two Business Days prior to the Retraction Date as to the number of Retracted Shares which will not be redeemed by the Corporation. In any case in which the redemption by the Corporation of Retracted Shares would be contrary to liquidity or solvency requirements or other provisions of applicable law, the Corporation shall redeem Retracted Shares in accordance with Section 7.2 of these share provisions on a pro rata basis. The holder of any such Retracted Shares not redeemed by the Corporation pursuant to Section 7.2 hereof as a result of liquidity or solvency requirements or applicable law shall be deemed by giving the Retraction Request to require Putco to purchase such Retracted Shares from such holder on the Retraction Date or as soon as practicable thereafter on payment by Putco to such holder of the Retraction Price for each such Retracted Share, as further provided in Section 7.6, and Putco shall make such purchase.

- 7.6 For purposes of completing the purchase by Putco of Retracted Shares as provided in Section 7.5, Putco shall deposit with the Corporation (as paying agent) on the Retraction Date or as soon as reasonably practicable thereafter, consideration representing the total Retraction Price of the Retracted Shares to be so purchased. Closing of the purchase and sale shall be deemed to have occurred at the close of business on the later of the Retraction Date and the date of such deposit. The Corporation (as paying agent) shall deliver to the relevant holder at the address for notice to the holder as provided in the Support Agreement or at the address specified in the holder's Retraction Request or by holding for pick up by the holder at the registered office of the Corporation, as may be specified in the Retraction Request, the consideration representing the total applicable Retraction Price, and such delivery of such consideration shall be deemed to be payment of and shall satisfy and discharge all liability for the total applicable Retraction Price, except as to any cheque included therein which is not paid on due presentation.
- 7.7 Notwithstanding any other provisions of this Article 7, at any time after the giving of a Put Notice by a holder of Class A Preferred Shares and prior to the Put Closing Date to which such Put Notice relates, the holder may, at its sole election, by delivering a notice in writing to Putco, IPF, Pubco and the Corporation, deem such Put Notice to be a Retraction Request, in which case the Corporation shall accept and shall be deemed to have accepted such Put Notice as a Retraction Request and shall redeem the Class A Preferred Shares to which such Put Notice relates in accordance with the provisions of this Article 7 for an amount equal to the Class A Retraction Amount applicable on the Business Day of delivery of the Put Notice; provided, however, the Retraction Date for purposes of this Section 7.7 shall be the applicable Put Closing Date.
- 7.8 Notwithstanding any other provisions of this Article 7, if the Conversion Exchange is not approved, a holder of Class A Preferred Shares may at its option determine to immediately retract any or all of its Class A Preferred Shares by delivering a Retraction Request to the address for notice for the Corporation as provided in the Support Agreement at any time before 5:00 p.m. (Calgary time) on the Special Retraction Date, in which case the Corporation shall forthwith issue an instrument in writing to such holder acknowledging its obligation to pay such holder the aggregate Class A Retraction Amount applicable on the Business Day of delivery of such Retraction Request within 20 days thereof and shall redeem the Class A Preferred Shares to which such Retraction Request relates in accordance with the provisions of this Article 7 for such Class A Retraction Amount and such retraction shall be deemed for all purposes to have been effective on the Special Retraction Date.
- 7.9 Notwithstanding any other provisions of this Article 7, at any time after a holder of Class A Preferred Shares has received notice of a Specified Reorganization and prior to 5:00 p.m. (Calgary time) on the Business Day (the "**Automatic Retraction Date**") immediately prior to the effective date of such Specified Reorganization, the holder may at its option determine to immediately retract any or all of its Class A Preferred Shares by delivering a Retraction Request to the address for notice for the Corporation as provided in the Support Agreement at any time before 5:00 p.m. (Calgary time) on the Automatic Retraction Date, in which case the Corporation shall forthwith issue an instrument in writing to such holder acknowledging its obligation to pay such holder the aggregate Class A Retraction Amount applicable on the Business Day of delivery of such Retraction Request within 20 days thereof and shall redeem the Class A Preferred Shares to which such Retraction Request relates in accordance with the provisions of this Article 7 for such Class A Retraction Amount and such retraction shall be deemed for all purposes to have been effective on the Automatic Retraction Date.

ARTICLE 8

CLASS A PUT RIGHT

- 8.1 Upon and subject to the terms and conditions contained in the Support Agreement:
- (a) a holder of Class A Preferred Shares shall have the right (the "**Class A Put Right**"), exercisable at any time on or after the Class A Retraction Availability Date, to require

Putco to purchase all or any part of the Class A Preferred Shares of the holder, provided that in connection with the liquidation, dissolution or winding-up of the Corporation, the Class A Put Right must be exercised by a holder by no later than the Business Day before any Liquidation Date.

(b) upon the exercise by the holder of the Class A Put Right, the holder shall be required to sell to Putco, and Putco shall be required to purchase from the holder, that number of Class A Preferred Shares in respect of which the Class A Put Right is exercised, in consideration of the payment by Putco of the Preferred Share Fair Market Value applicable thereto (which shall be the Preferred Share Fair Market Value applicable on the Business Day of exercise of the Class A Put Right), as further provided in the Support Agreement.

8.2 The exercise of the Class A Put Right and the completion of any sale and purchase pursuant to the Class A Put Right shall occur on the terms and conditions described in the Support Agreement.

8.3 If only a part of the Class A Preferred Shares represented by any certificate are to be sold and purchased pursuant to the exercise of the Class A Put Right, a new certificate for the balance of such Class A Preferred Shares shall be issued to the holder at the expense of the Corporation.

ARTICLE 9 **REDEMPTION OF CLASS A PREFERRED SHARES BY THE CORPORATION**

9.1 Subject to applicable law and the right of each holder of Class A Preferred Shares to exercise the Class A Put Right, on the Redemption Date the Corporation shall redeem all (and not less than all) of the then outstanding Class A Preferred Shares for an amount per share equal to the Class A Retraction Amount applicable on the Business Day immediately before the Redemption Date (the "**Redemption Price**"), such payment to be made as further provided in Section 9.3.

9.2 In any case of a redemption of Class A Preferred Shares under this Article 9, the Corporation shall send or cause to be sent to each holder of Class A Preferred Shares a notice in writing of the redemption by the Corporation of the Class A Preferred Shares held by such holder (the "**Redemption Notice**"). The Redemption Notice shall set out the formula for determining the Redemption Price, the Redemption Date and the requirements to exercise the Class A Put Right. The Redemption Notice shall be sent:

(a) in the case of a Redemption Date established under paragraph (b) of the definition of "Redemption Date", at least 15 days before the Redemption Date; and

(b) in the case of any other Redemption Date, at least 60 days before the Redemption Date.

9.3 On the Redemption Date, and subject to the exercise by any holder of the Class A Put Right, the Corporation shall cause the Redemption Price for each Class A Preferred Share to be delivered to the holders of the Class A Preferred Shares to be redeemed (the "**Redeemed Shares**") at the address for notice for such holders as provided in the Support Agreement upon presentation and surrender of the Redeemed Shares at the address for notice for the Corporation as provided in the Support Agreement.

9.4 On and after the Redemption Date, the holders of the Redeemed Shares shall cease to be holders of such shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Redemption Price, unless payment of such holder's proportionate share of the total Redemption Price shall not be made upon such holder's presentation and surrender of certificates in accordance with the

foregoing provisions, in which case the rights of such holder shall remain unaffected until such holder's proportionate share of the total Redemption Price has been paid to such holder.

- 9.5** Notwithstanding any proposed redemption of the Class A Preferred Shares by the Corporation, each holder of Class A Preferred Shares shall have the right to exercise the Class A Put Right at any time up to and including the Business Day prior to the Redemption Date. Upon the due exercise of the Class A Put Right on or before the Business Day prior to the Redemption Date as required above, any proposed redemption by the Corporation will automatically terminate with respect to such holder, and the completion of the sale and purchase shall occur in accordance with the terms and conditions described in the Support Agreement.

ARTICLE 10
VOTING RIGHTS

- 10.1** The holders of the Class A Preferred Shares shall be entitled as such to receive notice of and to attend any meeting of the shareholders of the Corporation and to vote in respect of each Class A Preferred Share held at any such meeting at the Class A Voting Rate per Class A Preferred Share.

ARTICLE 11
AMENDMENT AND APPROVAL

- 11.1** The rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares may be added to, changed or removed but, except as hereinafter provided, only with the approval of the Required Holders of the Class A Preferred Shares given as hereinafter specified.
- 11.2** Any approval given by the holders of the Class A Preferred Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class A Preferred Shares or any other matter requiring the approval or consent of the holders of the Class A Preferred Shares under applicable law shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by a resolution passed by the Required Holders by instrument in writing or by Persons represented in person or by proxy at a meeting of holders of Class A Preferred Shares (excluding Class A Preferred Shares beneficially owned by Putco, Pubco, IPF or any of their respective Subsidiaries) duly called and held at which the holders of at least 75% of the outstanding Class A Preferred Shares at that time are present or represented by proxy.

ARTICLE 12
RECIPROCAL CHANGES, ETC. IN RESPECT OF CLASS A UNITS

- 12.1** If IPF:
- (a) subdivides, redivides or changes the then outstanding Class A Units into a greater number of Class A Units; or
 - (b) reduces, combines or consolidates or changes the then outstanding Class A Units into a lesser number of Class A Units; or
 - (c) reclassifies or otherwise changes the Class A Units or effects an amalgamation, merger, reorganization or other transaction involving or affecting the Class A Units,

then the same change, *mutatis mutandis*, will simultaneously be made to, or in the rights of the holders of, the Class A Preferred Shares, as determined by the Board of Directors acting in good faith.

ARTICLE 13
LEGEND

- 13.1 The certificates evidencing the Class A Preferred Shares shall contain or have affixed thereto a legend, in form and on terms approved by the Board of Directors, with respect to the Support Agreement.

ARTICLE 14
MISCELLANEOUS

- 14.1 Except where otherwise provided herein, any notice, request or other communication to be given to the Corporation, Pubco, Putco or IPF by a holder of Class A Preferred Shares shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by facsimile or by delivery to the address for notice to the Corporation, Pubco, Putco or IPF, as applicable, as provided in the Support Agreement. Any such notice, request or other communication, shall only be deemed to have been given and received upon actual receipt thereof by the Corporation, Pubco, Putco or IPF, as applicable.
- 14.2 Except where otherwise provided herein, any presentation and surrender by a holder of Class A Preferred Shares to the Corporation of certificates representing Class A Preferred Shares in connection with the liquidation, dissolution or winding-up of the Corporation or the retraction, redemption or sale of Class A Preferred Shares shall be made by registered mail (postage prepaid) or by delivery to the address for notice to the Corporation as provided in the Support Agreement. Any such presentation and surrender of certificates shall only be deemed to have been made and to be effective upon actual receipt thereof by the Corporation, and the method of any such presentation and surrender of certificates shall be at the sole risk of the holder.
- 14.3 Except where otherwise provided herein, any notice, request or other communication to be given to a holder of Class A Preferred Shares by or on behalf of the Corporation, Pubco, Putco or IPF shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by delivery to the address for notice to the holder as provided in the Support Agreement. Any such notice, request or other communication, shall only be deemed to have been given or received upon actual receipt thereof by the holder.
- 14.4 For greater certainty, any payments to the holders of Class A Preferred Shares shall be net of applicable taxes, if any, and the payor shall not be obliged to gross up or increase the amount of such payment which would otherwise be made to take into account such taxes. Any such taxes which have been withheld or deducted by the payor thereof shall be remitted to the applicable tax authority within the time required for such remittance.
- 14.5 For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) the "specified amount" in respect of each Class A Preferred Share shall be \$21.75.

CLASS B PREFERRED SHARES

- II. The Class B Preferred Shares in the capital of the Corporation shall be issuable in series and shall have the following rights, privileges, restrictions and conditions:

ARTICLE 1
INTERPRETATION

- 1.1 For the purposes of the rights, privileges, restrictions and conditions attaching to the Class B Preferred Shares:

"Acquisition Proposal" means, other than in respect of the Conversion and the transactions contemplated thereby, (a) IPF or the board of directors of the General Partner (or any special committee thereof) approving, recommending or authorizing any proposal from, or the entering into of a definitive agreement with, any Person or group of Persons "acting jointly or in concert" (within the meaning of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids) which in either case constitutes, or may reasonably be expected to lead to (in either case in one transaction or a series of transactions): (i) an acquisition or purchase from IPF or the securityholders of IPF of 20% or more of the voting securities of IPF; (ii) a direct or indirect acquisition of 20% or more of the assets, determined by reference to the net book value of the assets (or any lease, long term supply agreement or other arrangement having the same economic effect as a purchase or sale of 20% or more of the assets) of IPF and its Subsidiaries taken as a whole; (iii) an amalgamation, arrangement, merger or consolidation involving IPF or its Subsidiaries; or (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization or similar transaction involving IPF and its Subsidiaries; (b) the approval of the requisite number of holders of voting securities of IPF of any proposal which constitutes, or may reasonably be expected to lead to (in one transaction or a series of transactions) an amalgamation, arrangement, merger or consolidation involving the Corporation or its Subsidiaries; (c) the take-up of and payment for any voting securities of IPF pursuant to a "take-over bid" (within the meaning of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids); or (d) entering into a binding agreement to consummate, or consummating, any other transaction, the consummation of which would reasonably be expected to impede, interfere with, prevent or delay the Conversion; provided that any such transaction (other than a transaction referenced in item (d) of this definition) solely between or among the Corporation and/or one or more of its Subsidiaries and/or between or among any of its Subsidiaries shall not constitute an "Acquisition Proposal".

"Act" means the *Business Corporations Act* (Alberta), as amended, consolidated or reenacted from time to time.

"Automatic Retraction Date" has the meaning provided in Section 7.9.

"Board of Directors" means the board of directors of the Corporation and any committee thereof acting within its authority.

"Business Day" means any day except Saturday, Sunday, any statutory holiday in the Province of Alberta, or any other day on which the principal chartered banks in the City of Calgary are closed for business.

"Change of Control" shall be deemed to have occurred if any Person or group of Persons "acting jointly or in concert" (within the meaning of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids) becomes the holder, directly or indirectly, at least 90% of the Class A Units of IPF on a fully-diluted basis (other than in respect of the Conversion and the transactions contemplated thereby).

"Class A Preferred Shares" means Class A Preferred Shares of the Corporation.

"Class A Units" means Class A limited partnership units of IPF and, for clarity, after completion of the Conversion means Class A common shares in the capital of Pubco.

"Class B Preferred Shares" means Class B Preferred Shares in the capital of the Corporation.

"Class B Put Right" has the meaning provided in Section 8.1.

"Class B Retraction Amount" means, for each Class B Preferred Share and on any applicable date, an amount equal to the aggregate of, without duplication:

- (a) the Current Market Price of one Class A Unit; provided, however, if the Class B Retraction Amount is being calculated in connection with (i) a Redemption Date established under paragraph (b) of the definition of "Redemption Date" or (ii) the exercise of a Class B Put Right following the establishment of a Redemption Date under paragraph (b) of the definition of "Redemption Date", then in each case the applicable price under this paragraph (a) will be the price paid in respect of each Class A Unit in connection with the Change of Control; plus
- (b) an additional amount equal to the full amount of all cash dividends declared, payable and unpaid on such Class B Preferred Share; plus
- (c) an additional amount equal to the full amount of all cash distributions declared and payable or paid on one Class A Unit on or after the Class B Retraction Availability Date, which have not been declared or paid on Class B Preferred Shares in accordance herewith; plus
- (d) an additional amount equal to the Fair Market Value of the full amount of all non-cash dividends declared, payable and unpaid on such Class B Preferred Share; plus
- (e) an additional amount equal to the Fair Market Value of the full amount of all non-cash distributions declared and payable or paid on one Class A Unit on or after the Class B Retraction Availability Date, which have not been declared or paid on Class B Preferred Shares in accordance herewith (and such Class A Unit distribution is deemed to be represented by a Class B Preferred Share cash dividend in an amount equal to the Fair Market Value of the Class A Unit distribution for purposes of the determination of the Class B Retraction Amount); plus
- (f) an additional amount equal to the amount of any Excess Distributions paid by IPF in cash prior to the Class B Retraction Availability Date and the Fair Market Value of all non-cash distributions constituting Excess Distributions made by IPF prior to the Class B Retraction Availability Date, in each case increased by the interest that would have accrued thereon from the date paid by IPF to the date on which the Class B Retraction Amount is being determined if interest thereon were to be calculated monthly at the nominal annual rate declared from time to time by Canadian Imperial Bank of Commerce to be its prime rate for Canadian dollar commercial loans made in Canada,

provided that if the Class B Retraction Availability Date occurs by reason of the occurrence of the Outside Date, then the Class B Retraction Amount shall be reduced, and shall equal the product of (y) the amount as otherwise determined above, multiplied by (z) the Reduction Factor.

The Class B Retraction Amount shall be payable in cash by cheque, provided that if a non-cash dividend has been declared and is payable and unpaid on the Class B Preferred Shares as provided in paragraph (d) above, the portion of the Class B Retraction Amount payable by such non-cash dividend shall be paid by the issue, transfer and delivery, as applicable, of property representing such non-cash dividend (reduced as provided above, if applicable).

Further, (y) all consideration shall be delivered free and clear of any lien, claim, encumbrance, security interest or adverse claim or interest, and (z) all consideration shall be paid or transferred less any tax required to be deducted and withheld therefrom.

"Class B Retraction Availability Date" means the date of the earliest to occur of:

- (a) an Acquisition Proposal;
- (b) the board of directors of the General Partner, the Corporation, Putco or Pubco proposing or taking any formal steps to implement or recommend a Specified Reorganization or, if any other person proposes a Specified Reorganization, such Specified Reorganization receiving any corporate or securityholder approval;
- (c) any of IPF, the Corporation, Putco or Pubco committing a material breach of its obligations under the Support Agreement or under the provisions hereof and such breach continues for 10 Business Days after written notice of such breach is given to each of them by the Required Holders;
- (d) the Class B Trigger Date;
- (e) a Change of Control; and
- (f) the Outside Date.

"Class B Trigger Date" means the earlier to occur of:

- (a) the earliest date on which both of the following conditions has been met:
 - (i) under the Bitumen Blend Transportation Services Agreement dated March 26, 2013 between IPF and FCCL Partnership, IPF has begun to receive (or become entitled to receive) either the FCCL Fees or the ACF (in each case as defined as therein and collectively referred to herein as the "**Bitumen Fees**"); and
 - (ii) under the Condensate Transportation Services Agreement dated March 26, 2013 between IPF and FCCL Partnership, IPF has begun to receive (or become entitled to receive) FCCL Fees or the ACF (in each case as defined therein and collectively referred to herein as the "**Condensate Fees**"); and
- (b) any acquisition or purchase from IPF or its Subsidiaries (whether of voting securities or assets or by lease, long term supply agreement or otherwise) that has had or would have the effect of transferring IPF's entitlement to receive the Bitumen Fees or Condensate Fees prior to the conditions in clause (a) of this definition being met.

"Class B Voting Rate" means the amount of votes per Class B Preferred Share, calculated to the eleventh decimal place, determined by the formula $(16 / A)(B/68)$, where:

A = the number of outstanding Class B Preferred Shares; and

B = the number of outstanding Voting Common Shares.

"Conversion" means the series of transactions involving Pubco, Putco, IPF and the Corporation and their affected securityholders intended to effect a "corporate conversion" in respect of IPF, as defined and further described in the Support Agreement.

"Corporation" means Inter Pipeline GP Corp., a corporation incorporated and existing under the Act, and includes any successor corporation.

"Current Market Price" means, in respect of a Class A Unit on any date, the weighted average price per unit (computed and rounded to the third decimal point) at which Class A Units have traded during the period of 20 consecutive trading days ending on the fifth trading day before such date on the Toronto Stock Exchange, or, if the Class A Units are not then traded on the Toronto Stock Exchange, on such other stock exchange or automated quotation system on which the Class A Units are then listed or quoted, as may be selected by the Board of Directors for such purpose. The weighted average price per Class A Unit shall be determined by dividing the aggregate sale price of all Class A Units sold on the applicable stock exchange or automated quotation system during the said 20 trading day period, by the total number of Class A Units sold.

"Effective Date" means the date of first issue of Class B Preferred Shares.

"Excess Distributions" means in respect of any calendar year, any distributions declared by IPF (or, after the Conversion, Pubco) other than ordinary course cash distributions on the Class A Units (or, after the Conversion, ordinary course cash dividends on the Class A common shares of Pubco).

"Fair Market Value" means, in respect of any property, the fair market value thereof as determined by the Board of Directors acting in good faith and in a commercially reasonable manner.

"General Partner" means Pipeline Management Inc., a corporation incorporated and existing under the Act, and includes any successor corporation.

"IPF" means Inter Pipeline Fund, a limited partnership formed and existing under the *Partnership Act* (Alberta).

"IPF Distribution Declaration Date" means the date on which the board of directors of the General Partner declares any distribution on the Class A Units.

"Liquidation Amount" has the meaning provided in Section 6.1.

"Liquidation Date" has the meaning provided in Section 6.1.

"Non-Voting Common Shares" means Class B Non-Voting Common Shares of the Corporation.

"Outside Date" means January 1, 2017.

"Person" includes an individual, partnership, corporation, company, unincorporated syndicate or organization, trust, trustee, executor, administrator and other legal representative.

"Plan of Arrangement" means the plan of arrangement under the Act expected to be proposed by IPF and Pubco to undertake the Conversion, as defined and further described in the Support Agreement.

"Preferred Share Fair Market Value" means, for each Class A Preferred Share or Class B Preferred Share, as applicable, the highest price, expressed in terms of cash equivalents, at

which such Class A Preferred Share or Class B Preferred Share would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms-length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

"**Pubco**" means Inter Pipeline Ltd., a corporation incorporated and existing under the Act, and includes any successor corporation.

"**Put Closing Date**" has the meaning ascribed thereto in the Support Agreement.

"**Put Notice**" has the meaning ascribed thereto in the Support Agreement.

"**Putco**" means Inter Pipeline Putco Corp., a corporation incorporated and existing under the Act, and includes any successor corporation.

"**Redeemed Shares**" has the meaning provided in Section 9.3.

"**Redemption Date**" means the date, if any, established by the Board of Directors for the redemption by the Corporation of all (and not less than all) of the outstanding Class B Preferred Shares pursuant to Article 9, which date shall be no earlier than the twenty-fifth anniversary of the Effective Date, unless:

- (a) the number of Class B Preferred Shares outstanding (excluding Class B Preferred Shares beneficially owned by Pubco, Putco, IPF or any of their respective Subsidiaries, and as such number of shares may be adjusted as deemed appropriate by the Board of Directors in good faith to give effect to any subdivision or consolidation of or stock dividend on the Class B Preferred Shares, any issue or distribution of other securities or rights or evidences of indebtedness or assets, or any other capital reorganization or other transaction affecting the Class B Preferred Shares) is fewer than 352,770, in which case the Board of Directors may accelerate such redemption date to such date prior to the twenty-fifth anniversary of the Effective Date as it may determine; or
- (b) a Change of Control occurs, in which case the Board of Directors may accelerate such redemption date to such date prior to the twenty-fifth anniversary of the Effective Date as it may determine.

In the case of a Change of Control where the consideration received by holders of Class A Units consisted of or included equity securities, the Board of Directors shall only be permitted to establish a Redemption Date in respect of such Change of Control if the holders of Class B Preferred Shares were entitled to participate in such Change of Control on substantially the same terms as the holders of Class A Units (taking into consideration the applicable Class B Retraction Amount on the date of the Change of Control), regardless of whether any holders of Class B Preferred Shares participated in the Change of Control.

"**Redemption Notice**" has the meaning provided in Section 9.2.

"**Redemption Price**" has the meaning provided in Section 9.1.

"**Reduction Factor**" means 70/170, which for purposes of these share provisions shall be expressed as a fraction with a numerator calculated to five decimal places and a denominator of one.

"Required Holders" means, in respect of the Class B Preferred Shares and at any particular time, where there are more than three registered holders of Class B Preferred Shares, at least three of the registered holders of Class B Preferred Shares and, where there are three or less registered holders of Class B Preferred Shares, any one or more of the registered holders of Class B Preferred Shares, in either case holding at least 75% of the then outstanding Class B Preferred Shares (excluding shares held, directly or indirectly and legally or beneficially, by IPF, Pubco, Putco or their respective Subsidiaries or their successors, assigns or transferees), and has the corresponding meaning in respect of the Class A Preferred Shares.

"Retracted Shares" has the meaning provided in Section 7.1(a).

"Retraction Date" has the meaning provided in Section 7.1(b).

"Retraction Price" has the meaning provided in Section 7.1.

"Retraction Request" has the meaning provided in Section 7.1.

"Special Retraction Date" has the meaning ascribed thereto in the Support Agreement.

"Specified Reorganization" has the meaning provided in the Support Agreement.

"Subsidiary", in relation to any Person, means any other Person of which more than 50% of the total voting power of shares of stock or units of ownership or beneficial interest entitled to vote in the election of directors (or members of a comparable governing body) is owned or controlled, directly or indirectly, by such first-mentioned Person.

"Support Agreement" means the Put Option and Support Agreement between IPF, Pubco, Putco, the Corporation and the holders of the outstanding Class A Preferred Shares and Class B Preferred Shares on the Effective Date, and made as of the Effective Date, as amended, modified or supplemented from time to time thereafter.

"Tax Act" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

"Unpaid Dividends" means all declared, payable and unpaid, and all undeclared but payable, cash and non-cash dividends in respect of the Class B Preferred Shares as of a specified date.

"Voting Common Shares" means Class A Voting Common Shares of the Corporation.

- 1.2 The division of these share provisions into Articles and Sections and the insertion of headings are for convenience of reference and shall not impact the interpretation of the rights, privileges, restrictions and conditions attaching to the Class B Preferred Shares.
- 1.3 Words importing the singular number include the plural and vice-versa and words importing any gender include all genders.
- 1.4 If any date on which any action is required to be taken is not a Business Day, such action shall be required to be taken on the next succeeding Business Day.

ARTICLE 2 **ISSUANCE IN SERIES**

2.1 The Class B Preferred Shares shall be issuable in series designated 1 through 8, which shall be limited in number as set forth below:

- (a) 211,662 Series 1;
- (b) 211,662 Series 2;
- (c) 634,987 Series 3;
- (d) 211,662 Series 4;
- (e) 352,770 Series 5;
- (f) 211,662 Series 6;
- (g) 352,770 Series 7; and
- (h) 4,868,231 Series 8.

ARTICLE 3
RANKING OF CLASS B PREFERRED SHARES

3.1 Each series of Class B Preferred Shares shall rank on parity with every other series of Class B Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

3.2 The Class B Preferred Shares shall rank on parity with the Class A Preferred Shares and shall be entitled to a preference over the Voting Common Shares and the Non-Voting Common Shares and any other class of shares of the Corporation with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

ARTICLE 4
DIVIDENDS

4.1 A holder of a Class B Preferred Share shall not be entitled to receive dividends in respect thereof prior to the Class B Retraction Availability Date. A holder of a Class B Preferred Share shall be entitled to receive and the Board of Directors shall, subject to applicable law, on each IPF Distribution Declaration Date occurring on or after the Class B Retraction Availability Date, declare a dividend on each Class B Preferred Share, (a) in the case of a cash distribution declared on the Class A Units, in an amount in cash for each Class B Preferred Share equal to the cash distribution declared on each Class A Unit, (b) in the case of a distribution declared on the Class A Units to be paid in Class A Units, in an amount in cash based upon the Current Market Price of the Class A Units on the IPF Distribution Declaration Date and the number of Class A Units to be distributed on each Class A Unit, and (c) in the case of a distribution declared on the Class A Units in property other than cash or Class A Units (which may include other securities of IPF), in such type and amount of property to be distributed on each Class A Unit, or cash in an amount equal to the Fair Market Value of such property on the IPF Distribution Declaration Date, as determined by the Board of Directors; provided that if the Class B Retraction Availability Date occurs by reason of the occurrence of the Outside Date, then each component of the dividends on the Class B Preferred Shares as provided above shall be reduced, and shall equal the product of: (y) the amount of such component as otherwise determined above,

multiplied by (z) the Reduction Factor. Such dividends (less any tax required to be deducted and withheld from such dividends) shall be paid out of money, assets or property of the Corporation properly applicable to the payment of dividends, or out of authorized but unissued shares of the Corporation.

- 4.2** Cheques of the Corporation shall be issued in respect of any cash dividends contemplated by Section 4.1 hereof, and the sending of such a cheque to each holder of a Class B Preferred Share at the address for notice for the holder as provided in the Support Agreement shall satisfy the cash dividends represented thereby unless the cheque is not paid on presentation. Any other type and amount of property in respect of any dividends contemplated by Section 4.1(c) hereof shall be issued, transferred and/or delivered by the Corporation in such manner as the Board of Directors shall determine, and the issuance, transfer and/or delivery thereof by the Corporation to each holder of a Class B Preferred Share shall satisfy the dividend represented thereby. In all cases, any such dividends shall be subject to any reduction or adjustment for withholding tax required to be deducted and withheld from such dividends under the Tax Act, and, if applicable, the Corporation shall be entitled to liquidate some of the property which would otherwise be deliverable in payment of such dividends to a particular holder of Class B Preferred Shares to fund any statutory withholding obligation under the Tax Act.
- 4.3** Subject to the requirements of the Act and the articles and by-laws of the Corporation, the record date for the determination of the holders of Class B Preferred Shares entitled to receive payment of, and the payment date for, any dividend declared on the Class B Preferred Shares under Section 4.1 hereof shall be the same dates as the record date and payment date, respectively, for the corresponding distribution declared on the Class A Units. In the event that the requirements of applicable law or the articles and by-laws of the Corporation prevent the record date and the payment date of a dividend payable under Section 4.1 from conforming to the record date and payment date for a distribution on Class A Units, the Corporation shall use its reasonable efforts to cause the payment date for the Corporation dividend to be on or before the payment date for the applicable Class A Unit distribution.
- 4.4** If on any payment date for any dividends declared on the Class B Preferred Shares under Section 4.1 hereof the dividends are not paid in full on all of the Class B Preferred Shares then outstanding, any such dividends which remain unpaid shall be paid on a subsequent date or dates determined by the Board of Directors on which the Corporation shall have sufficient moneys, assets or property properly applicable to the payment of such dividends.
- 4.5** Except as provided in this Article 4, the holders of Class B Preferred Shares shall not be entitled to receive dividends in respect thereof.
- 4.6** Payment of the Class B Retraction Amount shall satisfy in full all Unpaid Dividends relating to the Class B Preferred Shares in respect of which the Class B Retraction Amount is paid.
- 4.7** The Corporation shall take all necessary steps to designate the full amount of all dividends that it pays or that it is deemed to pay as "eligible dividends" within the meaning of subsection 89(1) of the Tax Act, to the extent that such dividends or deemed dividends, as the case may be, exceed the amount of the Corporation's "low rate income pool", as defined in the Tax Act; provided, however, the foregoing shall not impact the Corporation's ability to complete the Amalgamation (as defined in the Support Agreement).

ARTICLE 5

CERTAIN RESTRICTIONS

- 5.1** So long as any of the Class B Preferred Shares are outstanding, the Corporation shall not at any time without, but may at any time with, the approval of the holders of the Class B Preferred Shares given as specified in Article 11 of these share provisions:

- (a) pay any dividends on the Non-Voting Common Shares, the Voting Common Shares or any other shares ranking junior to the Class B Preferred Shares, other than stock dividends payable in any such other shares ranking junior to the Class B Preferred Shares with respect to the payment of dividends;
- (b) redeem or purchase or make any capital distribution in respect of Non-Voting Common Shares, the Voting Common Shares or any other shares ranking junior to the Class B Preferred Shares with respect to distribution on liquidation, distribution or winding-up of the Corporation;
- (c) pay any dividends on the Class A Preferred Shares or any other shares ranking on a parity with the Class B Preferred Shares with respect to the payment of dividends; and
- (d) redeem or purchase or make any capital distribution in respect of the Class A Preferred Shares or any other shares ranking on a parity with the Class B Preferred Shares with respect to distribution on liquidation, distribution or winding-up of the Corporation.

The above restrictions shall not apply prior to the Class B Retraction Availability Date, and shall not apply after the Class B Retraction Availability Date if all dividends on the outstanding Class B Preferred Shares corresponding to distributions declared on Class A Units with a record date on or following the Class B Retraction Availability Date shall have been declared on the Class B Preferred Shares and paid in full; provided that dividends may be declared and paid on the Class A Preferred Shares before all dividends on the Class B Preferred Shares have been declared and paid in full, if dividends are paid rateably on such classes of shares, based upon the aggregate amount of all declared and unpaid dividends on the Class A Preferred Shares then outstanding, and the aggregate amount of all declared and unpaid dividends on the Class B Preferred Shares then outstanding.

ARTICLE 6

DISTRIBUTION ON LIQUIDATION

- 6.1** In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, a holder of a Class B Preferred Share shall be entitled to receive from the assets of the Corporation in respect of each Class B Preferred Share held by such holder on the effective date of such liquidation, dissolution or winding-up (the "**Liquidation Date**"), before any distribution of any part of the assets of the Corporation to the holders of the Non-Voting Common Shares, the Voting Common Shares or any other shares ranking junior to the Class B Preferred Shares, and subject to the rights of the holders of the Class A Preferred Shares which rank on a parity with the Class B Preferred Shares upon such a distribution (on the basis provided herein), an amount equal to the Class B Retraction Amount applicable on the Liquidation Date (the "**Liquidation Amount**") in accordance with Section 6.2, which, as set forth in Section 6.2, shall be fully paid and satisfied by the payment and delivery by the Corporation of consideration representing the Class B Retraction Amount, or a rateable portion thereof (and both cash and non-cash items forming part of the consideration representing the Class B Retraction Amount shall be appropriately pro-rated).
- 6.2** On or promptly after the Liquidation Date, (a) if there are sufficient assets to pay the total Liquidation Amount on all Class B Preferred Shares, as well as total Liquidation Amount (as defined in Part I(6.1) above in relation to the Class A Preferred Shares) on the Class A Preferred Shares, the Corporation shall cause to be paid and delivered to the holders of the Class B Preferred Shares the Liquidation Amount for each such Class B Preferred Share; and (b) if there are insufficient assets to pay the total Liquidation Amount of the Class B Preferred Shares, as well as the total Liquidation Amount (as defined in Part I(6.1) above in relation to the Class A Preferred Shares) on the Class A Preferred Shares, the Corporation shall cause to be paid and delivered to the holders of the Class B Preferred Shares an amount equal to a rateable proportion of the total Liquidation Amount of all Class B Preferred Shares held by them and holders of Class

A Preferred Shares shall be entitled to receive the same rateable proportion of their total Liquidation Amount, as provided in Part I(6.1) above. In each case, the Liquidation Amount (or rateable proportion thereof) shall be delivered upon presentation and surrender of the certificates representing such Class B Preferred Shares at the registered office of the Corporation. Payment of the Liquidation Amount (or rateable portion thereof) for such Class B Preferred Shares shall be made by delivery to each holder, at the address for notice for the holder as provided in the Support Agreement, or by holding for pick up by the holder at the address for notice for the Corporation as provided in the Support Agreement, of the Liquidation Amount (or rateable portion thereof) representing such holder's entitlement as provided above. On and after the Liquidation Date, the holders of the Class B Preferred Shares shall cease to be holders of such Class B Preferred Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Liquidation Amount, unless payment and delivery of the total Liquidation Amount (or rateable portion thereof) for Class B Preferred Shares shall not be made upon presentation and surrender of share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Liquidation Amount (or rateable portion thereof) has been paid and delivered in the manner hereinbefore provided. The Corporation shall have the right at any time on or after the Liquidation Date to deposit or cause to be deposited consideration representing the total Class B Retraction Amount in respect of the Class B Preferred Shares represented by certificates that have not, at the Liquidation Date, been surrendered by the holders thereof in a custodial account or for safe keeping, in the case of non-cash items, with any chartered bank or trust company in Canada. Upon such deposit being made, the rights of the holders of the Class B Preferred Shares after such deposit shall be limited to receiving their proportionate part of the total Liquidation Amount (or rateable portion thereof) for such Class B Preferred Shares so deposited, against presentation and surrender of the said certificates held by them, in accordance with the foregoing provisions.

- 6.3** After the Corporation has satisfied its obligations to pay the holders of the Class B Preferred Shares the Liquidation Amount per Class B Preferred Share, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.
- 6.4** The Corporation shall give written notice to the holders of Class A Preferred Shares of any Liquidation Date. In the case of a voluntary liquidation, distribution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs that has been approved by the shareholders as required under applicable law, such notice shall be given at least 60 days before the proposed Liquidation Date. In the case of any other liquidation, dissolution or winding-up of the Corporation or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, such notice shall be given as far in advance of the anticipated Liquidation Date as reasonably practicable in the circumstances, and in any event, not less than five Business Days before the anticipated Liquidation Date.

ARTICLE 7

RETRACTION OF CLASS B PREFERRED SHARES BY HOLDER

- 7.1** A holder of Class B Preferred Shares may not require the redemption by the Corporation of any Class B Preferred Shares prior to the Class B Retraction Availability Date. A holder of Class B Preferred Shares shall be entitled, at any time on or after the Class B Retraction Availability Date, subject to applicable law and otherwise upon compliance with the provisions of this Article 7, to require the Corporation to redeem any or all of the Class B Preferred Shares registered in the name of such holder for an amount equal to the Class B Retraction Amount applicable on the Business Day of delivery of the Retraction Request to the address for notice for the Corporation as provided in the Support Agreement (the "**Retraction Price**"), such payment to be made as further provided in Section 7.3. To effect such redemption, the holder shall present and surrender at the address for notice for the Corporation as provided in the Support Agreement the certificate or certificates representing the Class B Preferred Shares which the holder desires to have the

Corporation redeem, together with such other documents and instruments as may be required to effect a transfer of the Class B Preferred Shares under applicable law and the articles and by-laws of the Corporation, and together with a duly executed statement (the "**Retraction Request**") in the form of Appendix "A" hereto or in such other form as may be acceptable to the Corporation, acting reasonably:

- (a) specifying that the holder desires to have all or any number specified therein of the Class B Preferred Shares represented by such certificate or certificates (the "**Retracted Shares**") redeemed by the Corporation; and
- (b) stating the Business Day on which the holder desires to have the Corporation redeem the Retracted Shares (the "**Retraction Date**"), provided that the Retraction Date shall be not earlier than the 20th Business Day after the date on which the Retraction Request is received by the Corporation, and further provided that in the event that no such Business Day is specified by the holder in the Retraction Request, the Retraction Date shall be deemed to be the 20th Business Day after the date on which the Retraction Request is received by the Corporation, and further provided that the Corporation and the applicable holder may thereafter agree to a different Retraction Date than the Business Day specified in the Retraction Request, and such agreed date shall thereafter be deemed to be the applicable Retraction Date hereunder.

7.2 Upon receipt by the Corporation in the manner specified in Section 7.1 hereof of a certificate or certificates representing the number of Class B Preferred Shares which the holder desires to have the Corporation redeem, together with a Retraction Request, the Corporation shall redeem the Retracted Shares effective at the close of business on the Retraction Date and shall cause to be delivered to such holder the total Retraction Price with respect to such shares in accordance with Section 7.3 hereof. If only a part of the Class B Preferred Shares represented by any certificate are redeemed, a new certificate for the balance of such Class B Preferred Shares shall be issued to the holder at the expense of the Corporation.

7.3 Subject to receipt by the Corporation of a Retraction Request, the Corporation shall deliver to the relevant holder, at the address for notice for the holder as specified in the Support Agreement or at the address specified in the holder's Retraction Request or by holding for pick up by the holder at the address for notice to the Corporation as specified in the Support Agreement, as may be specified in the Retraction Request, the consideration representing the total Retraction Price, and such delivery of consideration representing the total Retraction Price to the holder shall be deemed to be payment of and shall satisfy and discharge all liability for the total Retraction Price except as to any cheque included therein which is not paid on due presentation.

7.4 On and after the close of business on the Retraction Date, the holder of the Retracted Shares shall cease to be a holder of such Retracted Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive such holder's total Retraction Price unless after presentation and surrender of certificates in accordance with the foregoing provisions, payment of the total Retraction Price shall not be made, in which case the rights of such holder shall remain unaffected until consideration representing the total Retraction Price has been paid.

7.5 Notwithstanding any other provision of this Article 7, the Corporation shall not be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent that such redemption of Retracted Shares would be contrary to liquidity or solvency requirements or other provisions of applicable law. If the Corporation believes that on any Retraction Date it would not be permitted by any of such provisions to redeem the Retracted Shares tendered for redemption in respect of such date, the Corporation shall only be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent of the maximum number that may be so redeemed (rounded down to a whole number of shares) as would not be contrary to such provisions and shall notify the holder at least two Business Days prior to the Retraction Date as to

the number of Retracted Shares which will not be redeemed by the Corporation. In any case in which the redemption by the Corporation of Retracted Shares would be contrary to liquidity or solvency requirements or other provisions of applicable law, the Corporation shall redeem Retracted Shares in accordance with Section 7.2 of these share provisions on a pro rata basis. The holder of any such Retracted Shares not redeemed by the Corporation pursuant to Section 7.2 hereof as a result of liquidity or solvency requirements or applicable law shall be deemed by giving the Retraction Request to require Putco to purchase such Retracted Shares from such holder on the Retraction Date or as soon as practicable thereafter on payment by Putco to such holder of the Retraction Price for each such Retracted Share, as further provided in Section 7.6, and Putco shall make such purchase.

- 7.6** For purposes of completing the purchase by Putco of Retracted Shares as provided in Section 6.5, Putco shall deposit with the Corporation (as paying agent) on the Retraction Date or as soon as reasonably practicable thereafter, consideration representing the total Retraction Price of the Retracted Shares to be so purchased. Closing of the purchase and sale shall be deemed to have occurred at the close of business on the later of the Retraction Date and the date of such deposit. The Corporation (as paying agent) shall deliver to the relevant holder at the address for notice to the holder as provided in the Support Agreement or at the address specified in the holder's Retraction Request or by holding for pick up by the holder at the registered office of the Corporation, as may be specified in the Retraction Request, the consideration representing the total applicable Retraction Price, and such delivery of such consideration shall be deemed to be payment of and shall satisfy and discharge all liability for the total applicable Retraction Price, except as to any cheque included therein which is not paid on due presentation.
- 7.7** Notwithstanding any other provisions of this Article 7, at any time after the giving of a Put Notice by a holder of Class B Preferred Shares and prior to the Put Closing Date to which such Put Notice relates, the holder may, at its sole election, by delivering a notice in writing to Putco, IPF, Pubco and the Corporation, deem such Put Notice to be a Retraction Request, in which case the Corporation shall accept and shall be deemed to have accepted such Put Notice as a Retraction Request and shall redeem the Class B Preferred Shares to which such Put Notice relates in accordance with the provisions of this Article 7 for an amount equal to the Class B Retraction Amount applicable on the Business Day of delivery of the Put Notice; provided, however, the Retraction Date for purposes of this Section 7.7 shall be the applicable Put Closing Date.
- 7.8** Notwithstanding any other provisions of this Article 7, if the Conversion Exchange is not approved and the Class B Retraction Availability Date has occurred, a holder of Class B Preferred Shares may at its option determine to immediately retract any or all of its Class B Preferred Shares by delivering a Retraction Request to the address for notice for the Corporation as provided in the Support Agreement at any time before 5:00 p.m. (Calgary time) on the Special Retraction Date, in which case the Corporation shall forthwith issue an instrument in writing to such holder acknowledging its obligation to pay such holder the aggregate Class B Retraction Amount applicable on the Business Day of delivery of such Retraction Request within 20 days thereof and shall redeem the Class B Preferred Shares to which such Retraction Request relates in accordance with the provisions of this Article 7 for such Class B Retraction Amount and such retraction shall be deemed for all purposes to have been effective on the Special Retraction Date.
- 7.9** Notwithstanding any other provisions of this Article 7, at any time after a holder of Class B Preferred Shares has received notice of a Specified Reorganization and prior to 5:00 p.m. (Calgary time) on the Business Day (the "**Automatic Retraction Date**") immediately prior to the effective date of such Specified Reorganization, the holder may at its option determine to immediately retract any or all of its Class B Preferred Shares by delivering a Retraction Request to the address for notice for the Corporation as provided in the Support Agreement at any time before 5:00 p.m. (Calgary time) on the Automatic Retraction Date, in which case the Corporation shall forthwith issue an instrument in writing to such holder acknowledging its obligation to pay such holder the aggregate Class B Retraction Amount applicable on the Business Day of delivery of such Retraction Request within 20 days thereof and shall redeem the Class B Preferred

Shares to which such Retraction Request relates in accordance with the provisions of this Article 7 for such Class B Retraction Amount and such retraction shall be deemed for all purposes to have been effective on the Automatic Retraction Date.

ARTICLE 8

CLASS B PUT RIGHT

- 8.1** Upon and subject to the terms and conditions contained in the Support Agreement:
- (a) a holder of Class B Preferred Shares shall have the right (the "**Class B Put Right**"), exercisable at any time on or after the Class B Retraction Availability Date, to require Putco to purchase all or any part of the Class B Preferred Shares of the holder, provided that in connection with the liquidation, dissolution or winding-up of the Corporation, the Class B Put Right must be exercised by a holder by no later than the Business Day before any Liquidation Date.
 - (b) upon the exercise by the holder of the Class B Put Right, the holder shall be required to sell to Putco, and Putco shall be required to purchase from the holder, that number of Class B Preferred Shares in respect of which the Class B Put Right is exercised, in consideration of the payment by Putco of the Preferred Share Fair Market Value applicable thereto (which shall be the Preferred Share Fair Market Value applicable on the Business Day of exercise of the Class B Put Right), as further provided in the Support Agreement.
- 8.2** The exercise of the Class B Put Right and the completion of any sale and purchase pursuant to the Class B Put Right shall occur on the terms and conditions described in the Support Agreement.
- 8.3** If only a part of the Class B Preferred Shares represented by any certificate are to be sold and purchased pursuant to the exercise of the Class B Put Right, a new certificate for the balance of such Class B Preferred Shares shall be issued to the holder at the expense of the Corporation.

ARTICLE 9

REDEMPTION OF CLASS B PREFERRED SHARES BY THE CORPORATION

- 9.1** Subject to applicable law and the right of each holder of Class B Preferred Shares to exercise the Class B Put Right, on the Redemption Date the Corporation shall redeem all (and not less than all) of the then outstanding Class B Preferred Shares for an amount per share equal to the Class B Retraction Amount applicable on the Business Day immediately before the Redemption Date (the "**Redemption Price**"), such payment to be made as further provided in Section 9.3.
- 9.2** In any case of a redemption of Class B Preferred Shares under this Article 9, the Corporation shall send or cause to be sent to each holder of Class B Preferred Shares a notice in writing of the redemption by the Corporation of the Class B Preferred Shares held by such holder (the "**Redemption Notice**"). The Redemption Notice shall set out the formula for determining the Redemption Price, the Redemption Date and the requirements to exercise the Class B Put Right. The Redemption Notice shall be sent:
- (a) in the case of a Redemption Date established under paragraph (b) of the definition of "Redemption Date", at least 15 days before the Redemption Date; and
 - (b) in the case of any other Redemption Date, at least 60 days before the Redemption Date.
- 9.3** On the Redemption Date, and subject to the exercise by any holder of the Class B Put Right, the Corporation shall cause the Redemption Price for each Class B Preferred Share to be delivered

to the holders of the Class B Preferred Shares to be redeemed (the "**Redeemed Shares**") at the address for notice for such holders as provided in the Support Agreement upon presentation and surrender of the Redeemed Shares at the address for notice for the Corporation as provided in the Support Agreement.

- 9.4** On and after the Redemption Date, the holders of the Redeemed Shares shall cease to be holders of such shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Redemption Price, unless payment of such holder's proportionate share of the total Redemption Price shall not be made upon such holder's presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of such holder shall remain unaffected until such holder's proportionate share of the total Redemption Price has been paid to such holder.
- 9.5** Notwithstanding any proposed redemption of the Class B Preferred Shares by the Corporation, each holder of Class B Preferred Shares shall have the right to exercise the Class B Put Right at any time up to and including the Business Day prior to the Redemption Date. Upon the due exercise of the Class B Put Right on or before the Business Day prior to the Redemption Date as required above, any proposed redemption by the Corporation will automatically terminate with respect to such holder, and the completion of the sale and purchase shall occur in accordance with the terms and conditions described in the Support Agreement.

ARTICLE 10 **VOTING RIGHTS**

- 10.1** The holders of the Class B Preferred Shares shall be entitled as such to receive notice of and to attend any meeting of the shareholders of the Corporation and to vote in respect of each Class B Preferred Share held at any such meeting at the Class B Voting Rate per Class B Preferred Share.

ARTICLE 11 **AMENDMENT AND APPROVAL**

- 11.1** The rights, privileges, restrictions and conditions attaching to the Class B Preferred Shares may be added to, changed or removed but, except as hereinafter provided, only with the approval of the Required Holders of the Class B Preferred Shares given as hereinafter specified.
- 11.2** Any approval given by the holders of the Class B Preferred Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Class B Preferred Shares or any other matter requiring the approval or consent of the holders of the Class B Preferred Shares under applicable law shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by a resolution passed by the Required Holders by instrument in writing or by Persons represented in person or by proxy at a meeting of holders of Class B Preferred Shares (excluding Class B Preferred Shares beneficially owned by Putco, Pubco, IPF or any of their respective Subsidiaries) duly called and held at which the holders of at least 75% of the outstanding Class B Preferred Shares at that time are present or represented by proxy.

ARTICLE 12 **RECIPROCAL CHANGES, ETC. IN RESPECT OF CLASS A UNITS**

- 12.1** If IPF:
- (a) subdivides, redivides or changes the then outstanding Class A Units into a greater number of Class A Units; or

- (b) reduces, combines or consolidates or changes the then outstanding Class A Units into a lesser number of Class A Units; or
- (c) reclassifies or otherwise changes the Class A Units or effects an amalgamation, merger, reorganization or other transaction involving or affecting the Class A Units,

then the same change, *mutatis mutandis*, will simultaneously be made to, or in the rights of the holders of, the Class B Preferred Shares, as determined by the Board of Directors acting in good faith.

ARTICLE 13 **LEGEND**

- 13.1** The certificates evidencing the Class B Preferred Shares shall contain or have affixed thereto a legend, in form and on terms approved by the Board of Directors, with respect to the Support Agreement.

ARTICLE 14 **MISCELLANEOUS**

- 14.1** Except where otherwise provided herein, any notice, request or other communication to be given to the Corporation, Pubco, Putco or IPF by a holder of Class B Preferred Shares shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by facsimile or by delivery to the address for notice to the Corporation, Pubco, Putco or IPF, as applicable, as provided in the Support Agreement. Any such notice, request or other communication, shall only be deemed to have been given and received upon actual receipt thereof by the Corporation, Pubco, Putco or IPF, as applicable.
- 14.2** Except where otherwise provided herein, any presentation and surrender by a holder of Class B Preferred Shares to the Corporation of certificates representing Class B Preferred Shares in connection with the liquidation, dissolution or winding-up of the Corporation or the retraction, redemption or sale of Class B Preferred Shares shall be made by registered mail (postage prepaid) or by delivery to the address for notice to the Corporation as provided in the Support Agreement. Any such presentation and surrender of certificates shall only be deemed to have been made and to be effective upon actual receipt thereof by the Corporation, and the method of any such presentation and surrender of certificates shall be at the sole risk of the holder.
- 14.3** Except where otherwise provided herein, any notice, request or other communication to be given to a holder of Class B Preferred Shares by or on behalf of the Corporation, Pubco, Putco or IPF shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by delivery to the address for notice to the holder as provided in the Support Agreement. Any such notice, request or other communication, shall only be deemed to have been given or received upon actual receipt thereof by the holder.
- 14.4** For greater certainty, any payments to the holders of Class B Preferred Shares shall be net of applicable taxes, if any, and the payor shall not be obliged to gross up or increase the amount of such payment which would otherwise be made to take into account such taxes. Any such taxes which have been withheld or deducted by the payor thereof shall be remitted to the applicable tax authority within the time required for such remittance.
- 14.5** For the purposes of subsection 191(4) of the *Income Tax Act* (Canada) the "specified amount" in respect of each Class B Preferred Share shall be \$17.25.

Please check box if the cheque(s) and any other non-cash assets resulting from the retraction of the Retracted Shares are to be held for pick-up by the shareholder at the address for notice to the Corporation as provided in the Support Agreement, failing which the cheque(s) and any other non-cash assets will be delivered to the shareholder in accordance with the Share Provisions.

NOTE: This request must be completed and the accompanying share certificate(s), together with such other documents and instruments as may be required to effect a transfer of the Class A Preferred Shares or Class B Preferred Shares, as applicable, under applicable law and the articles and by-laws of the Corporation, must be deposited with the Corporation at the address for notice to the Corporation as provided in the Support Agreement. The cheque(s) and any other non-cash assets resulting from the retraction or purchase of the Retracted Shares will be issued and made payable to, or transferred into, respectively, the name of the shareholder as it appears on the register of the Corporation and the cheque(s) and any other non-cash assets resulting from such retraction or purchase will be delivered to the shareholder at the address for notice to the shareholder as specified in the Support Agreement unless the provisions appearing immediately below are duly completed.

Name of Person in Whose Name Cheque(s) or Any Other Non-cash Assets Are To Be Registered, Issued or Delivered (please print)

Date

Street Address or P.O. Box

Signature of Shareholder

City, Province

NOTE: If this retraction request is for less than all of the share(s) represented by the accompanying certificate, a certificate representing the remaining shares of the Corporation will be issued and registered in the name of the shareholder as it appears on the register of the Corporation.

SCHEDULE B
PUBCO COMMON SHARES

The authorized capital of the Corporation shall consist of an unlimited number of Class A Common Shares and an unlimited number of Convertible Shares, which shares shall have the following rights, privileges, restrictions and conditions:

CLASS A COMMON SHARES

1. The Class A Common Shares in the capital of the Corporation shall have the following rights, privileges, restrictions and conditions:
 - (a) **Voting Rights:** The holders of Class A Common Shares shall be entitled to notice of, to attend and to one (1) vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Class A Common Shares as such).
 - (b) **Dividends:** The holders of Class A Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Class A Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Class A Common Shares in respect of dividends.
 - (c) **Liquidation:** The holders of Class A Common Shares shall be entitled in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Class A Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the Class A Common Shares in respect of return of capital, in such assets of the Corporation as are available for distribution. Subject to the rights, privileges, restrictions and conditions attaching to any shares ranking senior to the Class A Common Shares in respect of priority in the distribution of assets upon liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, in the event of a liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, all the property and assets of the Corporation available for distribution to the holders of Class A Common Shares and Convertible Shares shall be paid or distributed equally, share for share, between the holders of Class A Common Shares and Convertible Shares; provided that for purposes of this Section 1(c), each holder of Convertible Shares shall be deemed to hold that number of Convertible Shares equal to the product obtained by multiplying the number of Convertible Shares held by such holder by the then applicable Conversion Rate (as defined in Section 2(a) below), as adjusted, if applicable, pursuant to Sections 2(g) and 2(h).

SCHEDULE C
PUBCO CONVERTIBLE SHARES

CONVERTIBLE SHARES

2. The Convertible Shares in the capital of the Corporation shall have the following rights, privileges, restrictions and conditions:

(a) **Definitions**

"Acquisition Proposal" means (a) the Corporation or the board of directors of the Corporation (or any special committee thereof) approving, recommending or authorizing any proposal from, or the entering into of a definitive agreement with, any Person or group of Persons "acting jointly or in concert" (within the meaning of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids) which in either case constitutes, or may reasonably be expected to lead to (in either case in one transaction or a series of transactions): (i) an acquisition or purchase from the Corporation or the securityholders of the Corporation of 20% or more of the voting securities of the Corporation; (ii) a direct or indirect acquisition of 20% or more of the assets, determined by reference to the net book value of the assets (or any lease, long term supply agreement or other arrangement having the same economic effect as a purchase or sale of 20% or more of the assets) of the Corporation and its Subsidiaries taken as a whole; (iii) an amalgamation, arrangement, merger or consolidation involving the Corporation or its Subsidiaries; or (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization or similar transaction involving the Corporation and its Subsidiaries; (b) the approval of the requisite number of holders of voting securities of the Corporation of any proposal which constitutes, or may reasonably be expected to lead to (in one transaction or a series of transactions) an amalgamation, arrangement, merger or consolidation involving the Corporation or its Subsidiaries; or (c) the take-up of and payment for any voting securities of the Corporation pursuant to a "take-over bid" (within the meaning of Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids); provided that any such transaction solely between or among the Corporation and/or one or more of its Subsidiaries and/or between or among any of its Subsidiaries shall not constitute an "Acquisition Proposal".

"Business Day" means any day except Saturday, Sunday, any statutory holiday in the Province of Alberta, or any other day on which the principal chartered banks in the City of Calgary are closed for business.

"Capital Reorganization" has the meaning specified in Section 2(g)(v).

"CDS" means CDS Clearing and Depository Services Inc. or any successor thereof.

"Class B Excess Distributions" means the aggregate of any Excess Distributions (as defined in the Class B Share Provisions) that accrued in respect of the Class B Preferred Shares of Inter Pipeline GP Corp. prior to the date of issue of Convertible Shares to holders of the Class B Preferred Shares of Inter Pipeline GP Corp. pursuant to the Conversion.

"Class B Share Provisions" means the rights, privileges, restrictions and conditions attaching to the Class B Preferred Shares of Inter Pipeline GP Corp. contained in the Articles of Incorporation of Inter Pipeline GP Corp.

"Common Share Reorganization" has the meaning specified in Section 2(g)(i).

"Conversion" has the meaning specified in the Class B Share Provisions.

"Conversion Date" means the date of the earliest to occur of: (i) an Acquisition Proposal; (ii) the Trigger Date; and (iii) the Outside Date.

"Conversion Rate" has the meaning specified in Section 2(f)(i).

"Converted Shares" has the meaning specified in Section 2(f)(i).

"Current Market Price" means, in respect of a Class A Common Share on any date, the weighted average price per share (computed and rounded to the third decimal point) at which Class A Common Shares have traded during the period of 20 consecutive trading days ending on the fifth trading day before such date on the Toronto Stock Exchange or, if the Class A Common Shares are not then traded on the Toronto Stock Exchange, on such other stock exchange or automated quotation system on which the Class A Common Shares are then listed or quoted, as may be selected by the board of directors for such purpose. The weighted average price per Class A Common Share shall be determined by dividing the aggregate sale price of all Class A Common Shares sold on the applicable stock exchange or automated quotation system during the said 20 trading day period, by the total number of Class A Common Shares sold.

"Eligible Institution" means a Canadian schedule I chartered bank, a member of the Securities Transfer Agents Medallion Program, a member of the Stock Exchanges Medallion Program or a member of the New York Stock Exchange, Inc. Medallion Signature Program.

"Excess Distribution" has the meaning specified in Section 2(g)(iii).

"Outside Date" means January 1, 2017.

"Person" includes any individual, body corporate, unlimited liability company, limited liability corporation, partnership, limited liability partnership, sole proprietorship, firm, joint stock company, joint venture, trust, unincorporated association, unincorporated organization, syndicate, governmental authority and any other entity or organization of any nature whatsoever.

"Reduction Factor" means 70/170, which for purposes of these share provisions shall be expressed as a fraction with a numerator calculated to five decimal places and a denominator of one.

"Required Holders" means, at any particular time, where there are more than three registered holders of Convertible Shares, at least three of the registered holders of Convertible Shares and, where there are three or less registered holders of Convertible Shares, any one or more of the registered holders of Convertible Shares, in either case holding at least 75% of the then outstanding Convertible Shares (excluding shares held, directly or indirectly and legally or beneficially, by the Corporation or its Subsidiaries, successors, assigns or transferees).

"Rights Offering" has the meaning specified in Section 2(g)(ii).

"Rights Offering Price" has the meaning specified in Section 2(h)(i).

"Subsidiary", in relation to any Person, means any other Person of which more than 50% of the total voting power of shares of stock or units of ownership or beneficial interest entitled to vote in the election of directors (or members of a comparable governing body) is owned or controlled, directly or indirectly, by such first-mentioned Person.

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

"**Tax**" or "**Taxes**" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any governmental authority under any applicable tax legislation, including Canadian and U.S. federal, provincial, state, territorial, municipal and local, foreign or other income, capital, goods and services, sales, use, consumption, excise, value-added, business, real property, personal property, transfer, franchise, withholding, payroll or employer health taxes, customs, import, anti-dumping or countervailing duties, Canada Pension Plan contributions, provincial pension plan contributions, employment insurance premiums, and provincial workers' compensation payments, including any interest, penalties and fines associated therewith.

"**Trigger Date**" means the earlier to occur of:

- (i) the earliest date on which both of the following conditions has been met:
 - A. under the Bitumen Blend Transportation Services Agreement dated March 26, 2013 between IPF and FCCL Partnership, IPF has begun to receive (or become entitled to receive) either the FCCL Fees or the ACF (in each case as defined as therein and collectively referred to herein as the "**Bitumen Fees**"); and
 - B. under the Condensate Transportation Services Agreement dated March 26, 2013 between IPF and FCCL Partnership, IPF has begun to receive (or become entitled to receive) FCCL Fees or the ACF (in each case as defined therein and collectively referred to herein as the "**Condensate Fees**"); and
- (ii) any acquisition or purchase from IPF or its Subsidiaries (whether of voting securities or assets or by lease, long term supply agreement or otherwise) that has had or would have the effect of transferring IPF's entitlement to receive the Bitumen Fees or Condensate Fees prior to the conditions in clause (i) of this definition being met.

(b) **Interpretation**

- (i) The division of these share provisions into sections and the insertion of headings are for convenience of reference and shall not impact the interpretation of the rights, privileges, restrictions and conditions attaching to the Convertible Shares.
- (ii) Words importing the singular number include the plural and vice-versa and words importing any gender include all genders.
- (iii) If any date on which any action is required to be taken is not a Business Day, such action shall be required to be taken on the next succeeding Business Day.

- (c) **Liquidation:** Subject to the rights, privileges, restrictions and conditions attaching to any shares ranking senior to the Convertible Shares in respect of priority in the distribution of assets upon liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, in the event of a liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, all the property and assets of the Corporation available for distribution to the holders of Class A Common Shares and

Convertible Shares shall be paid or distributed equally, share for share, between the holders of Class A Common Shares and Convertible Shares; provided that for purposes of this Section 2(c), each holder of Convertible Shares shall be deemed to hold that number of Convertible Shares equal to the product obtained by multiplying the number of Convertible Shares held by such holder by the then applicable Conversion Rate, as adjusted, if applicable, pursuant to Sections 2(g) and (h).

- (d) **Dividends:** Holders of Convertible Shares shall not be entitled to receive dividends.
- (e) **Voting Rights:** Holders of Convertible Shares shall not be entitled to receive notice of or to attend or vote at any meeting of the shareholders of the Corporation except: (a) as required by applicable law; and (b) as required by the provisions hereof.
- (f) **Conversion**
 - (i) On the Conversion Date, all of the Convertible Shares then outstanding (the "**Converted Shares**") shall be converted automatically into Class A Common Shares on the basis of one Class A Common Share for each Convertible Share, subject to adjustment in accordance with Sections 2(g) and 2(h) (the "**Conversion Rate**"); provided that if the Conversion Date occurs by reason of the occurrence of the Outside Date, then the Conversion Rate shall be reduced and shall equal the product of the amount as otherwise determined above multiplied by the Reduction Factor. In the event the number of Class A Common Shares to be issued to a holder of Converted Shares is not a whole number, then such number will be rounded-up or down, as applicable, to the nearest whole number.
 - (ii) As promptly as practicable after the Corporation becomes aware that the Conversion Date has occurred, the Corporation shall provide written notice, by prepaid first class mail, to the holders of the Converted Shares that the Conversion Date has occurred and confirming the date of the Conversion Date. Failure or delay on the part of the Corporation in providing such notice will not affect the conversion of the Converted Shares.
 - (iii) From and after the Conversion Date, the Converted Shares shall cease to be outstanding and holders thereof shall cease to be entitled to exercise any of the rights of holders in respect thereof but shall instead have all of the rights of a holder of the number of Class A Common Shares determined in accordance herewith; and holders of certificates for the Converted Shares shall be entitled upon surrender of such certificates to the transfer agent appointed by the Corporation in respect of the Class A Common Shares to receive in exchange certificates representing the corresponding number of Class A Common Shares or, if applicable, to be entered as the owner of such number of Class A Common Shares in any book-entry system administered by CDS in respect thereof. Provided that the registered holder surrendering the certificate for any Converted Shares requests certificates for Class A Common Shares or book-entry recording in the same name as the registered owner thereof, such registered holders of Converted Shares will not be required to obtain or provide a signature guarantee from an Eligible Institution or comply with any similar guarantee or authentication program or procedure with respect to such surrender and exchange.
- (g) **Adjustment of Conversion Rate**
 - (i) If and whenever at any time and from time to time the Corporation shall (I) subdivide, redivide or change its then outstanding Class A Common Shares into

a greater number of Class A Common Shares, (II) reduce, combine or consolidate or change its then outstanding Class A Common Shares into a lesser number of Class A Common Shares, or (III) issue Class A Common Shares (or securities exchangeable for or convertible into Class A Common Shares) to the holders of all or substantially all of its then outstanding Class A Common Shares by way of stock dividend or other distribution (any of such events being a "**Common Share Reorganization**"), the Conversion Rate shall be adjusted effective immediately after the record date at which the holders of Class A Common Shares are determined for the purpose of the Common Share Reorganization by multiplying the Conversion Rate in effect on such record date by the quotient obtained when:

- A. the number of Class A Common Shares outstanding after the completion of such Common Share Reorganization (but before giving effect to the issue of any Class A Common Shares issued after such record date otherwise than as part of such Common Share Reorganization) including, in the case where securities exchangeable for or convertible into Class A Common Shares are distributed, the number of Class A Common Shares that would have been outstanding had such securities been exchanged for or converted into Class A Common Shares on such record date

is divided by

- B. the number of Class A Common Shares outstanding on such record date before giving effect to the Common Share Reorganization.

- (ii) If and whenever at any time and from time to time the Corporation shall fix the record date for the issuance of rights, options or warrants to the holders of all or substantially all of its outstanding Class A Common Shares entitling them to subscribe for or to purchase Class A Common Shares (or securities of the Corporation convertible into Class A Common Shares) at a price per Class A Common Share (or having a conversion price per Class A Common Share) of less than 95% of the Current Market Price of a Class A Common Share on such record date (any such event being a "**Rights Offering**"), then the Conversion Rate then in effect shall be adjusted immediately after such record date by multiplying the Conversion Rate in effect on such record date by the quotient obtained when:

- A. the sum of the number of Class A Common Shares outstanding on such record date and the number of additional Class A Common Shares offered for subscription or purchase under the Rights Offering (or the number of Class A Common Shares into which the securities so offered are convertible)

is divided by

- B. the sum of the number of Class A Common Shares outstanding on such record date and a number determined by dividing the aggregate price of the total number of additional Class A Common Shares offered for subscription or purchase under the Rights Offering (or the aggregate conversion price of the convertible securities so offered) by the Current Market Price of a Class A Common Share on such record date.

Any Class A Common Shares beneficially owned by the Corporation or its Subsidiaries shall be deemed not to be outstanding for the purpose of any such computation. If such rights, options or warrants are not so issued or if, at the date of expiry of the rights, options or warrants subject to the Rights Offering, less than all the rights, options or warrants have been exercised, then the Conversion Rate shall be readjusted effective immediately after the date of expiry to the Conversion Rate which would have been in effect if such record date had not been fixed or to the Conversion Rate which would then be in effect on the date of expiry if the only rights, options or warrants issued had been those that were exercised, as the case may be.

- (iii) If and whenever at any time and from time to time the Corporation shall fix a record date for the making of a distribution (including a distribution by way of stock dividend) to the holders of all or substantially all its outstanding Class A Common Shares of:
- A. securities of the Corporation of any class other than Class A Common Shares (and securities exchangeable for or convertible into Class A Common Shares referred to in Section 2(g)(i)),
 - B. rights, options or warrants (excluding a Rights Offering),
 - C. evidences of its indebtedness (excluding indebtedness exchangeable for or convertible into Class A Common Shares referred to in Section 2(g)(i)), or
 - D. money or other assets (other than cash dividends in the ordinary course (Items to be considered in determining whether a dividend is in the ordinary course include the amount of dividends previously paid and the expected future cash from operations on a consolidated basis)),
- (any such event being an "**Excess Distribution**"),

then, in each such case, the Conversion Rate shall be adjusted effective immediately after the record date at which the holders of Class A Common Shares are determined for the purposes of the Excess Distribution by multiplying the Conversion Rate in effect on such record date by the quotient obtained when:

- E. the product obtained when the number of Class A Common Shares outstanding on the record date is multiplied by the Current Market Price of a Class A Common Share on such date

is divided by

- F. the difference obtained when the amount by which the aggregate fair market value (as determined by the board of directors, which determination shall be conclusive) of the shares, rights, options, warrants, evidences of indebtedness, money or other assets, as the case may be, distributed in the Excess Distribution exceeds the fair market value (as determined by the board of directors, which determination shall be conclusive) of the consideration, if any, received therefor by the Corporation, is subtracted from the product obtained when the number of Class A Common Shares outstanding on the record date is multiplied by the Current Market Price of a Class A Common Share on such date,

provided that no such adjustment shall be made if the result of such adjustment would be to decrease the Conversion Rate in effect immediately before such record date. Any Class A Common Shares beneficially owned by the Corporation or its Subsidiaries shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such Excess Distribution is not so made, the Conversion Rate shall be readjusted effective immediately to the Conversion Rate which would then be in effect based upon such shares or rights, options or warrants or evidences of indebtedness or assets actually distributed.

(iv) In respect of any Class B Excess Distributions, the Conversion Rate shall be adjusted effective immediately after the first issuance of Convertible Shares to holders of Class B Preferred Shares of Inter Pipeline GP Corp. by multiplying the Conversion Rate in effect on such record date by the quotient obtained when:

A. the product obtained when the number of Class A Common Shares outstanding on the record date is multiplied by the Current Market Price of a Class A Common Share on such date

is divided by

B. the difference obtained when the amount of the Class B Excess Distributions is subtracted from the product obtained when the number of Class A Common Shares outstanding on the record date is multiplied by the Current Market Price of a Class A Common Share on such date,

provided that no such adjustment shall be made if the result of such adjustment would be to decrease the Conversion Rate.

(v) If and whenever there is a capital reorganization of the Corporation not otherwise provided for in this Section 2(g) or a consolidation, merger, arrangement or amalgamation (statutory or otherwise) of the Corporation with or into another body corporate (excluding the Conversion) (any such event being a "**Capital Reorganization**"), each holder of Convertible Shares shall be entitled to receive the aggregate number of shares or other securities of the Corporation or of the corporation or body corporate resulting, surviving or continuing from the Capital Reorganization that such holder would have been entitled to receive as a result of such Capital Reorganization if, on the record date, such holder had been the holder of the number of Class A Common Shares to which he was theretofore entitled upon conversion (assuming the Conversion Date had occurred), subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in this Section 2(g), as applicable; provided that no such Capital Reorganization shall be carried into effect unless all necessary steps shall have been taken so that the holders of Convertible Shares shall thereafter be entitled to receive such number of shares or other securities of the Corporation or of the corporation or body corporate resulting, surviving or continuing from the Capital Reorganization.

(vi) In the case of any reclassification of, or other change in, the outstanding Class A Common Shares other than a Common Share Reorganization or a Capital Reorganization, the Conversion Rate shall be adjusted immediately after the record date for such reclassification or other change so that holders of Convertible Shares shall be entitled to receive, upon conversion at any time after the record date of such reclassification or other change, such shares, securities

or rights as they would have received had such Convertible Shares been converted into Class A Common Shares immediately prior to such record date subject to adjustment thereafter in accordance with provisions, the same as nearly may be possible, as those contained in this Section 2(g), as applicable.

(h) **Rules for Adjustment of Conversion Rate**

- (i) If the purchase price provided for in any rights, options or warrants (the "**Rights Offering Price**") referred to in Sections 2(g)(ii) or 2(g)(iii) is decreased, the Conversion Rate shall forthwith be changed so as to increase the Conversion Rate to such Conversion Rate as would have been obtained had the adjustment to the Conversion Rate made pursuant to Sections 2(g)(ii) or 2(g)(iii), as the case may be with respect to such rights, options or warrants, been made upon the basis of the Rights Offering Price as so decreased.
 - (ii) No adjustment in the Conversion Rate shall be made pursuant to Sections 2(g)(ii) or 2(g)(iii) in respect of any rights, options, warrants or distributions if identical rights, options, warrants or shares are issued to the holders of the Convertible Shares as though and to the same effect as if they had converted their Convertible Shares into Class A Common Shares prior to the issue of such rights, options, warrants or shares.
 - (iii) In the absence of a resolution of the directors fixing a record date for a Common Share Reorganization, Rights Offering, Excess Distribution or Capital Reorganization, the Corporation shall be deemed to have fixed as the record date therefor the date on which the Common Share Reorganization, Rights Offering, Excess Distribution or Capital Reorganization is effected.
 - (iv) Forthwith after any adjustment in the Conversion Rate, the Corporation shall file with the transfer agent of the Corporation for the Convertible Shares a certificate of an officer of the Corporation certifying as to the amount of such adjustment and, in reasonable detail, the event requiring and the manner of computing such adjustment; the Corporation shall also at such time mail, by prepaid first class mail, a copy of such certificate to the holders of Convertible Shares.
 - (v) Any question that at any time or from time to time arises with respect to the Conversion Rate or any adjustment in the amount of the Conversion Rate shall be conclusively determined by the board of directors of the Corporation and shall be binding upon the Corporation and all shareholders, transfer agents and registrars of Convertible Shares and Class A Common Shares.
- (i) **Notice of Certain Events:** If the Corporation intends to fix a record date for any Common Share Reorganization (other than a subdivision, consolidation or reclassification), Rights Offering, Excess Distribution or Capital Reorganization, the Corporation shall, not less than 21 days prior to such record date, notify the holders of Convertible Shares, by prepaid first class mail, of such intention by written notice setting forth the particulars of such Common Share Reorganization, Rights Offering, Excess Distribution or Capital Reorganization in reasonable detail.
- (j) **Certain Other Matters Relating to the Converted Shares**
- (i) The Corporation shall at all times reserve and hold out of its unissued Class A Common Shares a sufficient number of unissued Class A Common Shares to enable all of the Convertible Shares outstanding to be converted upon the terms and conditions herein provided.

- (ii) The Corporation shall use its best efforts to ensure that upon conversion of Convertible Shares upon the terms and conditions herein provided that the Class A Common Shares issued in respect thereof will be freely tradeable in all provinces of Canada.
- (iii) The Corporation shall use its best efforts to ensure that the Class A Common Shares issuable upon conversion of the Converted Shares will be listed and posted for trading on each stock exchange on which the Class A Common Shares are then listed and posted for trading.

(k) **Amendments to Convertible Shares**

- (i) The rights, privileges, restrictions and conditions attaching to the Convertible Shares may be added to, changed or removed but, except as hereinafter provided, only with the approval of the Required Holders of the Convertible Shares given as hereinafter specified.
 - (ii) Any approval given by the holders of the Convertible Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Convertible Shares or any other matter requiring the approval or consent of the holders of the Convertible Shares under applicable law shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by a resolution passed by the Required Holders by instrument in writing or by Persons represented in person or by proxy at a meeting of holders of Convertible Shares (excluding Convertible Shares beneficially owned by the Corporation or any of its Subsidiaries) duly called and held at which the holders of at least 75% of the outstanding Convertible Shares at that time are present or represented by proxy.
- (l) **Withholding:** The Corporation shall be entitled to deduct and withhold from payments to holders of Convertible Shares, such amounts as the Corporation is required, pursuant to the provisions of the Tax Act or any provision of provincial, state, local or foreign tax law, in each case as amended or succeeded, to deduct and with withhold with respect to such payment. The Corporation shall not be obliged to gross up or increase the amount of such payment which would otherwise be made to take into account such Taxes. Any such Taxes which have been withheld or deducted by the Corporation shall be remitted to the applicable tax authority within the time required for such remittance.

SCHEDULE D
NOTICE OF PUT

To: **Inter Pipeline GP Corp.** (the "Corporation")
Inter Pipeline Fund ("IPF")
Inter Pipeline Ltd. ("Pubco")
Inter Pipeline Putco Corp. ("Putco")

This notice is given pursuant to Section 3.1 of the Put Option and Support Agreement (the "Agreement") dated June 1, 2013 among the Corporation, IPF, Pubco and Petro Assets Inc., Scott Gerla, Jeff Marchant, David Fesyk, Christian Bayle, Jeffery Errico, Jeffrey Newcommon and Gordon Thompson. Capitalized terms used herein and not otherwise defined herein have the meanings set forth in the Agreement.

Pursuant to Article 3 of the Agreement, the undersigned hereby exercises its Class A Put Right and/or Class B Put Right to require Putco to purchase from the undersigned:

- all Class A Preferred Shares represented by the accompanying certificate(s);
- all Class B Preferred Shares represented by the accompanying certificate(s);
- _____ Class A Preferred Share(s) only; and/or
- _____ Class B Preferred Share(s) only.

(collectively, the "Put Shares").

On the date hereof, the Shareholder believes that the Preferred Share Fair Market Value of the Put Shares is \$[] per Class A Preferred Share [and \$ [] per Class B Preferred Share.

(Date)

(Signature of Shareholder)

Please check box if the legal or beneficial owner of the Put Shares is a non-resident of Canada.

Please check box if the cheque(s) resulting from the purchase and sale of the Put Shares are to be held for pick-up by the Shareholder at the address for notice to Putco as provided in the Agreement failing which the cheque(s) will be delivered to the Shareholder in accordance with the Agreement.

NOTE: This notice must be completed and the accompanying share certificate(s), together with a duly executed stock transfer and power of attorney, must be deposited with Putco at its address for notice as provided in the Agreement. The cheque(s) and any other non-cash assets

resulting from the purchase of the Put Shares will be issued and registered in, and made payable to, or transferred into, respectively, the name of the shareholder as it appears on the register of the Corporation and the cheque(s) resulting from such retraction or purchase will be held for pick up (if indicated above) or delivered to the shareholder in accordance with the Share Provisions and the Agreement unless the provisions appearing immediately below are duly completed.

Date _____

Name of Person in Whose Name
Cheque(s) are to be Registered, Issued or
Delivered (please print)

Street Address or P.O. Box

Signature of Shareholder

City, Province

NOTE: If this exercise is for less than all of the share(s) represented by the accompanying certificate, a certificate representing the remaining shares of the Corporation will be issued and registered in the name of the Shareholder as it appears on the register of the Corporation.

SCHEDULE E
CALL AGREEMENT

CALL OPTION AGREEMENT

THIS AGREEMENT dated as of June 1, 2013 between:

INTER PIPELINE LTD., a corporation existing under the laws of the Province of Alberta (hereinafter referred to as "**Pubco**"),

- and -

INTER PIPELINE GP HOLDING TRUST, a trust governed by the laws of the Province of Alberta (hereinafter referred to as the "**Trust**")

WHEREAS as at the date hereof the Trust owns one Class A Voting Common Share (the "**Call Share**") in the capital of Inter Pipeline Putco Corp. ("**Putco**");

AND WHEREAS the Trust wishes to grant Pubco the option to acquire the Call Share from the Trust in certain circumstances in accordance with the terms and conditions hereof;

NOW THEREFORE in consideration of the respective covenants and agreements provided in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

ARTICLE 1 **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Agreement, the following terms shall have the following meanings:

"**Agreement**" means this Call Option Agreement, as the same may be amended, supplemented or restated from time to time.

"**Business Day**" means any day except Saturday, Sunday, any statutory holiday in the Province of Alberta, or any other day on which the principal chartered banks in the City of Calgary are closed for business.

"**Call Availability Date**" means the date that is the earlier to occur of (a) the date all Class A Preferred Shares and Class B Preferred Shares have been acquired by Putco or Pubco or their respective successors (including an acquisition by Pubco as part of the Conversion Exchange) and/or redeemed; and (b) May 31, 2038.

"**Call Closing Date**" has the meaning ascribed thereto in Section 3.2 hereof.

"**Call Date**" has the meaning ascribed thereto in Section 3.1 hereof.

"**Call Notice**" has the meaning ascribed thereto in Section 3.1 hereof.

"**Call Right**" has the meaning ascribed thereto in Section 2.1 hereof.

"**Class A Preferred Shares**" means Class A Preferred Shares in the capital of Inter Pipeline GP Corp. or its successors.

"**Class B Preferred Shares**" means Class B Preferred Shares in the capital of Inter Pipeline GP Corp. or its successors.

"**Conversion Exchange**" has the meaning ascribed thereto in the Support Agreement.

"**Fair Market Value**" means, with respect to the Call Share, the highest price expressed in terms of cash equivalents, at which such Call Share would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms-length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

"**Lien**" means any lien, mortgage, charge, pledge, hypothec, security interest, assignment, option, conditional sale, lease, sublease, easement, restrictive covenant, title retention agreement, statutory or deemed trust, adverse claim or other encumbrance of any kind, which secures payment or performance of an obligation or otherwise affects the right, title or interest in or to any particular property.

"**Person**" includes an individual, partnership, corporation, company, unincorporated syndicate or organization, trust, trustee, executor, administrator and other legal representative.

"**Plan of Arrangement**" has the meaning ascribed thereto in the Support Agreement.

"**Support Agreement**" means the Put Option and Support Agreement dated the date hereof among Pubco, Inter Pipeline GP Corp., Putco, Inter Pipeline Fund and the Shareholders (as defined therein).

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.).

1.2 Currency

Unless otherwise specified, all dollar amounts in this Agreement, including the symbol "\$", refer to Canadian currency.

1.3 Gender and Number

In this Agreement, unless the context requires otherwise, any reference to gender includes all genders and words importing the singular number only include the plural and vice versa.

1.4 Headings

The division of this Agreement into Articles, Sections, subsections, paragraphs and other subdivisions, and the inclusion of headings and a table of contents are provided for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Including

Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following the words "include", "includes" or "including" shall not to be considered to set forth an exhaustive list.

1.6 Performance on Holidays

If any act (including the giving of notice) is otherwise required by the terms hereof to be performed on a day that is not a Business Day, such act shall be valid if performed on the next succeeding Business Day.

1.7 References to Documents

Unless otherwise specified, any reference in this Agreement to this Agreement or any other agreement, document or instrument, is a reference to this Agreement or the other agreement, document or instrument as it may have been, or may from time to time be, amended, supplemented, modified, varied, restated, novated or replaced and includes all schedules, appendices and exhibits to it.

1.8 References to Persons

Unless the context otherwise requires, any reference in this Agreement to a Person includes its heirs, administrators, executors and other legal representatives, successors and permitted assigns.

1.9 References to this Agreement

The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Article, Section, subsection, paragraph or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to an Article, Section, subsection, paragraph or clause are to the applicable article, section, subsection, paragraph or clause of this Agreement.

1.10 Statutory References

Unless otherwise specified, any reference in this Agreement to a statute includes all rules and regulations made under it, in each case as it or they may have been, or may from time to time be, amended, re-enacted or replaced.

1.11 Time

Time is of the essence of this Agreement, and no extension or variation of this Agreement will operate as a waiver of this provision.

1.12 Time Periods

Unless otherwise specifically provided herein, a period of days will be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Calgary time) on the last day of the period. If a period of time is to expire hereunder on any day that is not a Business Day, the period will be deemed to expire at 5:00 p.m. (Calgary time) on the next succeeding Business Day.

1.13 Schedules

The following Schedule is part of this Agreement:

Schedule A Call Notice

ARTICLE 2 CALL RIGHT

2.1 Grant of the Call Right

Upon and subject to the terms and conditions contained herein, the Trust hereby grants to Pubco the right (the "**Call Right**"), but not the obligation, to purchase from the Trust and require the Trust to sell to Pubco the Call Share at any time on or after the Call Availability Date at a price equal to the Fair Market Value thereof on the Call Date.

2.2 Payment for Grant of Call Right

On the date hereof, Pubco shall pay the Trust the sum of \$1.00 in consideration for the Trust granting Pubco the Call Right.

ARTICLE 3 EXERCISE OF PUT RIGHTS

3.1 Exercise of the Call Right

- (a) The Call Right provided in Section 2.1 hereof may be exercised by Pubco at any time and from time to time on or after the Call Date by notice (a "**Call Notice**") in writing in the form of Schedule A annexed hereto given by Pubco to the Trust (the date of delivery of such notice being the "**Call Date**").
- (b) Upon the exercise by Pubco of the Call Right, the Trust shall be required to sell to Pubco, and Pubco shall be required to purchase from the Trust, the Call Share in consideration of the payment by Pubco to the Trust of the Fair Market Value of the Call Share on the Call Date in immediately available funds.

3.2 Completion of Purchase and Sale

The completion of a purchase and sale referred to in Section 3.1 hereof shall be required to occur, and each of Pubco and the Trust shall be required to take all actions on its part necessary to permit it to occur, not later than the close of business on the 30th day following the Call Date (the "**Call Closing Date**"). On the Call Closing Date, Pubco shall deliver to the Trust, at the address for notice to the Trust specified in this Agreement, a certified cheque

or bank draft or other form of immediately available funds in the amount of the Fair Market Value of the Call Share on the Call Date and the Trust shall deliver to Pubco the certificate representing the Call Share, together with such documents and instruments as may be required to effect a transfer of such Call Share under applicable law and the articles and by-laws of Putco.

3.3 Representation, Warranty and Covenant of the Trust

The surrender by the Trust of the Call Share under Section 3.2 hereof shall constitute the representation, warranty and covenant of the Trust to Pubco that as at the Call Closing Date (a) such Call Share is owned by the Trust as the registered and beneficial owner, free and clear of all Liens, other than pursuant to the articles and by-laws of Putco or this Agreement, (b) on closing pursuant to Section 3.2 hereof, such Call Share will be sold to Pubco free and clear of all Liens, other than pursuant to the articles and by-laws of Putco or this Agreement, and (c) no Person has any written or oral agreement or option, or any right or privilege capable of becoming an agreement or option, for the purchase or other acquisition from the Trust of the Call Share.

3.4 Plan of Arrangement

Notwithstanding any other provision of this Agreement including the requirement for the occurrence of the Call Availability Date or delivery of a Call Notice, Pubco may require that the purchase and sale of the Call Share contemplated by Section 3.1 for the consideration provided for therein be effected pursuant to the Plan of Arrangement and prior to the occurrence of the Conversion Exchange provided that the Plan of Arrangement includes the Conversion Exchange and provides that the purchase and sale of the Call Share will not become effective unless the Conversion Exchange also becomes effective.

ARTICLE 4 WITHHOLDING RIGHTS

4.1 Right to Withhold

Pubco shall be entitled to deduct and withhold from any consideration otherwise payable under this Agreement to the Trust such amounts as Pubco is required, pursuant to the provisions of the Tax Act or any provision of provincial, state, local or foreign tax law, in each case as amended or succeeded, to deduct and withhold with respect to such payment. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the Trust in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

ARTICLE 5 COVENANTS OF THE TRUST

5.1 Restrictions on Transfer

The Trust shall not sell, assign, transfer, pledge, grant a security interest in or otherwise encumber the Call Share other than pursuant to the exercise of the Call Right in accordance with the terms and conditions hereof.

ARTICLE 6
GENERAL

6.1 Term

This Agreement shall continue in effect so long as the Call Share is held by the Trust or its successors.

6.2 Further Assurances

Each Party shall from time to time execute, acknowledge and deliver or cause to be executed, acknowledged and delivered all further acts, documents and instruments as may be reasonably necessary or desirable in order to give full effect to this Agreement or any provision of it.

6.3 Waiver of Rights

Any waiver of any of the provisions of this Agreement will be binding only if it is in writing and signed by the Parties to be bound by it, and only in the specific instance and for the specific purpose for which it has been given. The failure or delay of any Party in exercising any right under this Agreement will not operate as a waiver of that right. No single or partial exercise of any right will preclude any other or further exercise of that right or the exercise of any other right, and no waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar).

6.4 Severability

If any provision of this Agreement or its application to any Party or circumstance is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, it will be ineffective only to the extent of its illegality, invalidity or unenforceability without affecting the validity or the enforceability of the remaining provisions of this Agreement and without affecting its application to other Parties or circumstances.

6.5 Enurement and Assignment

Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by the Trust or Pubco. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors.

6.6 Notices

Any notice, direction or other communication (in this Section 6.6, a "**notice**") regarding the matters contemplated by this Agreement must be in writing and must be delivered personally, sent by courier or transmitted by e-mail, as follows:

- (a) If to Pubco:

Inter Pipeline Ltd.
2600, 237 – 4th Avenue S.W.
Calgary, Alberta, T2P 4K3

Attn.: William D. Robertson
Email: *[Redacted Personal Information]*

(b) If to the Trust:

Inter Pipeline GP Holding Trust
2600, 237 – 4th Avenue S.W.
Calgary, Alberta, T2P 4K3

Attn.: William D. Robertson
Email: *[Redacted Personal Information]*

6.7 Counterparts and Delivery by Facsimile or Email

This Agreement may be executed in any number of counterparts (including counterparts by facsimile or email), each of which will be deemed to be an original and all of which, taken together, will be deemed to constitute one and the same instrument. Delivery by facsimile or email of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement. Any Party delivering an executed counterpart of this Agreement by facsimile or email shall also deliver an originally executed counterpart of this Agreement, but the failure to deliver an originally executed counterpart does not affect the validity, enforceability or binding effect of this Agreement.

6.8 Governing Law; Attornment

This Agreement will be construed, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each Party irrevocably attorns and submits to the exclusive jurisdiction of the courts of the Province of Alberta and irrevocably waives objection to the venue of any proceeding in those courts or that those courts provide an inconvenient forum.

6.9 Trust Limit of Liability

The Parties acknowledge that this Agreement shall be conclusively taken to have been executed by, or on behalf of, the trustees (the “**Trustees**”) of the Trust only in their capacities as trustees of the Trust under the declaration of trust (the “**Declaration of Trust**”) of the Trust dated May 31, 2013. The Parties disavow any liability upon and waive any claim against the beneficiaries of the Trust and the obligations created hereunder are not personally binding upon, nor shall resort be had to, nor shall recourse or satisfaction be sought from, the private property of any Trustee or any beneficiary of the Trust, but the property of the Trust only shall be bound. It is agreed that the trustees and each beneficiary of the Trust shall have the benefit of this provision and, solely for that purpose, the undersigned Trustee has entered into this provision as agent and trustee for and on behalf of the Trustees and each beneficiary of the Trust. Unless otherwise expressly provided herein, where any reference is made in this

agreement to the Trust as a party to this agreement or any other agreement or to an act to be performed by or a covenant, representation or warranty given by the Trust, such reference shall be construed and applied for all purposes as if it referred to the Trustees, in their capacity as Trustees of the Trust under the Declaration of Trust.

[Signature Page Follows on Next Page.]

THIS AGREEMENT has been executed by the parties as of the date first written above.

INTER PIPELINE LTD.

By: _____
Name:
Title:

INTER PIPELINE GP HOLDING TRUST

By: _____
Name:
Title:

SCHEDULE A
CALL NOTICE

To: Inter Pipeline GP Holding Trust (the "**Trust**")

This notice is given pursuant to Section 3.1 of the Call Option Agreement (the "**Agreement**") dated June 1, 2013 between Pubco and the Trust. Capitalized terms used herein and not otherwise defined herein have the meanings set forth in the Agreement.

Pursuant to Article 3 of the Agreement, the undersigned hereby exercises its Call Right to purchase from the Trust and require the Trust to sell to the undersigned, the Call Share.

On the date hereof, the Fair Market Value of the Call Share is \$_____.

(Date)

(Signature)

SCHEDULE F
ARTICLES OF AMALGAMATION

ARTICLES OF AMALGAMATION

Business Corporations Act
(Alberta)
Section 185

1. Name of Amalgamated Corporation:

Inter Pipeline GP Corp.

2. The classes of shares, and any maximum number of shares that the Corporation is authorized to issue:

See Schedule "A" attached hereto

3. Restriction on share transfers, if any:

See Schedule "B" attached hereto

4. Number, or minimum and maximum number of directors:

Minimum of one (1); Maximum of eleven (11)

5. If the corporation is restricted FROM carrying on a certain business or restricted TO carrying on a certain business, specify the restriction(s):

None

6. Other Provisions, if any:

See Schedule "C" attached hereto

7. Name of Amalgamating Corporations:

Corporate Access Number:

Inter Pipeline GP Corp.

2017267515

Pipeline Assets Corp.

2010237457

James L. Kidd

Name of Person Authorizing (please print)

Signature

Solicitor

Title (please print)

June 1, 2013

Date

This information is being collected for purposes of corporate registry records in accordance with the Business Corporations Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Co-ordinator for Alberta Registries, Research and Program Support, 3rd Floor, Commerce Place, 10155 – 102 Street, Edmonton, Alberta T5J 4L4, (780) 422-7330.

SCHEDULE "A"

The authorized capital of the Corporation shall consist of an unlimited number of Class A Voting Common Shares and an unlimited number of Class B Non-Voting Common Shares, which shares shall have the rights, privileges, restrictions and conditions set forth below, and 7,411,683 Class A Preferred Shares, issuable in series designated 1 through 8 and 7,055,406 Class B Preferred Shares, issuable in series designated 1 through 8, which shares shall have the rights, privileges, restrictions and conditions set forth in the Shares in Series Schedule attached hereto.

CLASS A VOTING COMMON SHARES

I. The Class A Voting Common Shares in the capital of the Corporation shall have the following rights, privileges, restrictions and conditions:

ARTICLE 1

VOTING RIGHTS

1.1 The holders of Class A Voting Common Shares shall be entitled to notice of, to attend and to one (1) vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Class A Voting Common Shares as such).

ARTICLE 2

DIVIDENDS

2.1 The holders of Class A Voting Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Class A Voting Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Class A Voting Common Shares in respect of dividends.

ARTICLE 3

LIQUIDATIONS

3.1 The holders of Class A Voting Common Shares shall be entitled in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Class A Voting Common Shares in respect of return of capital on dissolution, to share ratably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the Class A Voting Common Shares in respect of return of capital, in such assets of the Corporation as are available

for distribution.

CLASS B NON-VOTING COMMON SHARES

II. The Class B Non-Voting Common Shares in the capital of the Corporation shall have the following rights, privileges, restrictions and conditions:

ARTICLE 1

VOTING RIGHTS

1.1 The holders of Class B Non-Voting Common Shares shall not be entitled to notice of, to attend or to vote at any meeting of the shareholders of the Corporation except as required by applicable law.

ARTICLE 2

DIVIDENDS

2.1 The holders of Class B Non-Voting Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Class B Non-Voting Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Class B Non-Voting Common Shares in respect of dividends.

ARTICLE 3

LIQUIDATIONS

3.1 The holders of Class B Non-Voting Common Shares shall be entitled in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Class B Non-Voting Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the Class B Non-Voting Common Shares in respect of return of capital, in such assets of the Corporation as are available for distribution.

SCHEDULE "B"

No shares of the Corporation shall be transferred without the approval of the directors, provided that approval of any transfer of shares may be given as aforesaid after the transfer has been effected upon the records of the Corporation, in which event, unless the said approval stipulates otherwise, the said transfer shall be valid and shall take effect as from the date of its very entry upon the books of the Corporation.

SCHEDULE "C"

a. The number of shareholders of the Corporation, exclusive of:

i. persons who are in its employment or that of an affiliate; and

ii. persons who, having been formerly in its employment or that of an affiliate, were, while in that employment, shareholders of the Corporation and have continued to be shareholders of that Corporation after termination of that employment,

is limited to not more than 50 persons, 2 or more persons who are the joint registered owners of 1 or more shares being counted as 1 shareholder.

b. Any invitation to the public to subscribe for the securities of the Corporation is prohibited.

c. The directors of the Corporation may, without authorization of the shareholders:

i. borrow money on the credit of the Corporation;

ii. issue, reissue, sell or pledge debt obligations of the Corporation;

iii. subject to the Business Corporations Act (Alberta), give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

iv. mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

d. The directors may, by resolution, delegate the powers referred to in subsection (c) hereof to a director, a committee of directors or an officer.

e. The directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last annual general meeting of the Corporation.

f. Meetings of the shareholders may be held at any place within or outside of Alberta.

Schedule F
Form of Mutual Release

1. Vendor Release

For good and valuable consideration, the receipt and adequacy of which are hereby irrevocably acknowledged, • (the “Vendor”), on [his/its] own behalf and on behalf of [his heirs, executors and assigns] OR [its successors and assigns], hereby releases and forever discharges Pipeline Assets Corp. (“PAC”) and its present and future directors, officers, employees and agents, including their successors and assigns (collectively, the “PAC Releasees”), of and from all actions, causes of action, suits, debts, duties, demands, accounts, bonds, covenants, contracts, proceedings and claims for injuries, losses and damages of any kind whatsoever (including any loss or damage not yet ascertained) that the Vendor ever had, now has or can, shall or may hereafter have for or by reason of or in any way arising out of or in connection with the Vendor being a shareholder of PAC up to, but excluding, the date hereof (collectively, the “Vendor Claims”).

The Vendor further covenants and agrees not to, directly or indirectly, join, assist, aid or act in concert in any manner whatsoever with any other person in the making of any Vendor Claim against the PAC Releasees.

The Vendor further covenants and agrees not to make, initiate or continue any Vendor Claim against any person which might be entitled to claim, pursuant to the provisions of any applicable statute or otherwise, contribution, indemnity or other relief against the PAC Releasees or any of them arising out of or in relation to the matters released or discharged pursuant to this Mutual Release.

The Vendor hereby represents, warrants and covenants that it has not assigned and will not assign to any other person any of the Vendor Claims that the Vendor is releasing herein.

Notwithstanding anything to the contrary contained in this Mutual Release, the Vendor does not release or discharge the obligation of PAC to pay to the Vendor on or before August 31, 2013 dividends in the amount of \$• [and management fees in the amount of \$•] declared by PAC on May 31, 2013 as payable to the Vendor. Any action or demand of any kind whatsoever by the Vendor in respect of such outstanding dividends [and management fees] is hereby excluded from the definition of Vendor Claims.

2. PAC Release

For good and valuable consideration, the receipt and adequacy of which are hereby irrevocably acknowledged, PAC, on its own behalf and on behalf of its successors and assigns, hereby releases and forever discharges the Vendor and [his heirs, executors and assigns,] OR [its present and future directors, officers, employees and agents,] including their successors and assigns (collectively, the “Vendor Releasees”), of and from all actions, causes of action, suits, debts, duties, accounts, bonds, covenants, contracts, demands, proceedings and claims for injuries, losses, damages or amounts of any kind whatsoever (including any loss or damage not yet ascertained) that PAC ever had, now has or can, shall or may hereafter have for or by reason of or in any way arising out of or in connection with the Vendor being a shareholder of PAC up to, but excluding, the date hereof (collectively, the “PAC Claims”).

PAC further covenants and agrees not to, directly or indirectly, join, assist, aid or act in concert in any manner whatsoever with any other person in the making of any PAC Claim against the Vendor Releasees.

PAC further covenants and agrees not to make, initiate or continue any PAC Claim against any person which might be entitled to claim, pursuant to the provisions of any applicable statute or otherwise,

contribution, indemnity or other relief against the Vendor Releasees or any of them arising out of or in relation to the matters released or discharged pursuant to this Mutual Release.

PAC hereby represents, warrants and covenants that it has not assigned and will not assign to any other person any of the PAC Claims that PAC is releasing herein.

3. Miscellaneous

- (a) If any provision of this Mutual Release or its application to any party or circumstance is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, it will be ineffective only to the extent of its illegality, invalidity or unenforceability without affecting the validity or the enforceability of the remaining provisions of this Mutual Release and without affecting its application to other parties or circumstances.
- (b) This Mutual Release will be construed, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- (c) This Mutual Release may be executed in any number of counterparts (including counterparts by facsimile or email), each of which will be deemed to be an original and all of which, taken together, will be deemed to constitute one and the same instrument. Delivery by facsimile or email of an executed counterpart of this Mutual Release is as effective as delivery of an originally executed counterpart of this Mutual Release. Any party delivering an executed counterpart of this Mutual Release by facsimile or email shall also deliver an originally executed counterpart, but the failure to deliver an originally executed counterpart does not affect the validity, enforceability or binding effect of this Mutual Release.

[Signature page follows.]

DATED JUNE____, 2013.

PIPELINE ASSETS CORP.

By:

Name:
Title:

Name:

Schedule G

Share Pledge Agreement

THIS SHARE PLEDGE AGREEMENT dated as of the 1st day of June 2013 is made between [one of **SCOTT GERLA, JEFF MARCHANT, DAVID FESYK, CHRISTIAN BAYLE, JEFFERY ERRICO, JEFFREY NEWCOMMON, GORDON THOMPSON, and PETRO ASSETS INC. ("PAI")** – separate agreement for each] (the "**Pledgor**"), as pledgor, **INTER PIPELINE GP CORP.** (the "**Corporation**") and Computershare Trust Company of Canada (the "**Collateral Agent**") as collateral agent for and on behalf of the Indemnified Persons, as defined below, and such Indemnified Persons.

WHEREAS each of **SCOTT GERLA, JEFF MARCHANT, DAVID FESYK, CHRISTIAN BAYLE, JEFFERY ERRICO, JEFFREY NEWCOMMON, GORDON THOMPSON, and PETRO ASSETS INC.** (each an "**Indemnifier**" and collectively, the "**Indemnifiers**"), the Corporation and Inter Pipeline Fund have entered into a share purchase agreement dated June 1, 2013 (the "**Share Purchase Agreement**") pursuant to which the Indemnifiers have agreed to sell, and the Corporation has agreed to purchase, all of the issued and outstanding shares in the capital of Pipeline Assets Corp. ("**PAC**");

AND WHEREAS, pursuant to Section 7.2 of the Share Purchase Agreement, the Indemnifiers have agreed to indemnify the Corporation in respect of certain matters specified therein;

AND WHEREAS each of the Indemnifiers has agreed to provide certain security in relation to their obligations under Section 7.2 of the Share Purchase Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises, the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Pledgor), the parties hereto covenant and agree as follows:

1. **Definitions**

- (a) All terms used herein with initial capital letters, unless otherwise defined herein or the context otherwise requires, shall have the meanings ascribed to such terms in the Share Purchase Agreement.
- (b) In this Share Pledge Agreement, unless the context otherwise requires:

"**Adjustment Date**" means the later to occur of:

- (i) the Class B Retraction Availability Date, and
- (ii) the earlier to occur of (A) the date which is 27 months after completion of the Conversion, and (B) the date which is 33 months after the date hereof;

"**Agreement**" means this Share Pledge Agreement;

"**Business Day**" means any day except Saturday, Sunday, any statutory holiday in the Province of Alberta, or any other day on which the principal chartered banks in the City of Calgary are closed for business;

"**Claim**" has the meaning ascribed thereto in the Share Purchase Agreement;

"**Class B Preferred Share Provisions**" has the meaning ascribed thereto in the Support Agreement;

"**Class B Put Right**" has the meaning ascribed thereto in the Support Agreement;

"**Class B Retraction Amount**" has the meaning ascribed thereto in the Support Agreement;

"**Class B Retraction Right**" has the meaning ascribed thereto in the Support Agreement;

"**Class B Retraction Availability Date**" has the meaning ascribed thereto in the Support Agreement;

"**Class B Trigger Date**" has the meaning ascribed thereto in the Support Agreement;

"**Collateral Agent**" means Computershare Trust Company of Canada;

"**Common Share**" means a common share in the capital of Pubco;

"**Conversion**" has the meaning ascribed thereto in the Support Agreement;

"**Conversion Exchange**" has the meaning ascribed thereto in the Support Agreement;

"**Convertible Share**" means a convertible share in the capital of Pubco;

"**Current Market Price**" means, in respect of a Pledged Share (whether such Pledged Share is a Common Share or a Convertible Share) on any date, the weighted average price per Common Share (computed and rounded to the third decimal point) at which Common Shares have traded during the period of 20 consecutive trading days ending on the fifth trading day before such date on the Toronto Stock Exchange or, if the Common Shares are not then traded on the Toronto Stock Exchange, on such other stock exchange or automated quotation system on which the Common Shares are then listed or quoted, as may be selected by the board of directors of Pubco for such purpose. The weighted average price per Common Share shall be determined by dividing the aggregate sale price of all Common Shares sold on the applicable stock exchange or automated quotation system during the said 20 trading day period, by the total number of Common Shares sold;

"**Default Notice**" has the meaning ascribed thereto in Section 9(a) hereof;

"**Enforcement Notice**" has the meaning ascribed thereto in Section 9(a) hereof; for clarity, an Enforcement Notice may not be given until at least 30 days after the Class B Retraction Availability Date;

"Fair Market Value" with respect to Pledged Collateral at any particular time of determination means (i) if the Conversion, including the Conversion Exchange, has occurred at the time of determination of Fair Market Value, the aggregate Current Market Price of the Pledged Shares forming part of the Pledged Collateral plus the amount of cash, if any, forming part of the Pledged Collateral; and (ii) if the Conversion Exchange has not occurred at the time of determination of Fair Market Value, the aggregate Class B Retraction Amount of the Pledged Shares forming part of the Pledged Collateral at such time plus, in either case, the amount of cash, if any, forming part of the Pledged Collateral;

"including" means including, without limitation, and shall not be construed to limit any general statement which it precedes or follows to the specific or similar items or matters immediately preceding or following it, and "includes" shall be construed in a like manner;

"Indemnified Person" or "Indemnified Persons" means the Corporation and its successors and permitted assigns;

"Indemnity Payment" has the meaning ascribed thereto in Section 9(a);

"Outside Date" means January 1, 2017;

"Person" has the meaning given to it in the Support Agreement;

"Pledged Collateral" has the meaning ascribed thereto in Section 2;

"Pledged Shares" has the meaning ascribed thereto in Section 2;

"Pro Rata Share" has the meaning ascribed thereto in the Share Purchase Agreement;

"PPSA" means the *Personal Property Security Act* (Alberta), as amended from time to time, and any legislation substituted therefore and any amendments thereto;

"Pubco" means Inter Pipeline Limited or its successors;

"Relevant Documents" means, collectively, the Share Purchase Agreement, the Support Agreement and the Share Provisions;

"Share Provisions" means the rights, privileges, restrictions and conditions attaching to the Pledged Shares;

"Secured Obligations" means all Indemnity Payments, if any, that may become payable by the Pledgor to the Indemnified Persons hereunder or under Section 7.2 of the Share Purchase Agreement;

"Secured Party" means the Collateral Agent acting in its capacity as collateral agent for and on behalf of the Indemnified Persons; and

"**Support Agreement**" means the agreement of even date herewith referred to as such in the Share Purchase Agreement.

- (c) The terms "**certificated security**", "**entitlement holder**", "**financial asset**", "**instrument**", "**intangible**", "**investment property**", "**money**", "**security entitlement**", "**securities intermediary**" and "**uncertificated security**" have the meanings given to them under the PPSA.

2. **Appointment of Collateral Agent; Obligation to Provide Information to Collateral Agent**

The Indemnified Person, by execution hereof, designates and appoints the Collateral Agent to act as the collateral agent for the Indemnified Persons under this Agreement and authorizes the Collateral Agent, as collateral agent acting on behalf of the Indemnified Persons and for their benefit, to execute and enter into this Agreement and all other instruments, if any, relating to or necessary or desirable in connection with the security for the Secured Obligations constituted hereby and to take such action hereunder and under such other instruments, and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms hereof, together with such other powers as are reasonably incidental thereto, all subject to the terms of this Agreement. The Pledgor acknowledges and consents to the foregoing designation and appointment of the Collateral Agent by the Indemnified Parties. The Pledgor and the Indemnified Parties acknowledge and agree that (i) this Agreement and such other instruments relating to the Secured Obligations do, and may, also provide benefits to the Collateral Agent and secure the obligations owed to the Collateral Agent pursuant to this Agreement and related fee arrangements (provided, however, that such security shall be discharged as otherwise required pursuant hereto) and (ii) the Collateral Agent shall hold the Pledged Collateral as collateral agent for the Indemnified Parties.

The Indemnified Person represents and warrants that true copies of each of the Relevant Documents are being delivered to the Collateral Agent concurrently with this Agreement becoming effective. The Indemnified Person agrees to deliver, or cause to be delivered, to the Collateral Agent from time to time (i) copies of any written Claim of which it has notice, (ii) copies of any amendments, modifications or supplements to or amendments and restatements of any of the Relevant Documents, (iii) such information regarding the Conversion as the Collateral Agent may reasonably require and (iv) such other documents and agreements relating to the Pledged Collateral and the rights and interests of the Pledgor with respect thereto as the Collateral Agent may reasonably require.

3. **Pledge and Grant of Security Interest**

As general and continuing collateral security for the timely payment and performance when due of the Secured Obligations, the Pledgor hereby assigns, transfers, hypothecates, pledges and grants a continuing security interest to and in favour of the Secured Party in and to: (i) all of the Pledgor's right, title and interest, whether now existing or hereafter arising, in his or its Class B Preferred Shares of the Corporation registered in the name of the Pledgor and represented by the share certificates listed and described in Schedule A hereto (the "**Pledged Shares**"), and (ii) all instruments, money and general intangibles thereof, and all proceeds thereof or derived therefrom (collectively with the Pledged Shares, but subject to the exclusions

mentioned below, the "**Pledged Collateral**") and for greater certainty, including without limitation the following property:

- (a) all certificates and instruments evidencing or representing such Pledged Collateral, and all replacements thereof and substitutions therefor (including, without limitation, any Pubco Convertible Shares or Pubco Common Shares, each as defined in the Support Agreement, acquired in exchange for the Pledged Shares as contemplated by the Support Agreement);
- (b) all present and future dividends whether in cash or kind, and any other payments received or receivable upon or in respect of any of the Pledged Collateral, including trust or partnership distributions, returns of capital, other distributions (including share, unit or partnership interest redemption proceeds), and other property or instruments issued in respect of or in exchange for the Pledged Collateral, whether by way of dividends, distributions, stock dividends, recapitalizations, mergers, consolidations, reorganizations, share splits, combinations or exchanges of shares, units, partnership interests or otherwise;
- (c) all present and future rights, interests and claims of the Pledgor relating to or arising from the Pledged Collateral, including without limitation, all rights to receive notices of and attend meetings of shareholders, and all present and future rights of the Pledgor to vote the Pledged Collateral; and
- (d) subject to Section 9, all direct and indirect proceeds of the foregoing;

provided, however, that (i) any dividends or other payments received by the Pledgor upon any Pledged Shares or replacements thereof or substitutions therefor which the Pledgor is entitled to receive and retain hereunder or which has been released to the Pledgor in accordance with the provisions hereof, shall not be considered Pledged Collateral for any purpose, and (ii) if on the Adjustment Date, the Pledged Collateral has an aggregate Fair Market Value at such date that exceeds the Pledgor's Pro Rata Share of 115% of the aggregate amount of all written Claims existing at such date, the Pledgor shall so notify the Corporation, the other Indemnified Persons and the Collateral Agent in writing (such notice including a determination of the Fair Market Value of the Pledged Collateral and the aggregate amount of the Claims) and, on the third Business Day (the "**Release Date**") after receipt of such notice by the Corporation, the other Indemnified Persons and the Collateral Agent, Pledged Collateral having an aggregate Fair Market Value at such date equal to the amount by which the aggregate Fair Market Value of all of the Pledged Collateral at such date exceeds the Pledgor's Pro Rata Share of 115% of the aggregate amount of all written Claims existing at such date shall immediately and irrevocably be released from the pledge, assignment and security interest constituted hereby, shall forthwith be delivered to or to the order of such Pledgor and shall no longer form part of the Pledged Collateral for any purpose.

In the event that the Indemnified Persons disagree with the Pledgor's determination of the Fair Market Value of the Pledged Collateral and/or the aggregate amount of the Claims, the Corporation shall notify the Pledgor, the other Indemnified Persons and the Collateral Agent in writing of such disagreement prior to the Release Date (such notice a "**Dispute Notice**"), including the Corporation's determination of the Fair Market Value and/or aggregate amount of

the Claims, as applicable. In the event that a Dispute Notice is delivered as aforesaid, the Pledged Collateral will not be released from the Pledge on the Release Date and the Pledgor and the Indemnified Persons shall work expeditiously and in good faith in an attempt to resolve such disagreement within a period of 15 days after the delivery of the Dispute Notice, failing which the determination of the Fair Market Value and/or aggregate amount of the Claims, as applicable, shall be submitted to an independent valuator mutually agreed to by the Indemnified Persons and the Pledgor (and, failing such agreement within five days, such independent valuator shall be []). The Indemnified Persons and the Pledgor will cause the independent valuator to make a determination of the Fair Market Value and/or aggregate amount of the Claims, as applicable, within 15 days and such determination shall be final and binding upon the Indemnified Persons and the Pledgor and will not be subject to appeal, absent manifest error. Upon final determination of the Fair Market Value and/or the aggregate amount of the Claims in accordance with the foregoing, the Applicable Indemnified Parties and the Pledgor shall forthwith notify the Collateral Agent and the applicable amount of Pledged Collateral as determined pursuant to the foregoing, if any, shall immediately and irrevocably be released from the Pledge, assignment and security interest constituted hereby, shall forthwith be delivered to or to the order of the Pledgor and shall no longer form part of the Pledged Collateral for any purpose. The reasonable costs of the valuation, if any, shall be paid by whichever of the Indemnified Persons or the Pledgor had initially proposed a Fair Market Value and/or amount of Claim that was most divergent from the value determined by the independent valuator.

The parties acknowledge that: (i) value has been given; (ii) the Pledgor has rights in the Pledged Collateral existing on the date hereof and the power to transfer rights in the Pledged Collateral to the Collateral Agent; (iii) the parties have not agreed to postpone the time for attachment of the security interests created hereby; and (iv) the security interests created in this Pledge Agreement shall immediately attach to all Pledged Collateral hereafter acquired as soon as the Pledgor acquires rights thereto or therein.

4. **Delivery and Registration**

- (a) The Pledgor shall upon execution of this Pledge Agreement deliver to the Collateral Agent all of the certificates representing the Pledged Shares, registered in the name of the Pledgor, together with such number of stock transfer powers in the form attached hereto as Schedule "B" duly executed in blank as the Collateral Agent may reasonably request;
- (b) Upon completion of the Conversion, the Pledgor shall forthwith at the written request of the Collateral Agent deliver to the Collateral Agent such number of replacement stock transfer powers as the Collateral Agent may reasonably request, either in the form attached hereto as Schedule "C" or in such other form as the Collateral Agent may specify, duly executed in blank with respect to the shares of Pubco that will be exchanged for the Pledged Shares pursuant to the Conversion;
- (c) If the Pledged Shares are exchanged for Convertible Shares pursuant to the Conversion, then upon the earlier of the Class B Trigger Date or the Outside Date the Pledgor shall forthwith at the written request of the Collateral Agent deliver

to the Collateral Agent such number of replacement stock transfer powers as the Collateral Agent may reasonably request, either in the form attached hereto as Schedule "C" or in such other form as the Collateral Agent may specify, duly executed in blank with respect to the common shares of Pubco into which such Convertible Shares will be converted;

- (d) The Collateral Agent shall be entitled to cause the Pledged Shares to be registered in the name of the Collateral Agent or its nominee either (i) after an Enforcement Notice being given hereunder, or (ii) if the Collateral Agent has requested in writing that the Pledgor provide replacement stock transfer powers pursuant to paragraph (b) or (c) of this Section 4 and the Pledgor has not provided such replacement stock transfer powers within 21 days of delivery of such written request;
- (e) At any time when the Collateral Agent is permitted to cause the Pledged Shares to be registered in the name of the Collateral Agent or its nominee, (i) the Pledgor shall take such steps as may reasonably be requested by the Collateral Agent to cause any of the Pledged Collateral that is in a registered or registrable form to be registered or re-registered in the name of the Collateral Agent or its nominee, and the Collateral Agent is hereby appointed the irrevocable attorney (coupled with an interest) of the Pledgor with full power of substitution to cause any or all of the Pledged Collateral to be registered in the name of the Collateral Agent or its nominee at any such time, (ii) the Collateral Agent may, at its sole option, cause any of the Pledged Collateral to be deposited with and registered in the name of a securities intermediary or its nominee that holds such Pledged Collateral as a security entitlement and records the Collateral Agent as the entitlement holder of such Pledged Collateral, and/or (iii) the Pledgor shall endorse any such security certificate in blank, deliver such security certificate to the Collateral Agent, and take all other steps necessary to give exclusive control over such certificated security to the Collateral Agent.

5. **Voting and Distribution Rights**

- (a) Provided that no Enforcement Notice has been given hereunder (or, if an Enforcement Notice has been given hereunder, if such Enforcement Notice has been withdrawn or terminated) then:
 - (i) the Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Collateral beneficially owned by the Pledgor or any part thereof for any purpose not inconsistent with the terms of this Pledge Agreement; and
 - (ii) the Pledgor shall be entitled to receive and retain any and all dividends or other distributions paid from time to time in respect of the Pledged Collateral.

For greater certainty, if at any time when no Enforcement Notice has been given hereunder (or, if an Enforcement Notice has been given hereunder, if such Enforcement Notice has been withdrawn or terminated) the Pledged Collateral

is registered in the name of the Collateral Agent or its nominee, then (A) the Collateral Agent shall exercise any and all voting and other consensual rights pertaining to such Pledged Collateral as the Pledgor directs in writing and (B) any dividends or other distributions received by the Collateral Agent from time to time in respect of the Pledged Collateral shall be promptly paid over by the Collateral Agent to the Pledgor. The Collateral Agent shall, forthwith upon written request by the Pledgor, promptly execute such documents and do such acts, if any, as may be necessary or reasonably advisable to give effect to the provisions of this Section 5(a);

- (b) Upon and after an Enforcement Notice being given hereunder and for so long as such Enforcement Notice remains in effect:
- (i) all rights of the Pledgor to exercise the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 4(a) shall cease, immediately upon such Enforcement Notice being given, and upon the giving of such notice all such rights shall thereupon become vested in the Collateral Agent, who shall thereupon have the sole right to exercise such voting and other consensual rights in accordance with the instructions, if any, provided by the Indemnified Persons (in the absence of which the Collateral Agent shall have no obligation to exercise such rights);
 - (ii) all rights of the Pledgor to receive the dividends or other distributions payable to holders of record on a date after delivery of the Enforcement Notice which the Pledgor would otherwise be authorized to receive and retain pursuant to Section 4(a) shall cease, and all such rights shall thereupon become vested in the Collateral Agent, who shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends or other distributions;
 - (iii) all dividends or other distributions payable to holders of record on a date after delivery of the Enforcement Notice which are received by the Pledgor, if any, shall be received in trust for the benefit of the Collateral Agent on behalf of the Indemnified Persons, shall be segregated from other property or funds of the Pledgor, and shall be forthwith paid over to the Collateral Agent on behalf of the Indemnified Persons, as Pledged Collateral in the same form as so received (with any necessary endorsement); and
 - (iv) the Collateral Agent on behalf of the Indemnified Persons shall have the right at any time, and from time to time, to notify the issuers or obligors under any Pledged Collateral to make payments of all dividends, distributions, or other amounts due or to become due to the Pledgor thereunder directly to the Collateral Agent and, upon such notification and at the expense of the Pledgor, to enforce collection thereof, and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Pledgor might have done.

The Pledgor shall, forthwith upon written request by the Collateral Agent, promptly execute such documents and do such acts as may be necessary or reasonably advisable to give effect to the provisions of this Section 5(b).

6. **Representations and Warranties**

The Pledgor hereby represents and warrants to the Collateral Agent and the Corporation as follows:

- (a) **Pledged Shares:** all Pledged Shares listed and described in Schedule "A" attached hereto as being the property of the Pledgor are properly described in such Schedule;
- (b) **Pledged Collateral:** such Pledged Shares are fully paid and non-assessable and the Pledgor is the registered and beneficial owner of such Pledged Shares and has the right, subject to the provisions of this Pledge Agreement, all of which are owned free and clear of any and all encumbrances created by, through or under the Pledgor, other than the encumbrances created hereby, and the Pledgor has full right, power and authority to pledge and to create a security interest in favour of the Collateral Agent in and to the Pledged Collateral;
- (c) **Security:** the pledge of the Pledged Collateral creates a good and valid security interest, pledge, mortgage and charge in the Pledged Collateral, which security interest, pledge, mortgage and charge is a perfected and first priority security interest, securing the payment of the Secured Obligations and the obligations hereunder;
- (d) **Government Approval:** no authorization or approval or other action by, and no notice to or filing or recording with, any governmental authority or regulatory body or any other third party, is required either:
 - (i) for the grant by the Pledgor of the security interests granted hereby or for the execution, delivery or performance of this Pledge Agreement by the Pledgor;
 - (ii) to ensure the legality, validity, enforceability or admissibility in evidence of this Pledge Agreement in any jurisdiction in which any of the Pledged Collateral is located; and
 - (iii) for the perfection of or the exercise by the Collateral Agent of its rights and remedies hereunder or for the exercise by the Collateral Agent of the voting or other rights provided for in this Pledge Agreement or the remedies in respect of the Pledged Collateral pursuant to this Pledge Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally);
- (e) **No Required Disposition:** other than the Collateral Agent hereunder and other than pursuant to the Support Agreement or the terms and conditions of the

Pledged Shares, no person has, nor during the term of this Pledge Agreement shall have, an agreement or option or any right or privilege capable of becoming an agreement or option to acquire any right or interest in the Pledged Collateral or any part thereof.

7. **Covenants**

The Pledgor hereby covenants and agrees with the Collateral Agent that:

- (a) any substituted Pledged Collateral shall be held by the Collateral Agent subject to the same terms and conditions and with the same powers and authorities, as are hereby declared and conferred; and
- (b) after the giving and during the continuance of an Enforcement Notice hereunder, the Collateral Agent, for and on behalf of the Indemnified Persons, shall have the right, but shall not be bound nor required, to exercise any option or right which the holder of any of the Pledged Collateral may at any time have.

8. **Continued Perfection of Security Interest**

The Pledgor agrees that neither the Pledged Collateral nor any interest of the Pledgor therein shall be transferred, assigned, hypothecated or otherwise alienated or encumbered by the Pledgor in favour of any person unless such person enters into a Share Pledge Agreement on the same terms as this Agreement, *mutatis mutandis*, agreeing to pledge and grant a security interest in such Pledged Collateral to and in favour of the Collateral Agent as security for the Secured Obligations. The Pledgor agrees that from time to time, at the expense of the Pledgor, the Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary, or that the Collateral Agent acting on the instructions of the Indemnified Persons may reasonably request, in order to perfect and protect the pledge, hypothecation and security interest granted or purported to be granted hereby or to enable the Collateral Agent, for and on behalf of the Indemnified Persons, to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral. The Pledgor hereby further authorizes the Collateral Agent, if and when an Enforcement Notice is given (but not prior thereto), to file at the Pledgor's cost and expense one or more financing or financing change statements, and amendments thereto, relative to all or any part of the Pledged Collateral; provided, however, that the Collateral Agent shall not be required to make or maintain any security registrations and shall not be liable for any failure, omission or defect in perfecting the security interests granted pursuant hereto.

9. **Demand and Remedies**

- (a) At any time after the Class B Retraction Availability Date, an Indemnified Person may give the Collateral Agent, the Pledgor and each of the other Indemnified Persons a written notice (a "**Default Notice**") that an amount is due and payable from the Pledgor under Section 7.2 of the Share Purchase Agreement (an "**Indemnity Payment**"), which Default Notice shall refer to this Share Pledge Agreement, expressly state that it is a Default Notice hereunder and provide reasonable details of the basis for the Indemnity Payment being due and payable. Unless the Pledgor satisfies such Indemnity Payment or establishes that

such Indemnity Payment is not then due and payable, in either case within 30 days of the date of such written demand, and provides written evidence to the Collateral Agent, with a copy to the Indemnified Person that provided the Default Notice, the Collateral Agent shall, if directed in writing to do so by the Indemnified Persons, deliver a written notice (an “**Enforcement Notice**”) to the Pledgor substantially in the form attached hereto as Schedule “D” notifying the Pledgor that the Collateral Agent will commence enforcement of its rights and powers in respect of the applicable Pledged Collateral.

- (b) If an Enforcement Notice is given hereunder, and for so long as such Enforcement Notice remains in effect, then the Collateral Agent, for and on behalf of the Indemnified Persons and acting in all respects at the direction of the Indemnified Persons:
- (i) shall have all of the rights and remedies with respect to the applicable Pledged Collateral of a secured party under the PPSA (whether or not said PPSA is in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted;
 - (ii) may, in its name or in the name of the Pledgor or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Pledged Collateral;
 - (iii) may, subject to applicable laws and subject to the provisions hereof, with respect to the Pledged Collateral or any part thereof that shall then be or shall thereafter come into the possession, custody or control of the Collateral Agent or any of its agents or assignees, sell, assign or otherwise dispose of all or any part of such Pledged Collateral, at such place or places as the Collateral Agent is directed by the Indemnified Persons, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required above or by applicable statute and cannot be waived), and a Secured Party or its assignees or any of their respective affiliates or anyone else may be the purchaser, assignee or recipient of any or all of the Pledged Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale pursuant to the Class B Put Right) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Pledgor, any such demand, notice and right or equity being hereby expressly waived and released to the extent permitted by applicable laws. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place

fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned;

- (iv) if the Class B Put Right remains in effect with respect to any of the Pledged Collateral, the Collateral Agent may exercise the Class B Put Right in respect thereof; and
 - (v) the Collateral Agent, for and on behalf of each Indemnified Person, may directly or indirectly acquire or retain the Pledged Collateral as permitted by applicable laws;
- (c) The Collateral Agent shall not be bound or required to take any action unless and until specifically directed to do so in writing by the Indemnified Persons, and shall not be bound under any circumstances to realize upon any Pledged Collateral or allow any Pledged Collateral to be sold, and shall not be responsible for any loss occasioned by any sale or by the retention of or refusal to sell Pledged Collateral; nor shall the Collateral Agent be obliged to collect or see to the payment of interest, distributions or dividends thereon;
 - (d) Neither the Collateral Agent or any Indemnified Person shall be responsible for any Taxes arising from or due and payable as a consequence of any sale, disposition or transfer hereunder of all or any part of the Pledged Collateral;
 - (e) The proceeds of any sale or disposition of the Pledged Collateral by the Collateral Agent for and on behalf of the Indemnified Persons, after paying or reimbursing the Collateral Agent for all costs of such sale or disposition, may be distributed to the Indemnified Persons who, at the time of distribution, have delivered a Notice of Default to the Collateral Agent which has not yet been satisfied; provided, however, that the right of any TA Indemnified Person to be paid any such proceeds shall be postponed and subordinated in all respects to the prior rights of the Corporation to be paid all Indemnity Payments owing to the Corporation from such proceeds and in no event shall any of such proceeds be distributed to any TA Indemnified Person unless and until all Indemnity Payments owing to the Corporation have been satisfied in full;
 - (f) After an Enforcement Notice has been given, the Collateral Agent may transfer all or any of the Pledged Collateral and may fill in all blanks in any transfers of stocks or certificates or any power of attorney or other documents delivered to it, and the Collateral Agent may delegate its powers and any subdelegate of the powers hereby given may exercise the same in the name and on behalf of the Pledgor;
 - (g) At the request of the Collateral Agent, the Pledgor will, at its own expense, execute all such transfers and documents as may be reasonably required, with all such powers of sale and other necessary powers as may be expedient for vesting in the Collateral Agent, or such person or nominee as it may appoint, each and every part of the Pledged Collateral; and
 - (h) All costs and charges incurred by the Collateral Agent with reference to the Pledged Collateral or the realization thereof (including all reasonable legal costs

on the basis as between a solicitor and his own client) shall be added to the Secured Obligations and shall be a first charge and security interest upon the monies received.

10. **Power of Attorney**

The Pledgor hereby appoints the Collateral Agent as attorney of the Pledgor, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise, from time to time in the Collateral Agent's discretion to take any and all actions authorized to be taken by the Collateral Agent under this Pledge Agreement or by applicable laws at any time after an Enforcement Notice is provided by the Collateral Agent to the Pledgor, that the Collateral Agent, acting reasonably, may deem necessary or advisable to accomplish the purposes of this Pledge Agreement, including, without limitation, to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Pledged Collateral, to receive, endorse, and collect any drafts or other instruments or documents in connection therewith, and to file any claims or take any action or institute any proceedings which the Collateral Agent may deem to be necessary or desirable for the collection thereof or to enforce compliance with the terms and conditions hereof or of the Share Purchase Agreement. Such appointment of the Collateral Agent as the Pledgor's attorney is coupled with an interest and is irrevocable. The power of attorney herein granted is in addition to, and not in substitution for, any powers of attorney in the form attached hereto as Schedules "B" and "C" delivered by the Pledgor with delivery of the Pledged Collateral and such powers of attorney in the forms attached hereto as Schedules "B" and "C" may be relied upon by the Collateral Agent severally or in combination.

11. **No Recourse**

Notwithstanding anything contained in this Pledge Agreement or the Share Purchase Agreement to the contrary, the obligations of the Pledgor to the Corporation and the rights of the Corporation and the Collateral Agent against the Pledgor under this Pledge Agreement and the Share Purchase Agreement (other than a Claim thereunder for Damages resulting from any incorrectness in or breach of any representation or warranty of the Pledgor of his or its representations and warranties in Section 3.1 of the Share Purchase Agreement) shall be performed, satisfied and paid only out of, and enforced only against, the Pledged Collateral in accordance with the terms and conditions of this Pledge Agreement and the recourse of the Corporation and the Collateral Agent for the satisfaction of all obligations of the Pledgor under this Pledge Agreement and the Share Purchase Agreement (other than a Claim thereunder for Damages resulting from any incorrectness in or breach of any representation or warranty of the Pledgor of his or its representations and warranties in Section 3.1 of the Share Purchase Agreement) is limited to the Pledged Collateral, and no recourse shall be had by the Corporation to any other assets, property or revenue of the Pledgor of any kind or nature whatsoever or howsoever arising and neither the Corporation nor the Collateral Agent shall be entitled to, or seek to, or effect, any judgment, execution, garnishment or other process of realization (whether judicial or extra-judicial) against or in respect of any assets, property or revenue of the Pledgor of any kind or nature whatsoever or howsoever arising, other than the Pledged Collateral with respect to the provisions of, and the Pledgor's obligations under, this Pledge Agreement and the Share Purchase Agreement (other than a Claim thereunder for Damages

resulting from any incorrectness in or breach of any representation or warranty of the Pledgor of his or its representations and warranties in Section 3.1 of the Share Purchase Agreement).

12. Payment of Indemnity Amounts

If and to the extent that at any time after the Class B Retraction Availability Date any of the Indemnified Persons becomes entitled to payment from the Pledgor under or pursuant to Section 7.2 of the Share Purchase Agreement, including if any Indemnified Person has delivered a Default Notice hereunder in respect thereof, but provided that no Enforcement Notice has been given to the Pledgor in accordance with the provisions hereof in respect thereof prior thereto and subject in all respect to Section 9(e) hereof, the Pledgor may at its option direct the Collateral Agent (and the Collateral Agent shall):

- (a) if either the Class B Put Right or the Class B Retraction Right remains in effect, to exercise the Class B Put Right or the Class B Retraction Right (as the Pledgor may select; provided that the Pledgor may direct the Collateral Agent to revoke any such exercise of a Class B Put Right or Class B Retraction Right and/or change the exercise of a Class B Put Right into an exercise of a Class B Retraction Right and vice versa, in any such case as permitted by the Support Agreement and the Class B Preferred Share Provisions) in respect of a specified number of the Pledged Shares and to apply the proceeds thereof to satisfy, in whole or in part, such Indemnity Payment; or
- (b) if the Pledged Shares are listed and posted for trading on a recognized stock exchange, to sell or cause to be sold a specified number of the Pledged Shares on the principal stock exchange on which such Pledged Shares trade in accordance with the written instructions of the Pledgor, and to apply the proceeds thereof to satisfy, in whole or in part, such Indemnity Payment.

13. Degree of Care; Exculpation

The Collateral Agent shall have the obligation to use reasonable care in the safe custody of the Pledged Collateral in its possession, but shall have no other obligations or duties with respect to the Pledged Collateral. Without limiting the generality of the foregoing, the Collateral Agent shall be under no obligation to take any steps necessary to preserve rights in the Pledged Collateral against any other parties, or to keep the Pledged Collateral identifiable or to exercise any rights arising pursuant to the Pledged Collateral, but may do so at its option after becoming entitled to exercise the remedies referred to herein and all expenses incurred in connection therewith shall be added to the Secured Obligations. The Collateral Agent shall not be liable for any loss or depreciation in the value of the Pledged Collateral.

In all events, neither the Collateral Agent nor any of its officers, directors, employees, representatives, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement (except for its or such Person's personal liability for its own or such Person's own gross negligence or wilful misconduct) or (ii) responsible in any manner to any of the Indemnified Persons for any recitals, statements, representations or warranties made by the Pledgor contained herein or in any certificate, statement or other document provided for in, or received by, the Collateral Agent under or in connection with this Agreement, or for the value, validity,

effectiveness, genuineness, enforceability or sufficiency hereof or for any failure of Pledgor to perform its obligations hereunder. The Collateral Agent shall not be under any obligation to the Indemnified Persons to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement.

The Collateral Agent shall not be liable for any action taken or omitted by it, or any action suffered by it to be taken or omitted excepting only its own gross negligence or wilful misconduct. None of the provisions contained in this agreement or any supplement shall require the Collateral Agent to expend or risk its own funds or otherwise incur financial liability in performing its duties or in the exercise of any of its rights or powers.

The Collateral Trustee shall not be liable for delays or failures in performance resulting from acts beyond its control. Such acts shall include but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations superimposed after the fact, fire, communication line failures, computer viruses, power failures, earthquakes or other disasters.

14. **Right of Collateral Agent to Retain and Rely on Experts**

- (a) The Collateral Agent may appoint such agents and employ or retain such counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder and shall not be responsible for any misconduct on the part of any of them other than that attributable to the Collateral Agent's gross negligence or wilful misconduct. The Collateral Agent may pay remuneration for all services performed for it in the discharge of its duties without taxation for costs or fees of any counsel, solicitor or attorney.
- (b) The Collateral Agent may act and rely and shall be protected in acting in good faith on the opinion or advice of or information obtained from any agent, counsel, accountant, appraiser or other expert or adviser, whether retained or employed by the Obligor or Purchasers or the Collateral Agent, in relation to any matter arising in the performance of its duties under this Agreement.

15. **Reliance by Collateral Agent**

Except for the gross negligence or wilful misconduct of the Collateral Agent, the Collateral Agent shall be entitled to act and rely, and shall be fully protected in acting and relying, upon (i) any writing, resolution, notice, consent, certificate, affidavit, letter, email, teletype, telex or facsimile message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons (ii) any advice and/or statements of legal counsel (including, without limitation, counsel to the Pledgor or the Corporation), independent accountants, appraisers or other experts selected by the Collateral Agent; and the Collateral Agent shall not be liable to any other Person for any action taken or omitted under, in connection with, or pursuant to this Agreement in accordance with any such writing, resolution, notice, consent, certificate, letter, email, teletype or facsimile message, statement, order or other document or conversation or any advice or statement of legal counsel, independent accountants or other experts. The Collateral Agent shall be fully justified in failing or refusing to take action under this Agreement,

and shall suffer no liability for so doing, unless it shall first be instructed to do so in writing by the Indemnified Persons and furnished with sufficient funds for such purpose and is indemnified to its reasonable satisfaction by the Indemnified Persons against any and all liability and expense which may be incurred by it by reason of taking, continuing to take or refraining from taking any such action. The Collateral Agent, in all cases, shall be fully protected in acting, or in refraining from acting, under this Agreement in accordance with the provisions hereof, and any action taken or failure to act pursuant thereto shall be binding upon the Indemnified Persons. The Collateral Agent shall be at liberty to accept as sufficient evidence a certificate signed or purported to be signed on behalf of the Indemnified Person to the effect that any particular dealing, transaction, step or thing is, in the opinion of the Indemnified Person, suitable or expedient or as to any other fact or matter upon which the Collateral Agent may require to be satisfied and the Collateral Agent shall be in no way bound to call for further evidence or to be responsible for any loss that may be occasioned by acting on any such certificate.

16. Indemnification

In addition to and without limiting any other protection of the Collateral Agent hereunder or otherwise by law, the Corporation and the other Indemnified Persons shall indemnify and hold the Collateral Agent, its officers, directors, employees, representatives and agents harmless from and against any and all liabilities, losses, claims, damages, penalties, actions, suits, demands, levies, costs, charges, taxes, expenses and disbursements including any and all reasonable legal and adviser fees and disbursements of whatever kind or nature which may at any time be suffered by, imposed on, incurred by or asserted against the Collateral Agent, whether groundless or otherwise, howsoever arising from or out of any act, omission or error of the Collateral Agent in connection with its acting as Collateral Agent hereunder unless arising from the gross negligence or wilful misconduct on the part of the Collateral Agent. Notwithstanding any other provision hereof, this indemnity shall survive the removal, or resignation of the Collateral Agent, and termination of this Agreement.

Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Collateral Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages. The Pledgor hereby represents to the Collateral Agent that any account to be opened by, or interest to be held by, the Collateral Agent in connection with this Agreement, for or to the credit of such party, is not intended to be used by or on behalf of any third party.

17. Collateral Agent's Right Not to Act

The Collateral Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Collateral Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Collateral Agent, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on 10 days written notice to the Indemnified

Persons (with a copy to the Pledgor), provided that (i) the Collateral Agent's written notice shall describe the circumstances of such non-compliance; and (ii) if such circumstances are rectified to the Collateral Agent's satisfaction within such 10 day period, then such resignation shall not be effective.

18. **Privacy**

Despite any other provision of this Agreement, no party hereto shall take or direct any action that would contravene, or cause the other to contravene, applicable federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "**Privacy Laws**"). The Obligor shall, prior to transferring or causing to be transferred personal information to the Collateral Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Collateral Agent shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Collateral Agent agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Agreement and not to use it for any other purpose except with the consent of or direction from the Obligor or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

19. **Resignation or Termination of Collateral Agent**

In addition to its rights under Section 17, the Collateral Agent may resign as Collateral Agent upon not less than 30 days' written notice to the Indemnified Persons (with a copy to Pledgor), such resignation to take effect upon the acceptance by a successor Collateral Agent of its appointment as the Collateral Agent hereunder. In addition, the Indemnified Persons may remove the Collateral Agent, with or without cause, by giving written notice thereof to the Collateral Agent (with a copy to the Pledgor). Upon any such resignation or removal, the Indemnified Persons shall have the right to appoint a successor Collateral Agent which is a corporation eligible to carry on the business of a corporate trustee in the Province of Alberta, provided that if no Enforcement Notice is in effect, such appointment shall not be effective without the prior written consent of the Pledgor. If no successor Collateral Agent shall have been so appointed and shall have accepted such appointment in writing within 30 days after the retiring Collateral Agent's giving of notice of resignation or its removal, then the retiring Collateral Agent may, on behalf of the Indemnified Persons, appoint a successor Collateral Agent which is a corporation eligible to carry on the business of a corporate trustee in the Province of Alberta or apply to a court of competent jurisdiction for the appointment of a successor Collateral Agent, and the Corporation agrees to pay such reasonable fees and expenses of any such appointee as shall be necessary to induce such appointee to agree to become a successor Collateral Agent hereunder. Upon acceptance of appointment as Collateral Agent, such successor shall thereupon and forthwith succeed to and become vested with all the rights, powers and privileges, immunities and duties of the retiring Collateral Agent, and the retiring Collateral Agent, upon the signing, transferring and setting over to such successor Collateral

Agent all rights, moneys and other collateral held by it in its capacity as Collateral Agent, shall be discharged and released from its duties and obligations hereunder and, except for the immediately following sentence, no longer be entitled to the benefits of a Collateral Agent hereunder except with respect to any actions taken or omitted to be taken by it while it acted as Collateral Agent. Notwithstanding the resignation or removal of the Collateral Agent for any reason, the Collateral Agent shall remain entitled to and be paid all fees and be reimbursed for all expenses and disbursements (to the extent such fees, expenses and disbursements were earned or incurred on or prior to such resignation or removal) and be entitled to all indemnities that such Collateral Agent would otherwise have been duly entitled to pursuant to this Agreement if not for such resignation or removal.

20. **Reimbursement of Collateral Agent**

The Corporation agrees:

- (a) to pay to the Collateral Agent all of its out-of-pocket expenses, including but not limited to reasonable fees and expenses of its agents, legal counsel, independent accountants, appraisers or other experts and the reasonable compensation and disbursements of all other advisors, agents and assistants not regularly in its employ, pursuant to the terms of this Agreement and resulting from or relating to its acting as Collateral Agent pursuant to this Agreement; and
- (b) to reimburse the Collateral Agent upon its request for all reasonable out-of-pocket expenses, disbursements and advances incurred or made by the Collateral Agent in accordance with or pursuant to any provision of this Agreement, except any such expense, disbursement or advance as may be attributable solely to its gross negligence or wilful misconduct.

Notwithstanding any other provision of this Agreement, the Collateral Agent shall in all cases be fully justified in failing or refusing to act hereunder unless it shall be furnished with sufficient funds for such purpose and is indemnified to its satisfaction by the Indemnified Person against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action other than any liability or expense resulting from the Collateral Agent's gross negligence or wilful misconduct.

21. **Capacity of Collateral Agent**

The Collateral Agent has entered into this agreement and any document delivered in connection herewith in its capacity as collateral agent of the Indemnified Persons. Whenever any reference is made in this agreement or in any document delivered in connection herewith, to an act to be performed by the Secured Party or the Collateral Agent, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by the Collateral Agent for and on behalf of the Indemnified Persons. Any and all of the representations, undertakings, covenants, indemnities, agreements and other obligations (in this section, collectively "obligations") made on the part of the Collateral Agent herein of therein are made and intended not as personal obligations of or by Computershare Trust Company of Canada or for the purpose or with the intention of binding Computershare Trust Company of Canada in its personal capacity, but are made and intended for the purpose of binding only the Collateral Agent in its capacity as agent for, and the property and assets of, the Indemnified

Persons. No recourse may be had or taken, directly or indirectly, against Computershare Trust Company of Canada in its personal capacity, or any incorporator, shareholder, officer, director, employee or agent of Computershare Trust Company of Canada or of any predecessor or successor of Computershare Trust Company of Canada, with regard to the Collateral Agent's obligations hereunder.

22. **Redelivery**

Notwithstanding Section 2 hereof, if (a) all of the Indemnified Persons so direct the Collateral Agent in writing, or (b) if the Pledgor determines that no notice of any written Claim has been given pursuant to or as defined in the Share Purchase Agreement within the period set forth in Section 7.5 of the Share Purchase Agreement or, if such a Claim has been made, it has been finally settled or adjudicated and the Pledgor's Pro Rata Share of any resulting Indemnity Payments have been satisfied in full, or (ii) all of the Secured Obligations have otherwise been satisfied or expired, the Pledgor may provide a written certificate to that effect (a "**Release Request**") to the Collateral Agent who shall thereupon provide a copy of such Release Request to all of the other Indemnified Persons. Unless one or more of the Indemnified Persons disputes such Release Request within 15 days of the delivery thereof, the Collateral Agent will, redeliver to the Pledgor all Pledged Collateral previously delivered to it to the Pledgor and the security interest in the Pledged Collateral constituted hereby shall terminate for all purposes. In the event that the accuracy of any Release Request is disputed, the Collateral Agent shall instead retain such Pledged Collateral until such dispute is settled by agreement or by a court of competent jurisdiction.

23. **Governing Law**

This Pledge Agreement will be construed, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each Party irrevocably attorns and submits to the exclusive jurisdiction of the courts of the Province of Alberta and irrevocably waives objection to the venue of any proceeding in those courts or that those courts provide an inconvenient forum. The Pledgor hereby appoints Dentons Canada LLP at its Calgary, Alberta office as attorney for service of process.

24. **Binding Effect**

This Pledge Agreement shall be binding upon the Pledgor and its successors and permitted assigns and shall enure to the benefit of the Indemnified Persons and their respective successors and assigns. "Successors" shall include without limitation any corporation or company resulting from the amalgamation of one or more corporations or companies.

25. **Amendments; Etc.**

No amendment or waiver of any provision of this Pledge Agreement nor consent to any departure by the Pledgor therefrom shall in any event be effective unless the same shall be in writing and signed by the Pledgor and the Indemnified Persons, and then such waiver or consent shall be effective only in the specific instance for the specific purpose for which given.

26. **Addresses for Notices**

Any demand, notice or other communication required or permitted to be given to any party hereunder shall be given in accordance with the notice provisions in the Share Purchase Agreement. Notice of change of address shall also be given in accordance with the notice provisions in the Share Purchase Agreement. Any demand, notice or other communication required or permitted to be given to the Collateral Agent hereunder must be in writing and must be delivered personally, sent by courier or fax with a copy transmitted via e-mail, as follows:

Computershare Trust Company of Canada
600, 530 8th Avenue SW
Calgary, Alberta T2P 3S8
T 403 267 6800
F 403 267 6598
E: Karen.Biscope@Computershare.com
Laura.Leong@Computershare.com

Attention: Manager Corporate Trust

27. **Severability**

If any provision of this Pledge Agreement or its application to any Party or circumstance is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, it will be ineffective only to the extent of its illegality, invalidity or unenforceability without affecting the validity or the enforceability of the remaining provisions of this Pledge Agreement and without affecting its application to other Parties or circumstances.

28. **Headings**

The headings herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

29. **Execution in Counterparts**

This Pledge Agreement may be executed in any number of counterparts (including counterparts by facsimile or email), each of which will be deemed to be an original and all of which, taken together, will be deemed to constitute one and the same instrument. Delivery by facsimile or email of an executed counterpart of this Pledge Agreement is as effective as delivery of an originally executed counterpart of this Pledge Agreement. Any Party delivering an executed counterpart of this Pledge Agreement by facsimile or email shall also deliver an originally executed counterpart of this Pledge Agreement, but the failure to deliver an originally executed copy does not affect the validity, enforceability or binding effect of this Pledge Agreement.

[The remainder of this page has been intentionally left blank. Signature Page Follows]

IN WITNESS WHEREOF the parties hereunto have duly executed this Pledge Agreement as of the day and year first above written.

**COMPUTERSHARE TRUST COMPANY
OF CANADA**

Name:
Title:

Pledgor:

Name:

Witness:

Indemnified Persons:

SCOTT GERLA

JEFF MARCHANT

DAVID FESYK

CHRISTIAN BAYLE

JEFFERY ERRICO

JEFFREY NEWCOMMON

GORDON THOMPSON

PETRO ASSETS INC.

Name: John Driscoll
Title: President]

INTER PIPELINE GP CORP.

Name:
Title:

SCHEDULE "A"

PLEGGED CLASS B PREFERRED SHARES

Share Certificate No(s).	Name of Holder	Number of Class B Preferred Shares

SCHEDULE "B"
POWER OF ATTORNEY

Description of Pledged Shares:

[# shares] Class B Preferred Shares (the "**Pledged Shares**") in the capital of Inter Pipeline GP Corp., a corporation formed under the laws of the Province of Alberta (the "**Issuer**") represented by certificate(s) no(s): _____.

FOR VALUE RECEIVED, the undersigned hereby pursuant to the Share Pledge Agreement dated as of June 1, 2013, as amended, modified, supplemented, restated or replaced from time to time:

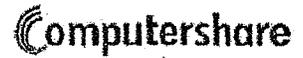
1. sells, assigns and transfers unto _____ the aforementioned Pledged Shares standing in the name of the undersigned on the books of the Issuer; and
2. irrevocably constitutes and appoints _____ the Attorney(s) of the undersigned to complete the foregoing transfer and/or any transfer on the transfer panel of the respective share certificates representing such Pledged Shares and to transfer the said Pledged Shares on the books of the Issuer, with full power of substitution in the premises.

DATED effective this ____ day of _____, _____

[PLEDGOR]

Per: _____
Authorized Signatory

SCHEDULE "C"



SECURITIES TRANSFER FORM

For value received, the undersigned hereby sells, assigns and transfers unto:

(Print name(s) of person(s) to whom the securities are being transferred and the address for the register)

Social Insurance Number of Transferee(s) (or TIN or SSN)*

Grid for Social Insurance Number or TIN or SSN

Complete (a) for stocks or (b) for bonds, debentures, notes or other debt securities.

a) Stocks

(number of shares) shares of (class of shares; example: Common)

b) Bonds, debentures, notes or other debt securities

\$ (Principal amount) % (Interest rate) (Description of bonds, debentures, notes including maturity date if any)

registered in the name(s) of (name(s) of the registered holder(s) as they appear on the certificate or statement/advice)

on the books of (name of the issuing company as it appears on the certificate or statement/advice) and represented by

certificate(s) or account number(s) (the number printed on the face of the certificate or on the shareholder statement/advice)

and hereby irrevocably constitutes and appoints Computershare Investor Services Inc. or Computershare Trust Company of Canada the attorney of the undersigned to request the transfer of the said securities on the books of the said Issuer with full power of Substitution in this matter:

DATED

SPACE FOR GUARANTEES OF SIGNATURES (the transfer cannot be processed without an acceptable guarantee of the signature(s) in the space below)

Person(s) executing the power sign here:

Signature lines for Person(s) executing the power

Read carefully

The signature on this assignment must correspond with the name as written upon the face of the certificate(s) or shareholder statement(s)/advice(s), in every particular, without alteration or enlargement, or any change whatsoever. The signature(s) on this form must be guaranteed by one of the following methods:

- Canada and USA: A Medallion Signature Guarantee obtained from a member of an acceptable Medallion Signature Guarantee Program (STAMP, SEMP, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "Medallion Guaranteed".
Canada: A Signature Guarantee obtained from a major Canadian Schedule 1 chartered bank. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed", sign, print full name and alpha numeric signing number. Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisse Populaires unless they are members of a Medallion Signature Guarantee Program.
Outside North America: For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee Program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

1 If you receive statements/advices confirming your holding instead of certificates, enter the account number from your statement/advice in the space.

SCHEDULE "D"

ENFORCEMENT NOTICE

[DATE]

[NAME], as Pledgor

We make reference to the share pledge agreement dated as of June 1, 2013 made among, *inter alia*, [NAME], as pledgor, Inter Pipeline GP Corp., as pledgee, and Computershare Trust Company of Canada, as collateral agent (the "**Share Pledge Agreement**"). Terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Share Pledge Agreement.

In accordance with Section 8(a) of the Share Pledge Agreement, an Indemnified Party, [_____], has given the Pledgor a written notice dated [DATE] that an Indemnity Payment is due and payable from the Pledgor under the Indemnity Agreement. Such Indemnity Payment has not been satisfied, and the Pledgor has not established that such Indemnity Payment is not due and payable, in each case in accordance with Section 8(a) of the Share Purchase Agreement. The Indemnity Payment is in the amount of \$<>, plus legal costs thereon in accordance with Section 8(h) of the Share Purchase Agreement (the "**Indebtedness**").

In accordance with the Share Pledge Agreement, on behalf of the Corporation, we hereby make formal demand upon you for payment of the Indebtedness, inclusive of legal costs.

This Enforcement Notice is to advise you that unless payment of the Indebtedness is made to the Collateral Agent, in trust for the Corporation, by certified cheque or bank draft on or before the <> day of <>, 20<>, the security interest in the following Pledged Collateral may be enforced by the undersigned through sale or other realization of the Pledged Collateral in accordance with the Share Pledge Agreement, all without further notice to you:

[Describe Applicable Pledged Collateral].

COMPUTERSHARE TRUST COMPANY OF CANADA

Per: _____