

August 23, 2012

**VIA ELECTRONIC FILING**

National Energy Board  
444 Seventh Avenue SW  
Calgary, AB T2P 0X8

Attention: Sheri Young, Secretary of the Board

Dear Ms. Young,

**Re: Application by Pembina Resource Services GP Inc. (“Pembina GP”) Requesting Variance of Orders and Certificates**

Pembina GP submits this application to respectfully request approval from the National Energy Board (“NEB”) pursuant to s. 21 of the *National Energy Board Act*<sup>1</sup> (the “Act”), to vary:

- (a) The Certificates and Orders related to the Kerrobert Pipeline,<sup>2</sup> as more specifically set out in Schedule A (hereinafter referred to as the “GC-39 Certificates and Orders”) currently held by PanCanadian Kerrobert Pipeline Ltd. (“PanCanadian”) as a 50% owner to change the name to Pembina GP as a 50% owner; and
- (b) The Certificates and Orders related to the Kerrobert Expansion Pipeline,<sup>3</sup> as more specifically set out in Schedule A (hereinafter referred to as the “OC-44 Certificates and Orders”) currently held by PanCanadian as a 50% owner to change the name to Pembina GP as a 50% owner.

**BACKGROUND**

***Pembina Pipeline Corporation and Provident Energy Ltd. Amalgamation***

On April 2, 2012, Pembina Pipeline Corporation (“Pembina Corp.”) completed its acquisition of Provident Energy Ltd. under a Plan of Arrangement pursuant to Section 193 of the *Business Corporations Act* (Alberta) (the “Arrangement”). Attached hereto as Schedule B is a copy of the Arrangement.

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<sup>1</sup> R.S.C. 1985, c. N-7.

<sup>2</sup> The Kerrobert Pipeline is a 153 km pipeline transporting natural gas liquids (“NGLs”) and consists of: (1) an 8” diameter pipeline from 4-12-20-01 W4M at the Empress Complex in Alberta to the Kerrobert Storage Terminal at SW1/4-34-33-22 W3M (maximum operating pressure of 9928 kPa); and (2) a 10” diameter pipeline from the Kerrobert Storage Terminal at SW1/4-34-33-22 W3M to SE1/4-34-33-22 W3M at Enbridge’s Kerrobert Terminal in Saskatchewan (maximum operating pressure of 4964 kPa), including all appurtenances and works connected therewith (the “Kerrobert Pipeline”).

<sup>3</sup> The Kerrobert Expansion Pipeline is a 156 km pipeline transporting NGLs and consists of a 10” diameter pipeline from 4-12-20-01 W4M at the Empress Complex in Alberta to the Kerrobert Storage Terminal at SW1/4-34-33-22 W3M in Saskatchewan (maximum operating pressure of 9928 kPa) including all appurtenances and works connected therewith (the “Kerrobert Expansion Pipeline”).

**Pembina Pipeline Corporation  
3800, 525 – 8 Avenue SW  
Calgary, AB T2P 1G1**



In connection with the Arrangement, the business operating as Provident Energy Ltd. amalgamated with a wholly-owned subsidiary of Pembina Corp., which will carry on business under the name Pembina NGL Corporation. Attached hereto as Schedule C is a copy of the Certificate of Amalgamation.

The name change from Provident GP Inc. ("Provident") (previously a subsidiary company of Provident Energy Ltd.) to Pembina GP was effective May 31, 2012 and as such Pembina GP submits this application to the NEB. Attached hereto as Schedule D is a copy of the Certificate of Amendment for the change of Provident's name to Pembina GP.

Attached hereto as Schedule E are two corporate structure diagrams:

- (a) One which outlines the corporate structure as of April 2, 2012, after the Arrangement and prior to the referenced name change taking place; and
- (b) One which outlines the corporate structure after the Arrangement and the referenced name change had taken place.

Although this application may be viewed by the NEB as a name change application only, Pembina GP notes that the ultimate 50% ownership of the relevant facilities changed from a Provident entity to a Pembina entity, as set out in the attached Schedule E. As such, Pembina GP has also attached to this application, as Schedule F, the completed table with respect to a change in ownership application and completed checklist, should the NEB determine that this application is necessary as a result of the ultimate ownership change.

### ***PanCanadian and Provident***

On September 26, 2011, Provident Midstream LP ("Provident Midstream") and Encana Corporation ("Encana") filed an application with the NEB to amend Certificate OC-44 (the "September 26 Filing") (also see subsequent filing dated December 20, 2011 from Provident Midstream and Encana).

In the September 26 Filing, Provident Midstream and Encana indicated the following:

- (a) PanCanadian changed its name to EnCana Kerrobert Pipelines Limited;
- (b) Pursuant to a Purchase and Sale Agreement between Encana and Provident entities, Provident acquired a 50% ownership interest in the aforementioned pipelines; and
- (c) Provident Midstream and Encana requested to have OC-44 amended to reflect the 50% owner of the Kerrobert Expansion Pipeline to be Provident GP Inc., on behalf of Provident Midstream LP.

On February 13, 2012 the NEB issued a letter<sup>4</sup> (the "February 13 Letter") indicating its decision to vary Certificate OC-44 to remove "PanCanadian Kerrobert Pipeline Ltd." and replace with "Provident GP Inc., on behalf of Provident Midstream LP". In the February 13 Letter, the NEB noted that in accordance with subsection 21(2) of the *Act*, Governor in Council ("GIC") approval

<sup>4</sup> See File OF-Fac-Oil-P120-2011-01 01.



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is required to implement the NEB's authorization to vary Certificate OC-44. This GIC approval has not yet been processed and due to the timing of this application, Pembina requested this GIC approval to be put on hold until the filing of this application so as to avoid duplication of procedures for the NEB.

A request was never filed with the NEB to reflect the change from PanCanadian to Provident for the GC-39 Certificate and Orders.

For the reasons set out above this application is requesting the GC-39 and OC-44 Certificates and Orders be amended to reflect the name change from PanCanadian to Pembina GP as a 50% owner.

***Other 50% Owner and Operator***

The other listed 50% owner of the GC-39 and OC-44 Certificates and Orders associated with the Kerrobert Pipeline and the Kerrobert Expansion Pipeline is Dome Kerrobert Pipeline Ltd.

On April 16, 2012, Plains Midstream Canada ULC ("Plains") submitted an application to the NEB requesting that the Certificates and Orders currently held by Dome Kerrobert Pipeline Ltd. reflect the name change to Plains Midstream Canada ULC. To Pembina's knowledge, an Order has not yet been issued by the NEB in this regard, to date.

Plains is also the operator of the Kerrobert Pipeline and the Kerrobert Expansion Pipeline.

**REQUESTED RELIEF**

Pembina GP respectfully requests approval, under s. 21 of the *Act*, to vary the GC-39 and OC-44 Certificates and Orders, as more specifically set out in Schedule A, related to the Kerrobert Pipeline and the Kerrobert Expansion Pipeline to reflect the name change (alternatively ownership change) from PanCanadian Kerrobert Pipeline Ltd. to Pembina Resource Services GP Inc.

Should you have any questions regarding the above referenced application, please do not hesitate to contact me at 403-231-7528 or llunt@pembina.com.

Yours truly,

Laura Lunt

**Pembina Resource Services GP Inc.**

## SCHEDULE A

### CERTIFICATES AND ORDERS

#### The Kerrobert Pipeline

Certificate/Order	Date Granted	Description
GC-39	Aug. 20, 1970	Granting the Certificate of Public Convenience and Necessity ("CPCN") for the construction of the Kerrobert Pipeline.
MO-9-71	May 27, 1971	Approval of certain changes in the design particulars of the Kerrobert Pipeline referred to in GC-39.
OPL-18-2-71 OPL-18-3-71 OPL-18-4-71 OPL-18-5-71	May 27, 1971	Approval of Plans, Profiles and Books of Reference ("PPBoR").
OP-133-71 OP-134-71 OP-135-71	Jun. 24, 1971	Granting leave for portions of the Kerrobert Pipeline to be carried across and under certain utilities;  Granting leave for portions of the Kerrobert Pipeline to be carried across and under a certain highway; and  Granting leave for portions of the Kerrobert Pipeline to be carried across and over or under all highways and all other utilities, other than navigable waters and railways.
OP-146-71	Jul. 8, 1971	Granting leave for portions of the Kerrobert Pipeline to be carried across and under a certain highway and a certain utility; and  Granting leave for portions of the Kerrobert Pipeline to be carried across and over or under all other highways and all other utilities, other than navigable waters and railways.
XO-6-71	Sep. 2, 1971	Granting a portion of the Kerrobert Pipeline be exempt from the provisions of Sections 26 (except paragraph (b) of subsection (1)), 27, 28, and 29 of the <i>National Energy Board Act</i> .
OPS-18-33-71	Nov. 4, 1971	Approval of drawings respecting a pump station and other works connected therewith.
OPLO-18-13-71	Nov. 10, 1971	Granting leave to open for the transmission of natural gas liquids, the Kerrobert Pipeline.

<b>Certificate/Order</b>	<b>Date Granted</b>	<b>Description</b>
OPL-18-8-71	Nov. 17, 1971	Approval of PPBoR; and Granting leave to operate and maintain a deviation of a portion of the Kerrobert Pipeline.
OPSO-18-26-71	Nov. 17, 1971	Granting leave to open for the transmission of natural gas liquids a pump station and other works connected therewith.
MO-30-74	Jul. 4, 1974	Granting leave to convey one 50% undivided interest each of the Kerrobert Pipeline (except for the portion of pipe in Order No. XO-6-71) to Dome Kerrobert Pipeline Ltd. and Blackfoot Pipelines Ltd.
MO-31-74	Jul. 4, 1974	Granting assignment of GC-39 as amended by order MO-9-71 to Dome Kerrobert Pipeline Ltd. to operate the Kerrobert Pipeline on behalf of itself and Blackfoot Pipelines Ltd.
MO-1-75	Jan. 23, 1975	Granting leave to Blackfoot Pipelines Ltd. to convey to PanCanadian Kerrobert Pipeline Ltd. its 50% undivided interest in the Kerrobert Pipeline.
AO-1-MO-31-74	Jan. 23, 1975	Approval to vary Condition 1 of Order MO-31-74 to remove Blackfoot Pipelines Ltd. and replace with PanCanadian Kerrobert Pipeline Ltd.

## The Kerrobert Expansion Pipeline

Certificate/Order	Date Granted	Description
OC-44	Sept. 17, 1997	Granting the CPCN for the construction of the Kerrobert Expansion Pipeline ("KEP").
OPLO-D010-1-98 OPLO-D010-2-98	Jan. 22, 1998	Granting leave to open portion of the KEP from SW12-20-1W4M to SE11-23-28W3M and from SE11-23-28W3M to SW2-27-26W3M respectively.
OPLO-D010-3-98 OPLO-D010-4-98 OPLO-D010-5-98 OPLO-D010-6-98 OPLO-D010-7-98 OPLO-D010-8-98 OPLO-D010-9-98	Feb. 5, 1998	Granting leave to open portions of the KEP from: SW2-27-26W3M to SW5-28-25W3M; SW5-28-25W3M to SW2-29-25W3M; SW2-29-25W3M to NW6-30-24W3M; NW6-30-24W3M to SW1-31-24W3M; SW1-31-24W3M to SE4-32-23W3M; SE4-32-23W3M to NE36-32-23W3M; and NE36-32-23W3M to SW34-33-22W3M, respectively.
OPLO-D010-34-98	May 28, 1998	Granting leave to open the river crossing portion of the KEP under the South Saskatchewan River.

**SCHEDULE B**  
**THE ARRANGEMENT**

**ARRANGEMENT AGREEMENT**

**Between**

**PEMBINA PIPELINE CORPORATION**

**and**

**PROVIDENT ENERGY LTD.**

**January 15, 2012**



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## ARRANGEMENT AGREEMENT

**THIS ARRANGEMENT AGREEMENT** is dated January 15, 2012 between:

**PEMBINA PIPELINE CORPORATION**, a corporation existing under the laws of Alberta with its head office in the City of Calgary, in the Province of Alberta ("**Pembina**")

- and -

**PROVIDENT ENERGY LTD.**, a corporation existing under the laws of Alberta with its head office in the City of Calgary, in the Province of Alberta ("**Provident**")

**WHEREAS** the board of directors of each of Pembina and Provident has determined that it would be in the best interests of its corporation to combine the businesses conducted by Pembina and Provident;

**AND WHEREAS** Pembina and Provident wish to carry out the transactions contemplated hereby by way of a plan of arrangement under the provisions of the *Business Corporations Act* (Alberta);

**AND WHEREAS** upon the effectiveness of the Arrangement, holders of common shares of Provident will receive common shares of Pembina on the terms set out herein;

**AND WHEREAS** the Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters related to the transactions herein provided for;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT IN CONSIDERATION** of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties covenant and agree as follows:

### ARTICLE I INTERPRETATION

#### 1.1 Definitions

In this Agreement, unless the context otherwise requires:

"**ABCA**" means the *Business Corporations Act*, R.S.A. 1985, c. B-9, as amended, including the regulations promulgated therefore;

"**Acquisition Proposal**" means any inquiry or the making of any proposal to Provident or the Provident Shareholders from 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 constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (a) an acquisition or purchase from Provident or the Provident Shareholders of 20% or more of the voting securities of Provident or its Subsidiaries; (b) any acquisition of a substantial amount of assets (or any lease, long term supply agreement or other arrangement having the same economic effect as a purchase or sale of a substantial amount of assets) of Provident and its Subsidiaries taken as a whole; (c) an amalgamation, arrangement, merger, or consolidation involving Provident or its Subsidiaries; (d) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization or

similar transaction involving Provident or its Subsidiaries; or (e) any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Arrangement or which would or could reasonably be expected to materially reduce the benefits to Pembina under this Agreement or the Arrangement; except that for the purpose of the definition of "**Superior Proposal**", the references in this definition of "**Acquisition Proposal**" to "20% or more of the voting securities" shall be deemed to be references to "50% or more of the voting securities", and the references to "a substantial amount of assets" shall be deemed to be references to "all or substantially all of the assets";

"**affiliate**" has the meaning set forth in the *Securities Act* (Alberta);

"**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this Arrangement Agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;

"**Arrangement**" means the arrangement pursuant to Section 193 of the ABCA, all on the terms and conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of the Plan of Arrangement or made at the direction of the Court;

"**Arrangement Resolution**" means a special resolution of the Provident Shareholders in respect of the Arrangement to be considered at the Provident Shareholders' Meeting in substantially the form of Schedule B hereto;

"**Articles of Arrangement**" means the articles of arrangement of Provident in respect of the Arrangement required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been granted, giving effect to the Arrangement;

"**associate**" has the meaning set forth in the *Securities Act* (Alberta);

"**business day**" means any day, other than a Saturday, a Sunday or a statutory holiday, in the Province of Alberta;

"**Canadian GAAP**" means Canadian generally accepted accounting principles as contemplated by the Handbook of the Canadian Institute of Chartered Accountants, applied on a consistent basis, and which incorporates International Financial Reporting Standards as adopted by the Canadian Accounting Standards Board for periods beginning on and after January 1, 2011;

"**Canadian Securities Administrators**" means the securities commission or other securities regulatory authority of each province and territory of Canada;

"**Canadian Securities Laws**" means the securities legislation or ordinance and regulations thereunder of each province and territory of Canada and the rules, instruments, policies and orders of each Canadian Securities Administrator made thereunder;

"**Certificate**" means the certificate or proof of filing to be issued by the Registrar pursuant to subsection 193(11) or 193(12) of the ABCA in respect of the Articles of Arrangement giving effect to the Arrangement;

"**Change of Control**" means the completion of a transaction or series of transactions whereby Provident, or its Subsidiaries or affiliates, or any Person in direct or indirect Control of Provident or its Subsidiaries or affiliates comes under the Control of a third party who previous to such transaction or series of transactions was not an affiliate of Provident or its Subsidiaries;

**"Change of Control Provision"** means any contractual provision whereby the occurrence of a Change of Control of a party to a contract either directly or indirectly causes an alteration of the terms and conditions of such contract or confers contractual rights upon the other party to such contract including rights to purchase assets or rights to terminate all or any term of such contract;

**"Commissioner"** means the Commissioner of Competition appointed under subsection 7(1) of the Competition Act, or her designee;

**"Competition Act"** means the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

**"Competition Tribunal"** means the Competition Tribunal as established by subsection 3(1) of the *Competition Tribunal Act*, R.S.C. 1985, c.19 (2<sup>nd</sup> Supp.), as amended;

**"Confidentiality Agreement"** means the Confidentiality Agreement dated December 23, 2011 between Pembina and Provident;

**"Control"** means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities, by contract or otherwise;

**"Court"** means the Court of Queen's Bench of Alberta;

**"CT Act"** means the *Canada Transportation Act*, R.S.C. 1996, C. 10, as amended;

**"Dissent Rights"** means the rights of dissent provided for in Article 5 of the Plan of Arrangement;

**"Effective Date"** means the effective date of the Arrangement, being the date shown on the Certificate;

**"Effective Time"** means 12:01 a.m. (Calgary time) on the Effective Date or such other time on the Effective Date as may be agreed to in writing by Pembina and Provident;

**"Encumbrance"** includes any mortgage, pledge, assignment, charge, lien, security interest, adverse interest in property, other third party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

**"Environmental Laws"** means, with respect to any Person or its business, activities, property, assets or undertaking, all Laws, including the common law, relating to environmental or health matters in the jurisdictions applicable to such Person or its business, activities, property, assets or undertaking, including legislation governing the use and storage of Hazardous Substances;

**"ERISA"** means the United States *Employee Retirement Income Security Act of 1974*;

**"ERISA Affiliate"** means, with respect to Provident or any of its Subsidiaries, any other entity, trade or business that together with Provident or any of its Subsidiaries is, was at the relevant time or would be treated as a single employer under Section 414 of the U.S. Tax Code or Section 4001 of ERISA;

**"Exchanges"** means the TSX and, with respect to Provident, also includes the NYSE;

**"Final Order"** means the final order of the Court approving the Arrangement pursuant to subsection 193(9)(a) of the ABCA, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed;

**"Governmental Entity"** means any: (a) multinational, federal, provincial, territory, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (b) any subdivision, agent, commission, board or authority of any of the foregoing; or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

**"Hazardous Substances"** mean any pollutant, contaminant, waste of any nature, hazardous substance, hazardous material, hazardous recyclable, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted, or identified in any Environmental Laws;

**"HSR Act"** means the United States *Hart-Scott-Rodino Antitrust Improvements Act of 1976*, as amended;

**"Interim Order"** means the interim order of the Court under subsection 193(4) of the ABCA, as the same may be amended, containing declarations and directions in respect of the notice to be given and the conduct of the Provident Shareholders' Meeting with respect to the Arrangement as more fully set out herein;

**"Investment Canada Act"** means the *Investment Canada Act*, R.S.C. 1985, c. 28 (1st Supp.), as amended;

**"IRS"** means the United States Internal Revenue Service;

**"Joint Proxy Circular"** means the notice of the Pembina Shareholders' Meeting and the notice of the Provident Shareholders' Meeting to be sent to Pembina Shareholders and Provident Shareholders, respectively, and the management proxy circular to be prepared in connection with the Pembina Shareholders' Meeting and the Provident Shareholders' Meeting together with any amendments thereto or supplements thereof, and any other registration statement, information circular or proxy statement which may be prepared in connection with the Pembina Shareholders' Meeting and/or the Provident Shareholders' Meeting;

**"Laws"** means all laws, by-laws, statutes, rules, regulations, principles of law, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity (including any of the Exchanges) or self-regulatory authority and the term "applicable" with respect to such Laws and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities; and "Laws" includes Environmental Laws;

**"Material Adverse Change"** or **"Material Adverse Effect"** means, with respect to any Person, any fact or state of facts, circumstance, change, effect, occurrence or event which:

- (a) either individually is or in the aggregate are, or individually or in the aggregate would reasonably be expected to be, material and adverse to the business, operations, results of operations, properties, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or condition (financial or otherwise) of such Person and its Subsidiaries, taken as a whole, except to the extent of any fact or state of facts, circumstance, change, effect, occurrence or event resulting from or arising in connection with: (i) any matter or prospective matter which has, at or prior to the date hereof, been publicly disclosed by such Person or has been disclosed in writing to the other Party as at or prior to the date hereof; (ii) any change in Canadian GAAP or changes in regulatory accounting requirements applicable to the oil, natural gas and natural gas liquids

transportation, storage, processing or other midstream business (the "**Relevant Business**") as a whole; (iii) conditions affecting the Relevant Business as a whole, including changes in Laws (including Tax Laws); (iv) any change in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in general economic, business, regulatory, or market conditions or in national or global financial or capital markets or commodity markets; (v) any natural disaster; (vi) any changes in the trading price or trading volumes of the Pembina Shares or Provident Shares, as applicable, or any credit rating downgrade, negative outlook, watch or similar event relating to Pembina or Provident, as applicable (provided, however, that the causes underlying such changes may be considered to determine whether such causes constitute a Material Adverse Change or Material Adverse Effect); (vii) any actions taken (or omitted to be taken) at the written request of other Party hereto; or (viii) any action taken by the Person or any of its Subsidiaries that is required pursuant to this Agreement (including any steps taken pursuant to Section 5.3 to obtain any required regulatory approvals), *provided*, however, that with respect to paragraphs (ii), (iii), (iv) and (v) such matter does not have a materially disproportionate effect on the Person and its Subsidiaries, taken as a whole, relative to comparable entities operating in the Relevant Business, and references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a "Material Adverse Change" or a "Material Adverse Effect" has occurred; or

- (b) either individually or in the aggregate prevents, or individually or in the aggregate would reasonably be expected to prevent, the Person from performing its material obligations under this Agreement in any material respect;

"**Money Laundering Laws**" has the meaning ascribed thereto in paragraph (gg) of Schedule C;

"**National Energy Board Act**" means the *National Energy Board Act*, R.S.C. 1985, c. N-7, as amended;

"**NYSE**" means the New York Stock Exchange;

"**OFAC**" has the meaning ascribed thereto in paragraph (gg) of Schedule C;

"**Outside Date**" means May 31, 2012, subject to the right of either Party to postpone the Outside Date for up to an additional 90 days (in 30-day increments) if the conditions relating to regulatory approvals having been obtained or applicable waiting periods having expired in subsections 6.1(e), (f), (g) and (h) (the "**Regulatory Approvals**") have not been satisfied and such approvals have not been denied by a non-appealable decision of a Governmental Entity, by giving written notice to the other Party to such effect no later than 5:00 p.m. (Calgary time) on the date that is not less than five (5) days prior to the original Outside Date (and any subsequent Outside Date), or such later date as may be agreed to in writing by the Parties; provided that notwithstanding the foregoing, a Party shall not be permitted to postpone the Outside Date if the failure to obtain a Regulatory Approval is materially the result of such Party's failure to cooperate in accordance with the provisions of this Agreement in obtaining such Regulatory Approval;

"**Parties**" means Pembina and Provident, and "**Party**" means either one of them;

"**Pembina Damages Event**" has the meaning ascribed thereto in Section 7.2;

"**Pembina Debentures**" means the 5.75% convertible unsecured subordinated debentures of Pembina maturing November 30, 2020;



**"Pembina Options"** means options to purchase Pembina Shares granted pursuant to Pembina's 2011 option plan dated May 26, 2011;

**"Pembina Share Issuance Resolution"** means the ordinary resolution of the Pembina Shareholders to authorize and approve the issuance by Pembina of the Pembina Shares to the Provident Shareholders pursuant to the Arrangement;

**"Pembina Shareholder Rights Plan"** means Pembina's shareholder rights plan dated October 1, 2010;

**"Pembina Shareholders"** means the holders of Pembina Shares;

**"Pembina Shareholders' Meeting"** means such meeting or meetings of the holders of Pembina Shares, including any adjournment thereof, that is to be convened to consider, and if deemed advisable, approve the Pembina Share Issuance Resolution;

**"Pembina Shares"** means the common shares in the capital of Pembina;

**"Person"** includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity);

**"Plan of Arrangement"** means the plan of arrangement substantially in the form set forth in Schedule A hereto and any amendments or variations thereto made in accordance with Section 8.3 hereof or Article 6 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of Pembina and Provident, acting reasonably;

**"Pre-Arrangement Reorganization"** has the meaning ascribed thereto in Section 5.4;

**"Pre-Emptive Right"** means a right of first refusal, pre-emptive right of purchase or similar right whereby any third party has a right to acquire or purchase all or any portion of any asset owned in whole or in part by Provident or any of its Subsidiaries or affiliates;

**"Provident 2010 LTIP"** means the amended and restated Provident Long-Term Incentive Plan dated January 1, 2010;

**"Provident 2011 LTIP"** means the Provident Long-Term Incentive Plan dated January 1, 2011;

**"Provident CRSUs"** means the cliff restricted share units awarded pursuant to the Provident 2011 LTIP;

**"Provident Damages Event"** has the meaning ascribed thereto in Section 7.3;

**"Provident Debenture Indenture"** means the trust indenture dated as of March 1, 2005, as amended by a First Supplemental Indenture dated November 15, 2005, a second supplemental indenture dated November 9, 2010, a third supplemental indenture dated January 1, 2011 and a fourth supplemental indenture dated May 10, 2011, between Provident (or its predecessors) and Computershare Trust Company of Canada, establishing and setting forth, among other things, the terms of the Provident Debentures;

**"Provident Debentureholders"** means, collectively, the holders of the Provident Debentures;

**"Provident Debentures"** means, collectively, (i) the 5.75% convertible unsecured subordinated debentures of Provident maturing December 31, 2017, and (ii) the 5.75% convertible unsecured subordinated debentures of Provident maturing December 31, 2018;

**"Provident DRIP"** means Provident's Premium Dividend, Dividend Reinvestment Share Purchase Plan;

**"Provident Employee Plans"** has the meaning ascribed thereto in paragraph (bb) of Schedule D;

**"Provident Employment Agreements"** means the executive employment agreements between Provident and each of Douglas Haughey, Brent Heagy, Murray Buchanan, Andrew Gruszecki and Robert Lock;

**"Provident Exchange Ratio"** means 0.425 of a Pembina Share for each Provident Share;

**"Provident Financial Statements"** has the meaning ascribed thereto in paragraph (q) of Schedule D;

**"Provident LTI Plans"** means, collectively, the Provident 2010 LTIP and the Provident 2011 LTIP;

**"Provident PSUs"** means performance share units awarded pursuant to the Provident LTI Plans;

**"Provident RSUs"** means the restricted share units awarded pursuant to the Provident LTI Plans;

**"Provident Securityholders"** means, collectively, the Provident Shareholders and the Provident Debentureholders;

**"Provident Shareholder Rights Plan"** means Provident's shareholder rights plan dated January 1, 2011;

**"Provident Shareholders"** means the holders of Provident Shares;

**"Provident Shareholders' Meeting"** means such meeting or meetings of the Provident Shareholders, including any adjournment thereof, that is to be convened as provided by the Interim Order to consider, and if deemed advisable approve, the Arrangement;

**"Provident Shares"** means the common shares in the capital of Provident;

**"Registrar"** means the Registrar of Corporations duly appointed pursuant to section 263 of the ABCA;

**"Relevant Business"** has the meaning set forth in the definition of "Material Adverse Change" and "Material Adverse Effect" in this Agreement;

**"Reorganizing Party"** has the meaning ascribed thereto in subsection 5.4(a);

**"Representatives"** means the officers, directors, employees, financial advisors, legal counsel, accountants and other agents and representatives of a Party;

**"SEC"** means the United States Securities and Exchange Commission;

**"Securities Regulators"** means collectively the Canadian Securities Administrators and the SEC;

**"Subsidiary"** has the meaning set forth in the *Securities Act* (Alberta);

**"Superior Proposal"** has the meaning ascribed thereto in subsection 7.1(b);

"**Tax**" or "**Taxes**" means all taxes, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any Governmental Entity, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal, provincial and state income taxes), capital taxes, payroll and employee withholding taxes, gasoline and fuel taxes, employment insurance, social insurance taxes (including Canada Pension Plan payments), sales and use taxes (including goods and services, harmonized sales and provincial or territorial sales tax), ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers' compensation premiums or charges, pension assessment and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which one of the Parties or any of its Subsidiaries is required to pay, withhold or collect;

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder, as amended from time to time;

"**Tax Returns**" means all reports, estimates, elections, designations, forms, declarations of estimated Tax, information statements and returns relating to, or required to be filed in connection with any Taxes and whether in tangible or electronic form;

"**Tax Sharing Agreement**" has the meaning ascribed thereto in subparagraph (g)(xiv) of Schedule D;

"**Third Party Beneficiaries**" has the meaning ascribed thereto in Section 9.7;

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

"**U.S. Economic Sanctions**" has the meaning ascribed thereto in paragraph (gg) of Schedule C;

"**U.S. Exchange Act**" means the United States *Securities Exchange Act of 1934*, as amended;

"**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended;

"**U.S. Securities Laws**" means federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder;

"**U.S. Tax Code**" means the United States *Internal Revenue Code of 1986*, as amended, or any successor thereto; and

"**U.S. Treasury Regulations**" means the Treasury regulations promulgated under the U.S. Tax Code.

## **1.2 Interpretation Not Affected by Headings**

The division of this Agreement into Articles, Sections, subsections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

## **1.3 Article References**

Unless the contrary intention appears, references in this Agreement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Agreement.

#### **1.4 Number and Gender**

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa; and words importing gender shall include all genders.

#### **1.5 Date for Any Action**

If the date on which any action is required to be taken hereunder by a Party is not a business day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a business day in such place.

#### **1.6 Currency**

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

#### **1.7 Schedules**

The following Schedules annexed to this Agreement, being:

Schedule A	Plan of Arrangement
Schedule B	Form of Arrangement Resolution
Schedule C	Representations and Warranties of Pembina
Schedule D	Representations and Warranties of Provident

are incorporated by reference into this Agreement and form a part hereof.

#### **1.8 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under Canadian GAAP and all determinations of an accounting nature required to be made shall be made in a manner consistent with Canadian GAAP.

#### **1.9 Knowledge**

In this Agreement, references to "to the knowledge of" means the actual knowledge of the Executive Officers of Pembina or Provident, as the case may be, after reasonable inquiry, and such officers shall make such inquiry as is reasonable in the circumstances. For purposes of this Section 1.9 "**Executive Officers**" (a) in the case of Pembina means Pembina's President and Chief Executive Officer, Vice President and Chief Operating Officer, Vice President, Finance and Chief Financial Officer, Vice President, Legal, General Counsel and Secretary, Vice President, Corporate Affairs, Vice President, Human Resources and Administration, and Senior Legal Counsel, and (b) in the case of Provident means Provident's President and Chief Executive Officer, Senior Vice President, Finance and Chief Financial Officer, the two Executive Vice Presidents, the Vice President, NGL Supply & Extraction, the Vice President, Business Development, and Director of Finance and Investor Relations.

#### **1.10 Other Definitional and Interpretive Provisions**

- (a) References in this Agreement to the words "include", "includes" or "including" shall be deemed to be followed by the words "without limitation" whether or not they are in fact followed by those words or words of like import.
- (b) Any capitalized terms used in any exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement.

- (c) References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. Any reference in this Agreement to a Person includes the heirs, administrators, executors, legal personal representatives, predecessors, successors and permitted assigns of that Person.
- (d) References to a particular statute or Law shall be to such statute or Law and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated thereunder or amended from time to time.
- (e) The term "made available" means that (i) copies of the subject materials were included in, and were not removed from, the data room of the applicable Party at least five business days prior to the date hereof, or (ii) copies of the subject materials were provided to the other Party.

## **ARTICLE II THE ARRANGEMENT**

### **2.1 The Arrangement**

As soon as practicable following the date hereof, Pembina and Provident shall proceed to effect a plan of arrangement under section 193 of the ABCA pursuant to which, on the Effective Date, on the terms and subject to the conditions contained in the Plan of Arrangement:

- (a) each Provident Shareholder would receive a number of Pembina Shares equal to the Provident Exchange Ratio for each Provident Share then held; and
- (b) Pembina shall assume all rights and obligations of Provident relating to the Provident Debentures, and the conversion price of each class of Provident Debentures set forth in the Provident Debenture Indenture shall be amended pursuant to the terms of the Provident Debenture Indenture based on the Provident Exchange Ratio.

### **2.2 Pembina Approval**

Pembina represents and warrants to Provident that its board of directors:

- (a) has unanimously (other than the directors who have recused themselves from the process of considering the transactions contemplated herein due to an actual or potential conflict of interest with respect thereto) determined that:
  - (i) the Arrangement is fair to the Pembina Shareholders;
  - (ii) it will recommend that the Pembina Shareholders vote in favour of the Pembina Share Issuance Resolution; and
  - (iii) the Arrangement and entry into this Agreement are in the best interests of Pembina; and
- (b) has received a verbal opinion from Scotia Capital Inc., the financial advisor to Pembina, that the consideration to be paid to the Provident Shareholders is fair, from a financial point of view, to the Pembina Shareholders.

### **2.3 Provident Approval**

Provident represents and warrants to Pembina that its board of directors:

- (a) has unanimously (other than the directors who have recused themselves from the process of considering the transactions contemplated herein due to an actual or potential conflict of interest with respect thereto) determined that:
  - (i) the Arrangement is fair to the Provident Securityholders;
  - (ii) it will recommend that the Provident Shareholders vote in favour of the Arrangement; and
  - (iii) the Arrangement and entry into this Agreement are in the best interests of Provident; and
- (b) has received a verbal opinion from TD Securities Inc., the financial advisor to Provident, that the consideration to be paid to the Provident Shareholders is fair, from a financial point of view, to the Provident Shareholders and that the Arrangement is fair, from a financial point of view, to the Provident Debentureholders.

### **2.4 Obligations of Pembina**

Subject to the terms and conditions of this Agreement, in order to facilitate the Arrangement, Pembina shall take all action necessary in accordance with all applicable Laws, including Canadian Securities Laws and U.S. Securities Laws, to:

- (a) duly call, give notice of, convene and hold the Pembina Shareholders' Meeting as promptly as practicable, and in any event not later than March 31, 2012, to vote upon the Pembina Share Issuance Resolution and any other matters as may be properly brought before such meeting;
- (b) solicit proxies of Pembina Shareholders in favour of the Pembina Share Issuance Resolution; provided that Pembina may, but shall not be required to, engage a proxy solicitation agent for such purpose; and
- (c) do all things necessary or desirable to give effect to the Arrangement, including using reasonable commercial efforts to make and actively prosecute applications for all applicable required regulatory consents, approvals and permissions as provided for herein.

Pembina shall use its reasonable commercial efforts to obtain and furnish to Provident the information required on its behalf to be included in the Joint Proxy Circular. Pembina shall use its reasonable commercial efforts to prepare with Provident and mail to the Pembina Shareholders the Joint Proxy Circular. As of the date the Joint Proxy Circular is first mailed to the Pembina Shareholders and the Provident Shareholders and the date of any Pembina Shareholders' Meeting and Provident Shareholders' Meeting, the information provided by Pembina for use in the preparation of the Joint Proxy Circular shall be complete and correct in all material respects, shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading and shall comply in all material respects with all applicable Laws. Pembina agrees to promptly correct any such information provided by it for use in the Joint Proxy Circular which shall have become false or misleading at any time prior to the Pembina Shareholders' Meeting or the Provident Shareholders' Meeting. Without limiting the generality of the foregoing, Pembina shall ensure that the Joint Proxy Circular provides Pembina Shareholders with

information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Pembina Shareholders' Meeting.

## **2.5 Obligations of Provident**

Subject to the terms and conditions of this Agreement, in order to facilitate the Arrangement, Provident shall take all action necessary in accordance with all applicable Laws, including Canadian Securities Laws and U.S. Securities Laws, to:

- (a) make and diligently prosecute an application to the Court for the Interim Order in respect of the Arrangement;
- (b) in accordance with the terms of and the procedures contained in the Interim Order, duly call, give notice of, convene and hold the Provident Shareholders' Meeting as promptly as practicable, and in any event not later than March 31, 2012, to vote upon the Arrangement Resolution and any other matters as may be properly brought before such meeting;
- (c) solicit proxies of Provident Shareholders in favour of the Arrangement; provided that Provident may, but shall not be required to, engage a proxy solicitation agent for such purpose;
- (d) subject to obtaining the approvals as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take all steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order;
- (e) deliver the Articles of Arrangement to the Registrar upon satisfaction or waiver of the conditions set forth in Article VI; and
- (f) do all things necessary or desirable to give effect to the Arrangement, including using reasonable commercial efforts to make and actively prosecute applications for all applicable required regulatory consents, approvals and permissions as provided for herein.

Provident shall use its reasonable commercial efforts to obtain and furnish to Pembina the information required on its behalf to be included in the Joint Proxy Circular. Provident shall use its reasonable commercial efforts to prepare with Pembina and mail to the Provident Shareholders the Joint Proxy Circular. As of the date the Joint Proxy Circular is first mailed to the Pembina Shareholders and the Provident Shareholders and the date of any Pembina Shareholders' Meeting and Provident Shareholders' Meeting, the information provided by Provident for use in the preparation of the Joint Proxy Circular shall be complete and correct in all material respects, shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading and shall comply in all material respects with all applicable Laws. Provident agrees to promptly correct any such information provided by it for use in the Joint Proxy Circular which shall have become false or misleading at any time prior to the Provident Shareholders' Meeting or the Pembina Shareholders' Meeting. Without limiting the generality of the foregoing, Provident shall ensure that the Joint Proxy Circular provides holders of Provident Shares with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Provident Shareholders' Meeting.

## **2.6 Interim Order**

The application referred to in subsection 2.5(a) shall request that the Interim Order provide, among other things:

- (a) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the Provident Shareholders' Meeting and for the manner in which such notice is to be provided;
- (b) that the requisite approval for the Arrangement Resolution to be placed before the Provident Shareholders' Meeting shall be 66 2/3% of the votes cast on the Arrangement Resolution by Provident Shareholders present in person or by proxy at the Provident Shareholders' Meeting (such that each Provident Shareholder is entitled to one vote for each Provident Share held);
- (c) that, in all other respects, the terms, restrictions and conditions of the constating documents of Provident, including quorum requirements and all other matters, shall apply in respect of the Provident Shareholders' Meeting;
- (d) for the grant of the Dissent Rights as set forth in the Plan of Arrangement; and
- (e) for the notice requirements with respect to the presentation of the application to the Court for the Final Order.

## **2.7 Pembina Shareholders' Meeting**

The Joint Proxy Circular in respect of the Pembina Shareholders' Meeting shall provide that the requisite approval for the Pembina Share Issuance Resolution shall be greater than 50% of the votes cast on the Pembina Share Issuance Resolution by Pembina Shareholders present in person or by proxy at the Pembina Shareholders' Meeting (such that each Pembina Shareholder is entitled to one vote for each Pembina Share held).

## **2.8 Conduct of Meetings**

- (a) Subject to the terms of this Agreement (and in the case of Provident, the Interim Order), Pembina agrees to convene and conduct the Pembina Shareholders' Meeting and Provident agrees to convene and conduct the Provident Shareholders' Meeting, in each case, in accordance with their respective constating documents and applicable Laws (and in the case of Provident, the Interim Order), and agrees not to propose to adjourn or postpone its meeting without the prior consent of the other Party:
  - (i) except as required for quorum purposes (in which case the meeting shall be adjourned and not cancelled) or by applicable Law or by a Governmental Entity;
  - (ii) except as required under Section 6.4 or subsection 7.1(c); or
  - (iii) except for an adjournment for the purpose of attempting to obtain the requisite approval of (A) in the case of Provident, the Arrangement Resolution, and (B) in the case of Pembina, the Pembina Share Issuance Resolution.
- (b) Upon the request of the other Party, Pembina or Provident, as applicable, shall adjourn or postpone its meeting to a date specified by such requesting Party, provided that such meeting, as so adjourned or postponed, shall occur not later than 15 business days after



the date on which such meeting was originally scheduled to occur and in any event shall occur not later than the date that is five business days prior to April 30, 2012.

- (c) Notwithstanding the receipt by Provident of a Superior Proposal in accordance with Section 7.1, unless otherwise agreed to in writing by Pembina or this Agreement is terminated in accordance with its terms or except as required by applicable Law or by a Governmental Entity, Provident shall continue to take all steps reasonably necessary to hold the Provident Shareholders' Meeting and to cause the Arrangement to be voted on at such meeting and shall not propose to adjourn or postpone such meeting other than as contemplated by subsection 2.8(a).

## **2.9 Court Proceedings**

Provident will provide Pembina and its legal counsel with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, including by providing on a timely basis a description of any information required to be supplied by Pembina for inclusion in such material, prior to the service and filing of that material, and will accept the reasonable comments of Pembina and its legal counsel with respect to any such information required to be supplied by Pembina and included in such material and any other matters contained therein. Provident will ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, Provident will not object to legal counsel to Pembina making submissions on the application for the Interim Order and the application for the Final Order as such counsel considers appropriate, provided such submissions are consistent with this Agreement and the Plan of Arrangement. Provident will also provide legal counsel to Pembina on a timely basis with copies of any notice and evidence served on Provident or its legal counsel in respect of the application for the Final Order or any appeal therefrom. Subject to applicable Laws, Provident will not file any material with, or make any submissions to, the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated hereby or with Pembina's prior written consent, such consent not to be unreasonably withheld or delayed; provided that nothing herein shall require Pembina to agree or consent to any increased purchase price or other consideration or other modification or amendment to such filed or served materials that expands or increases Pembina's obligations set forth in any such filed or served materials or under this Agreement.

## **2.10 Board of Directors of Pembina**

The Parties agree that each of Mr. Grant D. Billing and Mr. Jeffrey T. Smith shall be appointed to the board of directors of Pembina immediately following completion of the Arrangement, and shall be proposed as management nominees for directors at the 2012 annual meeting of Pembina's shareholders.

## **2.11 Employee Matters**

- (a) Unless otherwise agreed in writing between Pembina and Provident, Pembina covenants and agrees, and after the Effective Time will cause Provident and any successor to Provident to agree, that the employment of all employees of Provident (the "Continuing Employees") will be continued by Provident or Pembina or one of their Subsidiaries, as the case may be, and that the Continuing Employees, unless their employment is terminated, shall continue their employment on terms and conditions comparable, in the aggregate, to the terms and conditions on which they are currently employed.
- (b) Pembina covenants and agrees, and after the Effective Time will cause Provident and any successor to Provident, to honour and comply with the terms of all existing employment, change of control and severance agreements of Provident and its subsidiaries and all

obligations of Provident and its Subsidiaries under the Provident Employee Plans and the Provident LTI Plans.

## **2.12 Provident LTI Plans and Provident Employment Agreements**

The Parties acknowledge that the Arrangement will result in (a) a "change of control" under the Provident 2011 LTIP and the Provident Employment Agreements and (b) a "Take-Over Bid Transaction" under the Provident 2010 LTIP, however, other than (i) Provident CRSUs, Provident PSUs and Provident RSUs granted under the Provident 2010 LTIP; and (ii) with respect to the Provident CRSUs, the Provident PSUs and the Provident RSUs held by each individual who is party to a Provident Employment Agreement for which vesting will be accelerated pursuant to the terms of their respective Provident Employment Agreements, there is no accelerated vesting or payout of any awards granted pursuant to the Provident LTI Plans nor is there any change of control, severance, separation or similar payments triggered under any executive employment or change of control agreements applicable to any officers, employees or directors of Provident or any of its Subsidiaries, including the Provident Employment Agreements, solely as a result of the completion of the Arrangement. In respect of the payout of awards granted under the Provident LTI Plans following the date of this Agreement (including, for greater certainty, payments made in respect of awards for which vesting has accelerated as a result of the completion of the Arrangement), Provident hereby covenants and agrees that: (a) such payments will be determined in accordance with the Provident LTI Plans and that for the purposes of such payments, any determination of the "Adjustment Ratio" and the "Current Market Price" applicable to such payments shall be determined in strict accordance with the terms of the Provident LTI Plans without the making of any adjustments or other determinations as may be available to the board of directors of Provident, or any committee thereof, in their discretion pursuant to the terms of the Provident LTI Plans or any award granted thereunder; and (b) notwithstanding anything to the contrary contained in the Provident LTI Plans or any award granted thereunder, that the calculation of the Payout Multiplier applicable to any such payments will be determined as disclosed in writing to Pembina by Provident on or prior to the date hereof, which calculation is consistent with the past practice of Provident in determining Payout Multipliers applicable to the payout of Provident PSUs.

## **2.13 Effective Date**

The Arrangement shall become effective at the Effective Time on the Effective Date. Upon issuance of the Final Order and subject to the satisfaction or waiver of the conditions precedent in Article VI, each of Pembina and Provident shall, as soon as practicable, execute and deliver such closing documents and instruments and Provident shall proceed to file the Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement with the Registrar pursuant to section 193 of the ABCA, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any further act or formality. Unless otherwise consented to in writing by Pembina, the Effective Date shall not occur prior to Provident having satisfied its covenants in subsection 5.2(o) herein.

## **2.14 Tax Treatment**

The Arrangement is intended to qualify as a reorganization within the meaning of Section 368(a) of the U.S. Tax Code and the U.S. Treasury Regulations promulgated thereunder, and this Agreement is intended to be a "plan of reorganization" within the meaning of the U.S. Treasury Regulations promulgated under Section 368 of the U.S. Tax Code. From and after the date of this Agreement and until the Effective Time, each Party shall use its reasonable best efforts to cause the Arrangement to qualify, and shall not, without the prior written consent of the Parties, knowingly take any actions or cause any actions to be taken which could prevent the Arrangement from qualifying, as a reorganization within the meaning of Section 368(a) of the U.S. Tax Code. Each Party agrees to treat the Arrangement as a reorganization within the meaning of Section 368(a) of the U.S. Tax Code for all United States federal

income tax purposes, and agrees to treat this Agreement as a "plan of reorganization" within the meaning of the U.S. Treasury Regulations promulgated under Section 368 of the U.S. Tax Code, and to not take any position on any Tax Return or otherwise take any Tax reporting position inconsistent with such treatment, unless otherwise required by a "determination" within the meaning of section 1313 of the U.S. Tax Code that such treatment is not correct. Each Party agrees to act in good faith, consistent with the intent of the Parties and the intended treatment of the Arrangement as set forth in herein.

The Arrangement has been and shall continue to be structured to allow Provident Shareholders to receive Pembina Shares on a tax-deferred basis for Canadian and United States federal income tax purposes.

## **2.15 Withholding Taxes**

Pembina shall be entitled to deduct and withhold from any consideration otherwise payable to any Provident Securityholder or any holder of any Provident CRSUs, Provident RSUs or Provident PSUs under or in connection with the Plan of Arrangement such amounts as Pembina or Provident are required to deduct and withhold from such consideration in accordance with applicable Tax Laws. Any such amounts will be deducted, withheld and remitted from the consideration payable pursuant to or in connection with the Plan of Arrangement and shall be treated for all purposes under this Agreement as having been paid to the Provident Securityholders or holder of any Provident CRSUs, Provident RSUs or Provident PSUs in respect of which such deduction, withholding and remittance was made; provided that such deducted and withheld amounts are actually remitted to the appropriate Tax authority.

## **2.16 Shareholder Communications**

Pembina and Provident agree to co-operate and participate in presentations to investors regarding the Arrangement prior to the making of such presentations and to promptly advise, consult and co-operate with each other in issuing any press releases or otherwise making public statements with respect to this Agreement or the Arrangement and in making any filing with any Governmental Entity or with any stock exchange, including the Exchanges, with respect thereto. Each Party shall use all reasonable commercial efforts to enable the other Party to review and comment on all such press releases prior to the release thereof and shall enable the other Party to review and comment on such filings prior to the filing thereof; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make disclosure in accordance with applicable Laws, and if such disclosure is required and the other Party has not reviewed or commented on the disclosure, the Party making such disclosure shall use reasonable commercial efforts to give prior oral or written notice to the other Party, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing. The Parties agree to issue jointly a press release with respect to this Agreement as soon as practicable after its due execution.

## **2.17 U.S. Securities Laws**

The Parties intend that issuance of Pembina Shares to Provident Shareholders under the Arrangement will qualify for the exemption from the registration requirements of the U.S. Securities Act provided by section 3(a)(10) of the U.S. Securities Act. Therefore, each Party agrees to act in good faith, consistent with the intent of the Parties and the intended treatment of the Arrangement as set forth in this Section 2.17.

**ARTICLE III  
REPRESENTATIONS AND WARRANTIES OF PEMBINA**

**3.1 Representations and Warranties**

Except as set forth in documents filed by Pembina and publicly available on the System for Electronic Document Analysis and Retrieval since January 1, 2011 and prior to the date hereof; Pembina hereby makes to Provident the representations and warranties set forth in Schedule C hereto and acknowledges that Provident is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the Arrangement.

**3.2 Investigation**

Any investigation by Provident and its advisors shall not mitigate, diminish or affect the representations and warranties of Pembina pursuant to this Agreement.

**3.3 Survival of Representations and Warranties**

The representations and warranties of Pembina contained in this Agreement shall expire and be terminated on the earlier of the Effective Date and the date on which this Agreement is terminated.

**ARTICLE IV  
REPRESENTATIONS AND WARRANTIES OF PROVIDENT**

**4.1 Representations and Warranties**

Except as set forth in documents filed by Provident and publicly available on the System for Electronic Document Analysis and Retrieval since January 1, 2011 and prior to the date hereof, Provident hereby makes to Pembina the representations and warranties set forth in Schedule D hereto, and acknowledges that Pembina is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the Arrangement.

**4.2 Investigation**

Any investigation by Pembina and its advisors shall not mitigate, diminish or affect the representations and warranties of Provident pursuant to this Agreement.

**4.3 Survival of Representations and Warranties**

The representations and warranties of Provident contained in this Agreement shall expire and be terminated on the earlier of the Effective Date and the date on which this Agreement is terminated.

**ARTICLE V  
COVENANTS**

**5.1 Covenants of Pembina**

Pembina covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms, unless otherwise (i) agreed to in writing by Provident (such agreement to be subject to applicable Law and not be unreasonably withheld, conditioned or delayed); (ii) required or expressly permitted or specifically contemplated by this Agreement or the Arrangement; or (iii) disclosed to Provident in writing on or prior to the date hereof:

- (a) the business of Pembina and its Subsidiaries shall be conducted only in, and Pembina and its Subsidiaries shall not take any action except in, the ordinary course of business and consistent with past practice, and Pembina shall use all reasonable commercial efforts to maintain and preserve its and their business organization, assets, employees and advantageous business relationships; provided, however, that this subsection 5.1(a) shall not restrict Pembina or any Subsidiary of Pembina from resolving to, or entering into or performing any contract, agreement, commitment or arrangement with respect to, the acquisition (subject to subsection 5.1(c)(ii)), disposition (subject to subsection 5.1(c)(i)), building or construction of any assets or properties relating to the Relevant Business or of the security interests in any Person engaged in the Relevant Business in any manner, including other than in the usual and ordinary course consistent with past practices, and provided that the doing of any such thing does not have a Material Adverse Effect on Pembina;
- (b) Pembina shall not, and shall not permit any of its Subsidiaries to, directly or indirectly: (i) amend Pembina's constating documents or amend in any material respects the constating documents of any of its Subsidiaries; (ii) except in relation to internal transactions solely involving Pembina and its wholly-owned Subsidiaries or solely among such Subsidiaries, declare, set aside or pay any dividend or other distribution or payment in cash, shares or property in respect of its shares owned by any Person, except regular monthly dividends to holder of Pembina Shares in an amount consistent with past practice; (iii) split, consolidate, redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (iv) amend the terms of any of its securities; (v) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of Pembina or any of its Subsidiaries; or (vi) authorize, agree, resolve, commit or propose any of the foregoing, or enter into, modify or terminate any contract, agreement, commitment or arrangement with respect to any of the foregoing;
- (c) Pembina shall not, and shall not permit any of its Subsidiaries to, directly or indirectly: (i) sell, pledge, dispose of or encumber any assets of Pembina or any of its Subsidiaries with a value individually or in the aggregate exceeding \$450 million (other than any security interests required to be provided in connection with Pembina's credit facilities or the assumption by Pembina of Provident's credit facilities); (ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof or make any investment either by purchase of shares or securities, contributions of capital (other than to wholly owned Subsidiaries) or purchase of any property or assets of any other individual or entity with a value individually or in the aggregate exceeding \$450 million; (iii) waive, release or relinquish, or authorize or propose to do so, any contractual right which is material to the business of Pembina and its Subsidiaries, taken as a whole; (iv) waive, release, grant or transfer any rights of value or modify or change any existing license, lease, contract or other document which is material to the business of Pembina and its Subsidiaries, taken as a whole, other than in the ordinary course of business consistent with past practice; or (v) authorize, agree, resolve, commit or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
- (d) Pembina shall use its reasonable commercial efforts (taking into account insurance market conditions and offerings and industry practices) to cause its current insurance (or re-insurance) policies, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, except where such cancellation, termination or lapse would not individually or in the aggregate be material to Pembina and its Subsidiaries, taken as a whole, unless simultaneously with such termination,

cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductibles and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

- (e) without limiting the provisions of Section 5.3, Pembina shall within five (5) business days of the date hereof file: (i) with the Commissioner a submission in support of a request for an advance ruling certificate under section 102 of the Competition Act or a "no action letter"; (ii) with the Commissioner a notification required under section 114(1) of the Competition Act; (iii) a Notification and Report Form with the Department of Justice and the Federal Trade Commission under the HSR Act; and (iv) a notification under section 53.1 of the CT Act, in respect of the Arrangement;
- (f) Pembina shall comply with, or cause Provident to comply with the terms of the Provident Debenture Indenture following the Effective Date;
- (g) Pembina will make all necessary filings and applications under applicable Laws, including Applicable Canadian Securities Laws and U.S. Securities Laws, required to be made on the part of Pembina in connection with the transactions contemplated herein and shall take all reasonable action necessary to be in compliance with such applicable Laws;
- (h) Pembina shall apply to list the Pembina Shares issuable or to be made issuable pursuant to the Arrangement on the TSX and the NYSE, and shall use its reasonable commercial efforts to obtain approval, subject to customary conditions, for the listing of such Pembina Shares on the TSX and the NYSE;
- (i) Pembina shall ensure that it has available funds to permit the payment of any amount that may become payable under Section 7.3 or 7.4, having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount if and when required;
- (j) Pembina shall file its audited comparative financial statements as at and for the year ended December 31, 2011 and related management's discussion and analysis and its annual information form for the year ended December 31, 2011, and all related certifications, documents, filings and fees, with the applicable Securities Regulators in accordance with applicable Laws not later than the later of: (i) three business days prior to March 15, 2012; and (ii) if the Effective Date is after March 15, 2012, three business days prior to the Effective Date; and
- (k) Pembina shall not agree, resolve, commit or undertake to do any of the matters prohibited in this Section 5.1.

Nothing in this Agreement is intended to or shall result in Provident exercising material influence over the operations of Pembina, particularly in relation to operations in which the Parties compete or would compete, but for this Agreement, with each other, prior to the Effective Date.

## **5.2 Covenants of Provident**

Provident covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms, unless otherwise (i) agreed to in writing by Pembina (such agreement to be subject to applicable Law and not be unreasonably withheld, conditioned or delayed); (ii) required or expressly permitted or specifically contemplated by this Agreement or the Arrangement; or (iii) disclosed to Pembina in writing on or prior to the date hereof:

- (a) the business of Provident and its Subsidiaries shall be conducted only in, and Provident and its Subsidiaries shall not take any action except in the ordinary course of business and consistent with past practice (which, for greater certainty includes resolving to, or entering into or performing any contract, agreement, commitment or arrangement with respect to, the acquisition (subject to subsection 5.2(b)(ii)), disposition (subject to subsection 5.2(b)(i)), building or construction of any assets or properties relating to the Relevant Business in the ordinary course of business and consistent with past practice) and Provident shall use all reasonable commercial efforts to maintain and preserve its and their business organization, assets, employees and advantageous business relationships;
- (b) Provident shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:
  - (i) amend Provident's constating documents or amend in any material respects the constating documents of any of its Subsidiaries; (ii) except in relation to internal transactions solely involving Provident and its wholly-owned Subsidiaries or among such Subsidiaries, declare, set aside or pay any dividend or other distribution or payment in cash, shares or property in respect of its shares owned by any Person, except regular monthly dividends to holders of Provident Shares in an amount not to exceed \$0.045 per Provident Share per month; (iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares of Provident or any of its Subsidiaries, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of Provident or any of its Subsidiaries, other than Provident Shares issuable pursuant to the terms of outstanding Provident Debentures on the terms publicly disclosed on or prior to the date hereof (and, for greater certainty, Provident shall suspend and keep suspended the Provident DRIP immediately following execution of this Agreement); (iv) split, consolidate, redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (v) amend the terms of any of its securities; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of Provident or any of its Subsidiaries; or (vii) authorize, agree, resolve, commit or propose any of the foregoing, or enter into, modify or terminate any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above;
- (c) Provident shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:
  - (i) sell, pledge, dispose of or encumber any assets of Provident or any of its Subsidiaries with a value individually exceeding \$20 million or in the aggregate exceeding \$100 million; (ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof or make any investment either by purchase of shares or securities, contributions of capital (other than to wholly owned Subsidiaries) or purchase of any property or assets of any other individual or entity with a value individually exceeding \$20 million or in the aggregate exceeding \$100 million; (iii) incur any indebtedness for borrowed money or any other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or entity, or make any loans or advances, except in the ordinary course of business consistent with past practice; (iv) extend the maturity of any indebtedness for borrowed money or any other liability or obligation, including bankers' acceptances; (v) pay, discharge or satisfy any claims, liabilities or obligations (including any regulatory investigation) which are material to the business of Provident, other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in Provident's most recently publicly available financial statements as of the date hereof or incurred in the ordinary course of business consistent with past practice; (vi) waive, release or relinquish, or authorize or propose to do so, any contractual right which is material to the business of Provident; (vii) waive,

release, grant or transfer any rights of value or modify or change any existing license, lease, contract or other document which is material to the business of Provident, other than in connection with contract renewals and annual supply agreements in the ordinary course of business consistent with past practice; (viii) enter into or terminate any hedges, swaps or other financial instruments or like transaction; or (ix) authorize, agree, resolve, commit or propose to do any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

- (d) Provident and its Subsidiaries shall not incur or commit to capital expenditures prior to the Effective Date individually exceeding \$20 million or in the aggregate exceeding \$100 million;
- (e) Provident shall not, and shall cause each of its Subsidiaries not to: (i) issue, award or grant any Provident CRSUs, Provident RSUs or Provident PSUs or any securities or other instruments or equity-based compensation providing similar benefits; (ii) except as may be required pursuant to existing employment, collective bargaining, pension, supplemental pension or termination policies or agreements (each of which are in writing and copies of which have been provided to Pembina prior to the date hereof), grant to any officer, director, consultant or other employee an increase in compensation or benefits in any form, make any loan to any officer, director or employee or grant or increase the amount or value of any change of control, severance, separation, retention or termination pay to, or enter into any employment, change of control, severance, retention or termination agreement with any officer, director, consultant or other employee of Provident or any of its Subsidiaries; (iii) grant any general salary increases; (iv) make any payment to any director, officer, consultant or other employee outside of their ordinary and usual compensation for services provided; or (v) enter into or modify any employment agreement with any officer, director or other employees of Provident or of any of its Subsidiaries or enter into any agreements with any consultants that are not terminable with 30 days or less notice;
- (f) Provident shall not, and the board of directors of Provident and its committees shall not use any discretion which may be available to them under the terms of the Provident LTI Plans, or any awards granted thereunder, to accelerate the vesting of any awards granted pursuant to the Provident LTI Plans and all payouts of awards granted pursuant to the Provident LTI Plans shall be determined in accordance with Section 2.12 hereof;
- (g) neither Provident nor any of its Subsidiaries shall adopt, amend, terminate, or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, equity compensation, insurance, retention, incentive compensation, other compensation plan or other similar plan, agreement, trust, fund or arrangement for the benefit of employees, except as is necessary to comply with applicable Law or non-discretionary requirements of pre-existing plans or enter into any collective bargaining or other union agreement or take any similar action with respect to a Provident Employee Plan;
- (h) Provident shall use its reasonable commercial efforts (taking into account insurance market conditions and offerings and industry practices) to cause its current insurance (or re-insurance) policies, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, except where such cancellation, termination or lapse would not individually or in the aggregate be material to Provident, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductibles and providing coverage equal to or greater than the



coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

- (i) Provident will deliver to Pembina, as soon as they become available, true and complete copies of any material reports or statements which relate to Provident and its Subsidiaries and are required to be filed by Provident with any Governmental Entity subsequent to the date hereof. As of their respective dates, such reports and statements (excluding any information therein provided by Pembina, as to which Provident makes no representation) will not contain any untrue statement of a material fact, or omit to state a material fact, required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading and will comply in all material respects with all applicable Laws;
- (j) Provident shall not, and shall not permit any of its Subsidiaries to, (i) file any amended Tax Returns; (ii) change in any material respect any of its methods of reporting income or deductions for accounting or income tax purposes from those employed in the preparation of its income tax return for the taxation year ending December 31, 2010 except as may be required by applicable Law; (iii) make or revoke any material election relating to Taxes; (iv) settle, compromise or agree to the entry of judgment with respect to any proceeding relating to Taxes except for any settlement, compromise or agreement that is not material to Provident; (v) file any Tax Return other than in accordance with past practice; (vi) enter into any Tax Sharing Agreement; or (vii) make a request for a Tax ruling to any Governmental Entity;
- (k) Provident will conduct itself so as to keep Pembina fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business; provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party or otherwise prevented by applicable Law or is in respect to customer specific or competitively sensitive information;
- (l) Provident shall not settle or compromise any claim brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Arrangement prior to the Effective Date without the prior written consent of Pembina, which consent shall not be unreasonably withheld, conditioned or delayed;
- (m) Provident will make all necessary filings and applications under applicable Laws, including Applicable Canadian Securities Laws and U.S. Securities Laws, required to be made on the part of Provident in connection with the transactions contemplated herein and shall take all commercially reasonable action necessary to be in compliance with such applicable Laws;
- (n) Provident shall ensure that it has available funds to permit the payment of any amount that may become payable under Section 7.2 or 7.4, having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount if and when required;
- (o) Provident shall file its audited comparative financial statements as at and for the year ended December 31, 2011 and related management's discussion and analysis, its annual information form and annual report on Form 40-F for the year ended December 31, 2011, and all related certifications, documents, filings and fees, with the applicable Securities Regulators in accordance with applicable Laws not later than the later of: (i) three

business days prior to March 15, 2012; and (ii) if the Effective Date is after March 15, 2012, three business days prior to the Effective Date;

- (p) Provident shall use reasonable commercial efforts to obtain resignations and mutual releases (in a form satisfactory to Pembina and such resigning person, each acting reasonably) from each of the directors of Provident and each of its Subsidiaries to be effective at the Effective Time;
- (q) Provident shall not agree, resolve, commit or undertake to do any of the matters prohibited in this Section 5.2; and
- (r) without limiting the provisions of Section 5.3, Provident shall within five (5) business days of the date hereof file: (i) with the Commissioner a notification required under section 114(1) of the Competition Act; (ii) a Notification and Report Form with the Department of Justice and the Federal Trade Commission under the HSR Act; and (iii) a notification under section 53.1 of the CT Act, in respect of the Arrangement.

Nothing in this Agreement is intended to or shall result in Pembina exercising material influence over the operations of Provident, particularly in relation to operations in which the Parties compete or would compete, but for this Agreement, with each other, prior to the Effective Date.

### **5.3 Mutual Covenants**

Each of the Parties covenants and agrees that, except as contemplated in this Agreement or the Arrangement or as disclosed in writing by Pembina to Provident or by Provident to Pembina prior to the date hereof, during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms:

- (a) it shall use all reasonable commercial efforts to, and shall cause its Subsidiaries to use all reasonable commercial efforts to, satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article VI to the extent the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Arrangement, including using its reasonable commercial efforts to promptly: (i) obtain all necessary waivers, consents and approvals required to be obtained by it from parties to credit and loan agreements, leases and other contracts; (ii) obtain all necessary exemptions, consents, approvals and authorizations as are required to be obtained by it under all applicable Laws; (iii) effect all necessary registrations and filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Arrangement and participate and appear in any proceedings of either Party before Governmental Entities; (iv) defend all lawsuits or other legal, regulatory or other proceedings against it challenging or affecting the Arrangement or this Agreement, and oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate, the Arrangement; (v) fulfill all conditions and satisfy all provisions of this Agreement and the Arrangement, including delivery of the certificates of their respective officers contemplated by Section 6.2 and Section 6.3; and (vi) co-operate with the other Party in connection with the performance by it and its Subsidiaries of their obligations hereunder;
- (b) it shall cooperate fully with the other Party and such other Party's counsel, recognizing that certain competitively sensitive information shall be exchanged only on a counsel-only basis and in accordance with the Confidentiality Agreement and any other

subsequent written agreement that addresses confidentiality between the Parties, in the preparation of all filings, responses and submissions in relation to the Competition Act, the HSR Act, the CT Act and any similar Laws, and the Parties shall supply as promptly as practicable any additional information or documentary materials that may be required pursuant to (or as the parties or their counsel agree may be advisable in relation to) the Competition Act, the HSR Act, the CT Act or any similar Laws;

- (c) it shall not engage in any meetings or material communications with any Governmental Entity in relation to the Arrangement without counsel for the other Party being advised of same, having been given the opportunity to participate in such meetings or communications, and in any event shall immediately notify and provide copies to the other Party's counsel of any communications to or from a Governmental Entity in relation to the Arrangement;
- (d) notwithstanding Section 5.3(a), it shall not enter into any agreement or arrangement with a Governmental Entity or consent to any Competition Tribunal order in relation to the Arrangement without the consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed;
- (e) it shall not take any action, refrain from taking any action, or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Arrangement;
- (f) except for non-substantive communications with its securityholders, and subject to its obligations under Section 2.16, it shall furnish promptly to the other Party or its counsel, a copy of each notice, report, schedule or other document delivered, filed or received by it in connection with: (i) the Arrangement; (ii) any filings under applicable Laws in connection with the transactions contemplated hereby; and (iii) any dealings with Governmental Entities in connection with the transactions contemplated hereby;
- (g) it shall promptly notify the other Party in writing of any material change (actual, anticipated, contemplated or, to the knowledge of such Party, threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, prospects, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, or of any Governmental Entity or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated), or of any change in any representation or warranty provided by such Party in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect, and it shall in good faith discuss with the other Party any change in circumstances (actual, anticipated, contemplated, or to the knowledge of such Party, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other Party pursuant to this provision; and
- (h) it shall use its reasonable commercial efforts to conduct its affairs so that all of its representations and warranties contained herein shall be true and correct on and as of the Effective Date as if made thereon, provided that any representation and warranty not qualified by materiality shall be true and correct in all material respects.

#### **5.4 Pre-Arrangement Reorganizations**

- (a) Each Party acknowledges and agrees that, in contemplation of the Arrangement, it shall, and shall cause each of its respective Subsidiaries to, cooperate with the other Party (the "**Reorganizing Party**") in structuring, planning and implementing any reorganization of

the business, operations and assets of the Reorganizing Party (each, a "**Pre-Arrangement Reorganization**") in order to improve the Tax efficiencies of the proposed transactions for the Parties and their securityholders, and the Reorganizing Party shall be permitted to take all necessary or desirable steps to effect any Pre-Arrangement Reorganization, provided that the Reorganizing Party shall not undertake any Pre-Arrangement Reorganization without the written consent of the other Party (not to be unreasonably withheld, conditioned or delayed).

- (b) Each of the Parties acknowledges and agrees that the planning for and implementation of any Pre-Arrangement Reorganization pursuant to subsection 5.4(a) shall not be considered a breach of any covenant under this Agreement and shall not be considered in determining whether a representation or warranty of a Party hereunder has been breached. The Parties shall work cooperatively and use reasonable best efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Arrangement Reorganization pursuant to subsection 5.4(a).

## **5.5 Financing Assistance**

- (a) Provident shall, and shall cause its Subsidiaries to, and shall use its reasonable commercial efforts to have its and their Representatives, provide such cooperation to Pembina as Pembina may reasonably request in connection with the arrangements by Pembina to obtain new or amend any existing credit facilities or issue equity or debt securities publicly or privately, subject to the terms hereof (provided that (A) to the extent reasonably practicable, such request is made on reasonable notice, (B) such cooperation does not unreasonably interfere with the ongoing operations of Provident and its Subsidiaries or unreasonably interfere with or hinder or delay the performance by Provident or its Subsidiaries of their obligations hereunder, (C) Provident shall not be required to provide, or cause any of its Subsidiaries to provide, cooperation that involves any binding commitment by Provident or its Subsidiaries, which commitment is not conditional on the completion of the Arrangement and does not terminate without liability to Provident or its Subsidiaries upon the termination of this Agreement; and (D) any actions taken hereunder are in compliance with Sections 5.2 and 5.3), including one or more of the following cooperative actions as so requested:
  - (i) participating in meetings (including meetings with rating agencies), drafting sessions and due diligence sessions;
  - (ii) furnishing Pembina and its proposed lenders or underwriters with such financial and other pertinent information regarding Provident as may be reasonably requested by Pembina;
  - (iii) cooperating with Pembina in connection with applications to obtain such consents, approvals or authorizations which may be reasonably necessary or desirable in connection with such financing;
  - (iv) using its reasonable commercial efforts to obtain customary accountants' consent and comfort letters and other documentation and items relating to such securities issue as reasonably requested by Pembina and, if requested by Pembina, to cooperate with and assist it in obtaining such documentation and items;
  - (v) executing and delivering, or where applicable, obtaining, any certificates, legal opinions or documents, as may be reasonably requested by Pembina (including a

certificate of the Chief Financial Officer of Provident or any of its Subsidiaries with respect to consents of accountants for use of their reports in any materials relating to such securities issue); and

- (vi) taking all corporate actions, to be effective at the Effective Time, requested by Pembina that are necessary or customary to permit the consummation of such financing.
- (b) Notwithstanding subsection 5.5(a), neither Provident, nor any of its Subsidiaries shall be required by Pembina to: (i) take any action or do anything that would (A) contravene any applicable Law, or (B) be capable of impairing or preventing the satisfaction of any condition set forth in Article VI; (ii) commit to take any action that is not contingent on the consummation of the transactions contemplated by this Agreement at the Effective Time; (iii) pay any commitment, consent or other fee or incur any other liability in connection with such financing prior to the Effective Date; or (iv) except as required to comply with applicable Laws, disclose any information that in the reasonable judgment of such Party would violate any obligations of such Party or any other Person with respect to confidentiality.
- (c) Pembina agrees to indemnify and save harmless Provident and its Subsidiaries and their respective officers, directors, employees, agents, advisors and representatives from and against any and all liabilities, losses, damages, claims, costs, expenses, interest awards, judgments and penalties suffered or incurred by any of them in connection with any actions or omissions by any of them in connection with any request by Pembina made pursuant to this Section 5.5 and for any alleged misstatement or omission in any information provided by Provident at the request of Pembina (other than historical factual information to the extent prepared by Provident and relating to Provident and its Subsidiaries) except that Pembina shall not be liable in any such case to the extent that any such liabilities, losses, damages, claims, costs, expenses, interest awards, judgments and penalties arise out of the negligence or willful misconduct of Provident. Pembina shall promptly upon request by Provident and from time to time reimburse Provident and its Subsidiaries for all reasonable out-of-pocket costs (including legal fees) incurred by Provident or its Subsidiaries and their Representatives in connection with any of the actions contemplated by this Section 5.5, including, if this Agreement is terminated by Provident in accordance with its terms, in connection with any unwinding or similar transactions by Provident or its Subsidiaries required as a result of actions taken pursuant to this Section 5.5.

## **5.6 Proxies Received and Dissent Notices**

Each Party shall advise the other Party as reasonably requested, and on a daily basis on each of the last seven business days prior to their respective shareholder meetings called to consider the Arrangement contemplated hereby, as to the aggregate tally of the proxies and votes received in respect of such meeting and all matters to be considered at such meeting. Provident shall advise Pembina of any written notice of dissent, withdrawal of such notice, and any other notice received pursuant to the exercise of Dissent Rights.

**ARTICLE VI  
CONDITIONS**

**6.1 Mutual Conditions**

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Interim Order shall have been granted in form and substance satisfactory to each of the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;
- (b) the Pembina Share Issuance Resolution shall have been passed by a majority of the votes cast by the Pembina Shareholders at the Pembina Shareholders' Meeting;
- (c) the Arrangement Resolution shall have been passed by the Provident Shareholders at the Provident Shareholders' Meeting in accordance with the Interim Order;
- (d) the Final Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;
- (e) the following shall have occurred:
  - (i) (A) the relevant waiting period in section 123 of the Competition Act, and any timing agreement entered into with the Commissioner, shall have expired, been terminated or waived and there shall be no order issued by the Competition Tribunal under Section 92, 100 or 104 of the Competition Act, and (B) the Commissioner or her representative has issued a letter to the Parties indicating that she does not intend to make an application under section 92 of the Competition Act in respect of the completion of the Arrangement contemplated by the Agreement and any terms and conditions attached to any such letter shall be acceptable to each Party, acting reasonably; or
  - (ii) the Commissioner shall have issued an advance ruling certificate pursuant to section 102 of the Competition Act in respect of the Arrangement contemplated by this Agreement;
- (f) the applicable waiting period (and any extension thereof) under the HSR Act shall have expired or been earlier terminated;
- (g) the following shall have occurred:
  - (i) Pembina shall have received a notice from the Minister of Transport pursuant to subsection 53.1(4) of the CT Act that the Minister of Transport is of the opinion that the Arrangement contemplated by this Agreement does not raise issues with respect to the public interest as it relates to national transportation, in accordance with subsection 53.1(4) of the CT Act; or
  - (ii) the Arrangement contemplated by this Agreement shall have been approved by the Governor in Council in accordance with subsections 53.2(7) of the CT Act,

and in all cases the completion of the Arrangement contemplated by this Agreement shall not be prohibited under subsection 53.2(1) of the CT Act;

- (h) in addition to the requirements under subsections 6.1(e), 6.1(f) and 6.1(g), all other domestic and foreign regulatory (including any Laws that regulate competition, antitrust, foreign investment or transportation), governmental and third party approvals and consents required to be obtained, or that the Parties mutually agree in writing to obtain in respect of the completion of the Arrangement, and the expiry of applicable waiting periods necessary to complete the Arrangement, shall have occurred or been obtained on terms and conditions acceptable to the Parties, each acting reasonably, including conditional approval to the listing of the Pembina Shares issuable pursuant to the Arrangement on the TSX, and all applicable domestic and foreign statutory and regulatory waiting periods shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made during any applicable statutory or regulatory period, except where the failure or failures to obtain such approvals or consents, or for the applicable waiting periods to have expired or terminated, would not be reasonably expected to have a Material Adverse Effect on either of Pembina (before or after completion of the Arrangement) or Provident; and
- (i) no act, action, suit, proceeding, objection or opposition shall have been threatened or taken, entered or promulgated before or by any Governmental Entity or by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of Law, and no Law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of Law) shall have been proposed, enacted, promulgated, amended or applied, which would be reasonably expected to result in a Material Adverse Change in respect of either of Pembina (before or after completion of the Arrangement) or Provident.

## **6.2 Pembina Conditions**

The obligation of Pembina to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) the representations and warranties made by Provident in this Agreement shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change in respect of Provident (and for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored) or would not, or would not reasonably be expected to, materially impede or delay completion of the Arrangement, except that the representations and warranties in paragraphs (j) and (k) of Schedule D shall be true and correct as of the Effective Date as if made on such date (except, it being understood that: (i) the number of Provident Shares outstanding may increase from the number outstanding on the date of this Agreement solely as a result of the conversion of securities of Provident convertible into Provident Shares, but only to the extent that such convertible securities are specifically described in paragraph (j) of Schedule D; and (ii) the number of Provident CRSUs, Provident RSUs and Provident PSUs outstanding may increase from the number outstanding on the date of this Agreement as a result of subsequent grants of Provident CRSUs, Provident RSUs and Provident PSUs, provided

that such grants are made in compliance with Section 5.2), and Provident shall have provided to Pembina a certificate of two senior officers of Provident (on Provident's behalf and without personal liability) certifying the foregoing on the Effective Date;

- (b) Provident shall have complied in all material respects with its covenants herein, except where the failure to comply in all material respects with its covenants, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change in respect of Provident or would not, or would not reasonably be expected to, materially impede or delay completion of the Arrangement, and Provident shall have provided to Pembina a certificate of two senior officers of Provident (on Provident's behalf and without personal liability) certifying compliance with such covenants on the Effective Date;
- (c) no Material Adverse Change in respect of Provident shall have occurred after the date hereof and prior to the Effective Date; and
- (d) holders of less than 5% of the outstanding Provident Shares shall have validly exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date.

The conditions set forth in this Section 6.2 are for the exclusive benefit of Pembina and may be asserted by Pembina regardless of the circumstances or may be waived in writing by Pembina in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Pembina may have.

### **6.3 Provident Conditions**

The obligation of Provident to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) (i) the representations and warranties made by Pembina in paragraph (k) of Schedule C shall be true and correct as at the date of this Agreement; and (ii) the remaining representations and warranties made by Pembina in this Agreement shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent such remaining representations and warranties speak as of an earlier date or except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such remaining representations and warranties to be true and complete, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change in respect of Pembina (and for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored) or would not, or would not reasonably be expected to, materially impede or delay completion of the Arrangement, and Pembina shall have provided to Provident a certificate of two senior officers of Pembina (on Pembina's behalf and without personal liability) certifying the foregoing on the Effective Date;
- (b) Pembina shall have complied in all material respects with its covenants herein, except where the failure to comply in all material respects with its covenants, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change in respect of Pembina or would not, or would not reasonably be expected to, materially impede or delay completion of the Arrangement, and Pembina shall have provided to Provident a certificate of two senior officers of Pembina (on



Pembina's behalf and without personal liability) certifying compliance with such covenants on the Effective Date; and

- (c) no Material Adverse Change in respect of Pembina shall have occurred after the date hereof and prior to the Effective Date.

The conditions set forth in this Section 6.3 are for the exclusive benefit of Provident and may be asserted by Provident regardless of the circumstances or may be waived by Provident in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Provident may have.

#### **6.4 Notice and Cure Provisions**

Each Party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, or would be likely to:

- (a) cause any of the representations or warranties of either Party contained herein to be untrue or inaccurate in any material respect on the date hereof or at the Effective Date; or
- (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by either Party prior to or at the Effective Date.

If any of the conditions set forth in Sections 6.1, 6.2 and 6.3 hereof shall not be complied with or waived by the Party for whose benefit such conditions are provided on or before the date required for the performance thereof, then a Party for whose benefit the condition precedent is provided may rescind and terminate this Agreement as provided in subsection 8.1(e) hereof; provided that neither Pembina nor Provident may elect to rescind and terminate this Agreement pursuant to the conditions contained in Sections 6.1, 6.2 and 6.3 or exercise any termination right arising therefrom unless forthwith, and in any event prior to the issuance of the Certificate, the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, inaccuracies of representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition or the availability of a termination right, as the case may be. If any such notice is delivered, provided that a Party is proceeding diligently to cure any such matter capable of cure, no Party may terminate this Agreement until the expiration of a period of 10 business days from the date of receipt of such notice (provided that no such cure period shall extend beyond the Outside Date). If such notice has been delivered prior to the date of the Pembina Shareholders' Meeting or the Provident Shareholders' Meeting, Pembina or Provident, as the case may be, may elect to postpone the meeting of its shareholders until the expiry of such period.

#### **6.5 Merger of Conditions**

Subject to applicable Law, the conditions set out in Sections 6.1, 6.2 and 6.3 shall be conclusively deemed to have been satisfied, waived or released upon the issuance of a Certificate in respect of the Arrangement.

### **ARTICLE VII ADDITIONAL AGREEMENTS**

#### **7.1 Provident Covenant Regarding Non-Solicitation**

- (a) Provident shall immediately cease and cause to be terminated all existing discussions and negotiations (including through any advisors or other parties on its behalf), if any, with any Persons conducted before the date of this Agreement with respect to any Acquisition

Proposal and shall immediately request the return or destruction of all information respecting Provident provided to any Person who has entered into a confidentiality agreement with Provident relating to an Acquisition Proposal and shall use all commercial efforts to ensure that such requests are honoured.

- (b) Provident shall not, directly or indirectly, do or authorize or permit any of its Representatives to do, any of the following:
  - (i) solicit, knowingly facilitate, initiate or encourage any Acquisition Proposal;
  - (ii) enter into or participate in any discussions or negotiations regarding an Acquisition Proposal, or furnish to any other Person any information with respect to its businesses, properties, operations, prospects or conditions (financial or otherwise) in connection with an Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing;
  - (iii) waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits under confidential information agreements, including any "standstill provisions" thereunder; or
  - (iv) accept, recommend, approve or enter into an agreement to implement an Acquisition Proposal;

provided, however, that notwithstanding any other provision hereof, Provident and its officers, directors and advisers may, prior to the approval of the Arrangement Resolution at the Provident Shareholders' Meeting:

- (v) enter into or participate in any discussions or negotiations with a third party who, without any solicitation, initiation or encouragement, directly or indirectly, after the date of this Agreement, by Provident or any of its Representatives, seeks to initiate such discussions or negotiations and, subject to execution of a confidentiality and standstill agreement in favour of Provident substantially similar to the Confidentiality Agreement (provided that such confidentiality agreement shall provide for disclosure thereof (along with all information provided thereunder) to Pembina as set out below), may furnish to such third party information concerning Provident and its business, properties and assets, in each case if, and only to the extent that:
  - (A) the third party has first made a written *bona fide* Acquisition Proposal: (1) that is not subject to a financing condition and in respect of which any funds or other consideration necessary to complete the Acquisition Proposal have been demonstrated to the satisfaction of the board of directors of Provident, acting in good faith (after receiving advice from its financial advisor(s) and outside legal counsel), to have been obtained or are reasonably likely to be obtained (as evidenced by a written financing commitment from one or more reputable financial institutions) to fund completion of the Acquisition Proposal at the time and on the basis set out therein; (2) that the board of directors of Provident determines in good faith after consultation with its financial advisor(s), would or would be

reasonably likely to, if consummated in accordance with its terms, result in a transaction financially superior for Provident Shareholders compared to the transaction contemplated by this Agreement; and (3) in respect of which the board of directors of Provident determines in good faith after receiving the advice of outside legal counsel, as reflected in minutes of the board of directors of Provident, that the taking of such action is necessary for the board of directors of Provident to act in a manner consistent with its fiduciary duties under applicable Laws (a "**Superior Proposal**"); and

- (B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party, Provident shall (1) provide prompt notice to Pembina to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such third party, together with a copy of the confidentiality and standstill agreement referenced above and, if not previously provided to Pembina, copies of all information provided to such third party concurrently with the provision of such information to such third party, (2) notify Pembina orally and in writing of any inquiries, offers or proposals with respect to a Superior Proposal (which written notice shall include a copy of any such proposal (and any amendments or supplements thereto), the identity of the Person making it, if not previously provided to Pembina and copies of all information provided to such third party), within 24 hours of the receipt thereof, and (3) keep Pembina informed of the status and details of any such inquiry, offer or proposal and answer Pembina's reasonable questions with respect thereto;
- (vi) comply with Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids* and similar provisions under Canadian Securities Laws and U.S. Securities Laws relating to the provision of directors' circulars and make appropriate disclosure with respect thereto to its securityholders; and
- (vii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or implementation, (A) the board of directors of Provident concludes in good faith, after considering all proposals to adjust the terms and conditions of this Agreement as contemplated by Section 7.1(c) and after receiving the advice of outside legal counsel as reflected in the minutes of the board of directors of Provident, that the taking of such action is necessary for such board of directors to act in a manner consistent with its fiduciary duties under applicable Laws, (B) Provident complies with its obligations set forth in subsection 7.1(c), and (C) Provident terminates this Agreement in accordance with subsection 8.1(h), and concurrently therewith pays the amount required by Section 7.2 to Pembina.
- (c) Following receipt of a Superior Proposal, Provident shall give Pembina, orally and in writing, at least five complete business days advance notice of any decision by the board of directors of Provident to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall confirm that the board of directors of

Provident has determined that such Acquisition Proposal constitutes a Superior Proposal and shall identify the third party making the Superior Proposal, and Provident shall provide Pembina with a true and complete copy thereof, including all financing documents, and any amendments thereto. During such five business day period, Provident agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement. In addition, during such five business day period Provident shall, and shall cause its financial and legal advisors to, negotiate in good faith with Pembina and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable Provident to proceed with the Arrangement as amended rather than the Superior Proposal. In the event Pembina proposes to amend this Agreement and the Arrangement on a basis such that the board of directors of Provident determines that the alternative proposed transaction is no longer a Superior Proposal and so advises the board of directors of Pembina prior to the expiry of such five business day period, the board of directors of Provident shall not accept, recommend, approve or enter into any agreement to implement such Acquisition Proposal and shall not release the party making the Acquisition Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement. In the event that Provident provides the notice contemplated by this subsection 7.1(c) on a date which is less than five business days prior to the Provident Shareholders' Meeting, Pembina shall be entitled to (i) adjourn or postpone the Pembina Shareholders' Meeting and (ii) require Provident to adjourn or postpone the Provident Shareholders' Meeting, in each case to a date that is not more than ten business days after the date of such notice.

- (d) Nothing contained in this Agreement shall prohibit the board of directors of Provident from withdrawing, modifying, qualifying or changing its recommendation to the Provident Shareholders in respect of the transactions contemplated hereby prior to the approval of the Arrangement by the Provident Shareholders, if the board of directors of Provident determines, in good faith (after consultation with its financial advisor(s) and after receiving written advice of outside legal counsel), that such withdrawal, modification, qualification or change is necessary for the board of directors of Provident to act in a manner consistent with its fiduciary duties under applicable Laws; provided that (i) not less than 72 hours before the board of directors of Provident considers any proposal in respect of any such withdrawal, modification, qualification or change, Provident shall give Pembina written notice of such proposal and promptly advise Pembina of the proposed consideration of such proposal; and (ii) the foregoing shall not relieve Provident from its obligation to proceed to call and hold the Provident Shareholders' Meeting and to hold the vote on the Arrangement Resolution (provided that, except as required under applicable Laws, Provident shall be relieved from its obligations to actively solicit proxies in favour of the Arrangement in such circumstances), except in circumstances where this Agreement is terminated in accordance with the terms hereof.
- (e) Pembina agrees that all information that may be provided to it by Provident with respect to any Superior Proposal pursuant to this Section 7.1 shall be treated as if it were "Confidential Information" as that term is defined in the Confidentiality Agreement and shall not be disclosed or used except in accordance with the provisions of the Confidentiality Agreement or in order to enforce their rights under this Agreement in legal proceedings.

- (f) Provident shall ensure that its Representatives are aware of the provisions of this Section 7.1. Provident shall be responsible for any breach of this Section 7.1 by Provident's Representatives.

## 7.2 Agreement as to Pembina Damages

If at any time after the execution of this Agreement:

- (a) the board of directors of Provident has withdrawn, modified, qualified or changed any of its recommendations or determinations referred to in Section 2.3, (including, for greater certainty, in the circumstances contemplated by subsection 7.1(d)) in a manner adverse to Pembina or shall have resolved to do so prior to the Effective Date, or has failed to publicly reconfirm any such recommendation upon the request of Pembina prior to the earlier of 72 hours following such request or 72 hours prior to the Provident Shareholders' Meeting (unless Pembina is then in material breach of its obligations hereunder and such withdrawal, change or failure relates to such breach);
- (b) (i) a *bona fide* Acquisition Proposal is publicly announced, proposed, offered or made to the Provident Shareholders or any Person shall have publicly announced an intention to make a *bona fide* Acquisition Proposal prior to the termination of this Agreement; (ii) after such Acquisition Proposal shall have been made known, made or announced, the Provident Shareholders do not approve the Arrangement or vote upon the Arrangement Resolution; and (iii) within twelve months of the date the first Acquisition Proposal is publicly announced, proposed, offered or made a definitive agreement relating to any Acquisition Proposal is entered into or any Acquisition Proposal is consummated or effected;
- (c) the board of directors of Provident accepts, recommends, approves or enters into an agreement to implement a Superior Proposal; or
- (d) Provident is in breach of any of its covenants made in this Agreement, which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to Provident or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Provident fails to cure such breach by the earlier of (i) the Outside Date, and (ii) the tenth business day after receipt of written notice thereof from Pembina (except that no cure period shall be provided for a breach which by its nature cannot be cured);

(each of the above being a "**Pembina Damages Event**") then in the event of the termination of this Agreement pursuant to Section 8.1 as a result thereof, Provident shall pay to Pembina, within two business days of the first to occur of the foregoing, or, in respect of subsection 7.2(d), following Pembina's demand therefore, a fee in the amount of \$100 million as liquidated damages in immediately available funds to an account designated by Pembina, and after such event but prior to payment of such amount, Provident shall be deemed to hold such funds in trust for Pembina; provided that in the case of a Pembina Damages Event pursuant to subsection 7.2(c) such payment shall be made by Provident to Pembina concurrently with the acceptance, recommending, approving or entering into of the Superior Proposal by Provident. Provident shall only be obligated to pay a maximum of \$100 million pursuant to this Section 7.2.

For the purposes of this Section 7.2, an announcement by the board of directors of Provident that it does not have all the information necessary to properly evaluate an Acquisition Proposal and is reaffirming and maintaining its recommendation of the approval of the Arrangement pending receipt and analysis of additional information shall not constitute an event within the ambit of this Section 7.2 or require

Provident to make the payment contemplated by this Section 7.2, provided that: (a) within five days following any such announcement the board of directors of Provident shall make a further announcement publicly maintaining and reaffirming its recommendation of the Arrangement as set forth in Section 2.3 without the foregoing qualification; and (b) notwithstanding anything to the contrary in this paragraph, any announcement by the board of directors of Provident reaffirming and maintaining its recommendation of the approval of the Arrangement which is made within ten days of the Provident Shareholders' Meeting shall not be qualified in any respect.

### **7.3 Agreement as to Provident Damages**

If at any time after the execution of this Agreement:

- (a) the board of directors of Pembina has withdrawn, modified, qualified or changed any of its recommendations or determinations referred to in Section 2.2 in a manner adverse to Provident or shall have resolved to do so prior to the Effective Date, or has failed to publicly reconfirm any such recommendation upon the request of Provident prior to the earlier of 72 hours following such request or 72 hours prior to the Pembina Shareholders' Meeting (unless Provident is then in material breach of its obligations hereunder and such withdrawal, change or failure relates to such breach); or
- (b) Pembina is in breach of any of its covenants made in this Agreement, which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to Pembina or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Pembina fails to cure such breach by the earlier of (i) the Outside Date, and (ii) the tenth business day after receipt of written notice thereof from Provident (except that no cure period shall be provided for a breach which by its nature cannot be cured);

(each of the above being a "**Provident Damages Event**") then in the event of the termination of this Agreement pursuant to Section 8.1 as a result thereof, Pembina shall pay to Provident, within two business days of the first to occur of the foregoing, or, in respect of subsection 7.3(b), following Provident's demand therefor, a fee in the amount of \$100 million as liquidated damages in immediately available funds to an account designated by Provident, and after such event but prior to payment of such amount, Pembina shall be deemed to hold such funds in trust for Provident. Pembina shall only be obligated to pay a maximum of \$100 million pursuant to this Section 7.3.

### **7.4 Fees and Expenses**

- (a) Subject to subsection 7.4(b), each Party shall pay all fees, costs and expenses incurred by such Party in connection with this Agreement and the Arrangement. Pembina and Provident shall share equally any filing fees and applicable Taxes payable for or in respect of any application, notification or other filing made in respect of any regulatory process in respect of the transactions contemplated by the Arrangement, including under the Competition Act and the HSR Act.
- (b) If (i) this Agreement is terminated by Pembina because of the failure of the condition in subsection 6.2(a), or (ii) this Agreement is terminated by Pembina pursuant to subsection 8.1(d) due to a state of facts or circumstances at the time of such termination that would cause the conditions set forth in subsection 6.2(a) not to be satisfied, notwithstanding the availability of any cure period, Provident shall pay to Pembina an amount equal to \$15 million as reimbursement to Pembina for its out-of-pocket expenses incurred in connection with the Arrangement, provided that if Pembina is in material

breach of its obligations hereunder at the time of the termination of the Agreement such amount will not be payable.

- (c) If (i) this Agreement is terminated by Provident because of the failure of the condition in subsection 6.3(a), or (ii) this Agreement is terminated by Provident pursuant to subsection 8.1(d) due to a state of facts or circumstances at the time of such termination that would cause the conditions set forth in subsection 6.3(a) not to be satisfied, notwithstanding the availability of any cure period, Pembina shall pay to Provident an amount equal to \$15 million as reimbursement to Provident for its out-of-pocket expenses incurred in connection with the Arrangement, provided that if Provident is in material breach of its obligations hereunder at the time of the termination of the Agreement such amount will not be payable.
- (d) No fees shall be payable by Provident under subsection 7.4(b) if Provident has paid a fee under Section 7.2.
- (e) No fees shall be payable by Pembina under subsection 7.4(c) if Pembina has paid a fee under Section 7.3.

## **7.5 Liquidated Damages**

Each Party acknowledges that all of the payment amounts set out in this Article VII are payments of liquidated damages which are a genuine pre-estimate of the damages which Pembina or Provident will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, the Parties agree that if the payment of any amounts pursuant to this Article VII is made, such payment is the sole monetary remedy of Pembina and Provident; provided, however, that this limitation shall not apply in the event of fraud or willful breach of this Agreement by a Party.

## **7.6 Access to Information; Confidentiality**

From the date hereof until the earlier of the Effective Date and the termination of this Agreement, Provident shall, and shall cause its Subsidiaries and Representatives to, subject to all applicable Laws and any confidentiality obligations owed by Provident to a third party or in respect to customer specific or competitively sensitive information and in accordance with the Confidentiality Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, afford to Pembina and the Representatives of Pembina complete access at all reasonable times to their officers, employees, agents, properties, books, records and contracts (including permitting Pembina's Representatives to attend Provident's regular operations meetings), and shall furnish Pembina with all data and information as Pembina may reasonably request, subject to any confidentiality obligations owed by Provident to a third party, in respect to customer specific or competitively sensitive information, the conditions contained in the Confidentiality Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, in order to permit Pembina to be in a position to expeditiously and efficiently integrate the businesses and operations of Pembina and Provident immediately upon but not prior to the Effective Date.

## **7.7 Insurance and Indemnification**

- (a) Pembina agrees that it will maintain in effect, or will cause Provident or its successors to maintain in effect, without any reduction in scope or coverage for six years from the Effective Time customary policies of directors' and officers' liability insurance providing protection comparable to the most favourable protection provided by the policies

maintained by Provident and their respective Subsidiaries as are in effect immediately prior to the Effective Time and providing coverage on a "trailing" or "run-off" basis for all present and former directors and officers of Provident with respect to claims arising from facts or events which occurred prior to the Effective Time. Furthermore, prior to the Effective Time, Provident may, in the alternative, with the consent of Pembina, not to be unreasonably withheld, purchase run-off directors' and officers' liability insurance for a period of up to six years from the Effective Time, and in such event none of Pembina, Provident or any successor of Provident will have any further obligation under this subsection 7.7(a).

- (b) Pembina agrees that all rights to indemnification or exculpation now existing in favour of present and former officers and directors of Provident shall survive completion of the Arrangement and shall continue in full force and effect for a period of not less than six years from the Effective Date.

## 7.8 Privacy Issues

- (a) For the purposes of this Section 7.8, the following definitions shall apply:
  - (i) "**applicable law**" means, in relation to any Person, transaction or event, all applicable provisions of Laws by which such Person is bound or having application to the transaction or event in question, including applicable privacy laws;
  - (ii) "**applicable privacy laws**" means any and all applicable laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including the *Personal Information Protection and Electronic Documents Act* (Canada) and/or any comparable provincial law including the *Personal Information Protection Act* (Alberta);
  - (iii) "**authorized authority**" means, in relation to any Person, transaction or event, any (A) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign, (B) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (C) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, and (D) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, transaction or event; and
  - (iv) "**Personal Information**" means information (other than business contact information when used or disclosed for the purpose of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose) about an identifiable individual disclosed or transferred to Pembina by Provident in accordance with this Agreement and/or as a condition of the Arrangement.
- (b) The Parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws and with respect to any individual who is a resident of the United States, any applicable Party policy or agreement which govern the collection, use or



disclosure of Personal Information disclosed to either Party pursuant to or in connection with this Agreement (the "**Disclosed Personal Information**").

- (c) Prior to the completion of the Arrangement, neither Party shall use or disclose the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement. After the completion of the transactions contemplated herein, a Party may only collect, use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially collected from or in respect of the individual to which such Disclosed Personal Information relates or for the completion of the transactions contemplated herein, unless (i) either Party shall have first notified such individual of such additional purpose, and where required by applicable law and with respect to any individual who is a resident of the United States, any applicable Party policy or agreement, obtained the consent of such individual to such additional purpose, or (ii) such use or disclosure is permitted or authorized by applicable law and with respect to any individual who is a resident of the United States, any applicable Party policy or agreement, without notice to, or consent from, such individual.
- (d) Each Party acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the Parties shall proceed with the Arrangement, and that the Disclosed Personal Information relates solely to the carrying on of the business or the completion of the Arrangement.
- (e) Each Party acknowledges and confirms that it has taken and shall continue to take reasonable steps to, in accordance with applicable law and with respect to any individual who is resident of the United States, any applicable Party policy or agreement, prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.
- (f) Subject to the following provisions, each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Prior to the completion of the Arrangement, each Party shall take reasonable steps to ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective Party who have a *bona fide* need to access to such information in order to complete the Arrangement.
- (g) Where authorized by applicable law, each Party shall promptly notify the other Party to this Agreement of all inquiries, complaints, requests for access, variations or withdrawals of consent and claims of which the Party is made aware in connection with the Disclosed Personal Information. To the extent permitted by applicable law, the Parties shall fully co-operate with one another, with the persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, variations or withdrawals of consent and claims.
- (h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of either Party, the other Party shall forthwith cease all use of the Disclosed Personal Information acquired by it in connection with this Agreement and will return to the requesting Party or, at the requesting Party's request, destroy in a secure manner and

with respect to any individual who is resident of the United States, in accordance with applicable law and any applicable Party policy or agreement, the Disclosed Personal Information (and any copies thereof) in its possession.

**ARTICLE VIII  
TERM, TERMINATION, AMENDMENT AND WAIVER**

**8.1 Termination**

This Agreement may be terminated at any time prior to the Effective Date:

- (a) by mutual written consent of Pembina and Provident;
- (b) by either Pembina or Provident if the Arrangement Resolution shall have failed to receive the requisite vote of the Provident Shareholders for approval at the Provident Shareholders' Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order;
- (c) by either Pembina or Provident if the Pembina Share Issuance Resolution shall have failed to receive the requisite vote of the Pembina Shareholders for approval at the Pembina Shareholders' Meeting (including any adjournment or postponement thereof);
- (d) by either Pembina or Provident if the Effective Time shall not have occurred on or prior to the Outside Date, except that the right to terminate this Agreement under this subsection 8.1(d) shall not be available to any Party whose failure to fulfill any of its obligations has been the cause of, or resulted in, the failure of the Effective Time to occur by such date;
- (e) as provided in Section 6.4; provided that the Party seeking termination is not then in breach of this Agreement so as to cause any of the conditions set forth in Sections 6.1, 6.2 or 6.3, as applicable, not to be satisfied;
- (f) by Pembina upon the occurrence of a Pembina Damages Event as provided in Section 7.2;
- (g) by Provident upon the occurrence of a Provident Damages Event as provided in Section 7.3; or
- (h) by Provident to accept, recommend, approve or enter into an agreement to implement a Superior Proposal in accordance with paragraph 7.1(b)(vii), provided that Provident (i) has complied with its obligations set forth in Section 7.1 and (ii) concurrently pays the amount required pursuant to Section 7.2.

**8.2 Effect of Termination**

In the event of the termination of this Agreement in the circumstances set out in Section 8.1, this Agreement shall forthwith become void and neither Party shall have any liability or further obligation to the other Party hereunder, except with respect to the obligations set forth in Sections 7.2, 7.3, 7.4, and 7.5 where applicable. For greater certainty, unless Section 7.5 applies due to a Party being entitled to a payment pursuant to Sections 7.2, 7.3, or 7.4, nothing contained in this Section shall relieve either Party from liability for any breach of any provision of this Agreement. No termination of this Agreement shall affect the obligations of the Parties pursuant to the Confidentiality Agreement, except to the extent specified therein.

### **8.3 Amendment**

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Pembina Shareholders' Meeting and Provident Shareholders' Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, subject to the Interim Order and Final Order and applicable Laws.

### **8.4 Waiver**

Either Party may: (a) extend the time for the performance of any of the obligations or other acts of the other Party; (b) waive compliance with any of the other Party's agreements or the fulfillment of any conditions to its own obligations contained herein; and (c) waive inaccuracies in any of the other Party's representations or warranties contained herein or in any document delivered by the other Party; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party and such waiver shall apply only to the specific matters identified in such instrument.

## **ARTICLE IX GENERAL PROVISIONS**

### **9.1 Notices**

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by facsimile transmission or email, or as of the following business day if sent by prepaid overnight courier, to the Parties at the following addresses (or at such other addresses as shall be specified by either Party by notice to the other given in accordance with these provisions):

- (a) if to Pembina:

Pembina Pipeline Corporation  
3800, 525 - 8th Avenue S.W.  
Calgary, Alberta, T2P 1G1

Attention: President and Chief Executive Officer  
Telephone: (403) 231-7500  
Facsimile: (403) 237-0254  
Email: [bmichale@pembina.com](mailto:bmichale@pembina.com)

with a copy to:

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

Attention: Dallas L. Droppo, Q.C.  
Telephone: (403) 260-9600  
Facsimile: (403) 260-9700  
Email: [dallas.droppo@blakes.com](mailto:dallas.droppo@blakes.com)

(b) if to Provident:

Provident Energy Ltd.  
2100, 250–2nd Street S.W.  
Calgary, Alberta, T2P 0C1

Attention: President and Chief Executive Officer  
Telephone: (403) 296-2233  
Facsimile: (403) 294-0111  
Email: [DHaughey@ProvidentEnergy.com](mailto:DHaughey@ProvidentEnergy.com)

with a copy to:

Norton Rose Canada LLP  
3700, 400 - 3rd Avenue S.W.  
Calgary, Alberta, T2P 4H2

Attention: Jack MacGillivray  
Telephone: (403) 267-9407  
Facsimile: (403) 264-5973  
Email: [Jack.MacGillivray@nortonrose.com](mailto:Jack.MacGillivray@nortonrose.com)

## **9.2 Entire Agreement; Binding Effect**

This Agreement: (a) together with the Confidentiality Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof; and (b) shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

## **9.3 Assignment**

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the Parties hereto without the prior written consent of the other Party.

## **9.4 Time of Essence**

Time shall be of the essence in this Agreement.

## **9.5 Further Assurances**

Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

## **9.6 Specific Performance**

Pembina and Provident agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement or the Confidentiality Agreement or any other subsequent written agreement that addresses confidentiality between the Parties were not performed by the other Party in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each Party shall be entitled to an injunction or

injunctions and other equitable relief to prevent breaches or threatened breaches of the provisions of this Agreement or the Confidentiality Agreement or any other subsequent written agreement that addresses confidentiality between the Parties or to otherwise obtain specific performance of any such provisions, any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief hereby being waived.

### **9.7 Third Party Beneficiaries**

The provisions of Sections 5.5(c) and 7.7 are: (a) intended for the benefit of all present and former directors and officers of Provident and their respective Subsidiaries, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such Persons and his or her heirs, executors administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and Pembina shall hold the rights and benefits of Sections 5.5(c) and 7.7 in trust for and on behalf of the Third Party Beneficiaries and Pembina hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries; and (b) are in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise. Except as provided in this Section 9.7, this Agreement shall not (i) confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns, (ii) constitute or create an employment agreement with any employee, create any right to employment or continued employment or service, or to a particular term or condition of employment, or (iii) other than as may be provided for in Section 2.12 and subsection 5.2(f) hereof, be construed to establish, amend, or modify any Provident Employee Plan or any other benefit or compensation plan, program, agreement or arrangement.

### **9.8 Governing Law**

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Alberta and the Laws of Canada applicable therein, and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

### **9.9 Severability**

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

### **9.10 Counterparts**

This Agreement may be executed by facsimile or other electronic signature and in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

*[The remainder of this page is left blank intentionally]*

**IN WITNESS WHEREOF** the Parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**PEMBINA PIPELINE CORPORATION**

by: "R.B. Michaleski"  
Name: R.B. Michaleski  
Title: President and Chief Executive Officer

by: "D.J. Watkinson"  
Name: D.J. Watkinson  
Title: Vice President, General Counsel and Secretary

**PROVIDENT ENERGY LTD.**

by: "Douglas J. Haughey"  
Name: Douglas J. Haughey  
Title: President and Chief Executive Officer

by: "Brent C. Heagy"  
Name: Brent C. Heagy  
Title: Senior Vice President, Finance and Chief Financial Officer

**SCHEDULE A**

**PLAN OF ARRANGEMENT  
respecting  
PROVIDENT ENERGY LTD.  
made pursuant to**

**Section 193 of the *Business Corporations Act* (Alberta)**

**PLAN OF ARRANGEMENT  
UNDER SECTION 193 OF THE  
BUSINESS CORPORATIONS ACT (ALBERTA)**

**ARTICLE 1  
DEFINITIONS AND INTERPRETATION**

- 1.1 In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of those terms shall have corresponding meanings:
- (a) "**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9 and the regulations thereto, as now in effect and as it may be amended from time to time prior to the Effective Time;
  - (b) "**Acquisitionco**" means [●], a wholly-owned subsidiary of Pembina, a corporation existing under the laws of the Province of Alberta;
  - (c) "**Acquisitionco Shares**" means the common shares in the capital of Acquisitionco;
  - (d) "**Amalco**" means the corporation resulting from the amalgamation of Acquisitionco and Provident pursuant to this Plan of Arrangement;
  - (e) "**Arrangement**" means the arrangement pursuant to the provisions of Section 193 of the ABCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of this Plan of Arrangement or made at the direction of the Court;
  - (f) "**Arrangement Agreement**" means the arrangement agreement made as of January 15, 2012 between Pembina and Provident, as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms;
  - (g) "**Articles of Arrangement**" means the articles of arrangement of Provident in respect of the Arrangement required under subsection 193(10) of the ABCA to be filed with the Registrar after the Final Order has been granted, giving effect to the Arrangement;
  - (h) "**business day**" means any day, other than a Saturday, a Sunday or a statutory holiday, in the Province of Alberta;
  - (i) "**Certificate**" means the certificate or proof of filing to be issued by the Registrar pursuant to subsection 193(11) or 193(12) of the ABCA in respect of the Articles of Arrangement giving effect to the Arrangement;
  - (j) "**Court**" means the Court of Queen's Bench of Alberta;
  - (k) "**Depository**" means such Person as Pembina may appoint to act as depository for the Provident Shares in relation to the Arrangement, with the approval of Provident, acting reasonably;
  - (l) "**Dissent Rights**" means the rights of dissent in respect of the Arrangement described in Section 5.1 of this Plan of Arrangement;



- (m) **"Dissenting Shareholder"** means any registered Provident Shareholder who has duly and validly exercised its Dissent Rights pursuant to Article 5 of this Plan of Arrangement and the Interim Order and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (n) **"Dissenting Shares"** means the Provident Shares held by Dissenting Shareholders;
- (o) **"Effective Date"** means the effective date of the Arrangement, being the date shown on the Certificate;
- (p) **"Effective Time"** means 12:01 a.m. (Calgary time) on the Effective Date or such other time on the Effective Date as may be agreed to in writing by Pembina and Provident;
- (q) **"Encumbrance"** includes any mortgage, pledge, assignment, charge, lien, security interest, adverse interest in property, other third party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;
- (r) **"Exchanging Provident Shareholders"** means the Provident Shareholders (other than Pembina) who at all relevant times are not Non-Resident Shareholders who elect, in a form acceptable to Provident, to be Exchanging Provident Shareholders;
- (s) **"Final Order"** means the final order of the Court approving the Arrangement pursuant to subsection 193(9)(a) of the ABCA, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed;
- (t) **"Governmental Entity"** means any: (i) multinational, federal, provincial, territory, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (ii) any subdivision, agent, commission, board or authority of any of the foregoing; or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (u) **"Interim Order"** means the interim order of the Court under subsection 193(4) of the ABCA, as the same may be amended, containing declarations and directions in respect of the notice to be given and the conduct of the Provident Shareholders' Meeting with respect to the Arrangement as more fully set out herein;
- (v) **"Joint Proxy Circular"** means the notice of the Pembina Shareholders' Meeting (as such term is defined in the Arrangement Agreement) and the notice of the Provident Shareholders' Meeting to be sent to Pembina Shareholders and Provident Shareholders, respectively, and the management proxy circular to be prepared in connection with the Pembina Shareholders' Meeting and the Provident Shareholders' Meeting together with any amendments thereto or supplements thereof, and any other registration statement, information circular or proxy statement which may be prepared in connection with the Pembina Shareholders' Meeting and/or the Provident Shareholders' Meeting;
- (w) **"Laws"** means all laws, by-laws, statutes, rules, regulations, principles of law, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or

other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority;

- (x) **"Letters of Transmittal"** means the letters of transmittal enclosed with the Joint Proxy Circular pursuant to which the Provident Shareholders are required to deliver certificates representing Provident Shares in connection with the Arrangement;
- (y) **"Non-Resident Shareholder"** means a Provident Shareholder that is: (a) a person who is not a resident of Canada for the purposes of the Tax Act; or (b) a partnership that is not a Canadian partnership for the purposes of the Tax Act;
- (z) **"Pembina"** means Pembina Pipeline Corporation, a corporation existing under the laws of the Province of Alberta;
- (aa) **"Pembina Shares"** means the common shares in the capital of Pembina;
- (bb) **"Person"** includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity);
- (cc) **"Plan of Arrangement", "hereof", "herein", "hereunder"** and similar expressions means this Plan of Arrangement, including any appendices hereto, and any amendments, variations or supplements hereto made from time to time in accordance with the terms hereof, the Arrangement Agreement or made at the direction of the Court in the Final Order;
- (dd) **"Provident"** means Provident Energy Ltd., a corporation existing under the laws of the Province of Alberta;
- (ee) **"Provident Debenture Indenture"** means the trust indenture dated as of March 1, 2005, as amended by a First Supplemental Indenture dated November 15, 2005, a second supplemental indenture dated November 9, 2010, a third supplemental indenture dated January 1, 2011 and a fourth supplemental indenture dated May 10, 2011, between Provident (or its predecessors) and Computershare Trust Company of Canada, establishing and setting forth, among other things, the terms of the Provident Debentures;
- (ff) **"Provident Debentureholders"** means, collectively, the holders of the Provident Debentures;
- (gg) **"Provident Debentures"** means, collectively, the (i) the 5.75% convertible unsecured subordinated debentures of Provident maturing December 31, 2017, and (ii) the 5.75% convertible unsecured subordinated debentures of Provident maturing December 31, 2018;
- (hh) **"Provident Exchange Ratio"** means 0.425 of a Pembina Share for each Provident Share;
- (ii) **"Provident Shareholder Rights Plan"** means Provident's shareholder rights plan dated January 1, 2011;
- (jj) **"Provident Shareholders"** means the holders of Provident Shares;

- (kk) **"Provident Shareholders' Meeting"** means such meeting or meetings of the Provident Shareholders, including any adjournment thereof, that is to be convened as provided by the Interim Order to consider, and if deemed advisable approve, the Arrangement;
- (ll) **"Provident Shares"** means the common shares in the capital of Provident;
- (mm) **"Provident SRP Rights"** means the rights under the Provident Shareholder Rights Plan;
- (nn) **"Registrar"** means the Registrar of Corporations duly appointed under Section 263 of the ABCA; and
- (oo) **"Tax Act"** means the *Income Tax Act*, R.S.C. 1985, c.1 (5<sup>th</sup> Supp.) and the regulations thereto, as now in effect and as it may be amended from time to time prior to the Effective Time.

## 1.2 **Interpretation Not Affected by Headings, etc.**

The division of this Plan of Arrangement into Articles, Sections, subsections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

## 1.3 **Article References**

Unless the contrary intention appears, references in this Plan of Arrangement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Plan of Arrangement.

## 1.4 **Number and Gender**

In this Plan of Arrangement, unless the context otherwise requires, words used herein importing the singular include the plural and vice versa; and words importing gender include all genders. The words "include", "includes" and "including" shall be deemed to be followed by the words "without limitation" whether or not they are in fact followed by those words or words of like import.

## 1.5 **Date for Any Action**

If the date on which any action is required to be taken hereunder by any of the parties hereto is not a business day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a business day in such place.

## 1.6 **Time**

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in the Letters of Transmittal are local time in Calgary, Alberta unless otherwise stipulated herein or therein.

## 1.7 **Currency**

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

## 1.8 **Statutory References**

References in this Plan of Arrangement to a particular statute or Law shall be to such statute or Law and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated thereunder or amended from time to time.

## **ARTICLE 2 EFFECT OF THE ARRANGEMENT**

- 2.1 This Plan of Arrangement is made pursuant to, is subject to the provisions of and forms part of, the Arrangement Agreement.
- 2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate, will become effective at, and be binding upon Provident, the Provident Shareholders, the Provident Debentureholders, Pembina, Acquisitionco, Amalco and all other Persons as and from the Effective Time, without any further act or formality required on the part of any Person except as expressly provided herein.
- 2.3 The Articles of Arrangement and the Certificate shall be filed and issued, respectively, with respect to the Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.
- 2.4 Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any party or Person until the Effective Time.

## **ARTICLE 3 ARRANGEMENT**

- 3.1 At the Effective Time, each of the events set out below shall occur and be deemed to occur in the following sequence, without any further act or formality, unless specifically noted:
  - (a) the Provident Shareholder Rights Plan shall terminate and cease to have any further force or effect and the Provident SRP Rights shall be cancelled;
  - (b) subject to Section 5.1 hereof, each of the Provident Shares held by Dissenting Shareholders shall be deemed to have been transferred to Provident (free and clear of any Encumbrances) for cancellation without any further act or formality and such Dissenting Shareholders shall cease to be the holders of such Provident Shares and to have any rights as holders of such Provident Shares, other than the right to be paid fair value for such Provident Shares, as set out in Section 5.1 hereof;
  - (c) each Provident Share held by Exchanging Provident Shareholders shall be, and shall be deemed to be, transferred to, and acquired by, Pembina (free and clear of any Encumbrances) in exchange for that portion of a fully paid and non-assessable Pembina Share equal to the Provident Exchange Ratio, and:
    - (i) Exchanging Provident Shareholders shall cease to be holders of such Provident Shares and to have any rights as holders of such Provident Shares other than the right to the Pembina Shares pursuant to this subsection 3.1(c); and

- (ii) Pembina shall be deemed to be the transferee of such Provident Shares (free and clear of any Encumbrances);
- (d) Acquisitionco and Provident shall be amalgamated and continued as one corporation under the ABCA to form Amalco in accordance with the following:
  - (i) **Name.** The name of Amalco shall be **[to be determined]**;
  - (ii) **Share Provisions.** The share provisions and authorized share capital of Amalco shall be the same as the share provisions and authorized share capital of Acquisitionco;
  - (iii) **Restrictions on Transfer.** No shares of Amalco shall be transferred to any person without the approval of the Board of Directors of Amalco by resolution;
  - (iv) **Directors and Officers.**
    - (A) **Minimum and Maximum.** The directors of Amalco shall, until otherwise changed in accordance with the ABCA, consist of a minimum number of one director and a maximum number of ten directors;
    - (B) **Initial Directors.** The directors of Amalco shall be the same as the directors of Acquisitionco; and
    - (C) **Initial Officers.** The officers of Amalco shall be the same as the officers of Acquisitionco;
  - (v) **Business and Powers.** There shall be no restrictions on the business that Amalco may carry on or on the powers it may exercise;
  - (vi) **Other Provisions.** The other provisions forming part of the Articles of Amalco shall be as set forth in Appendix 1 hereto;
  - (vii) **Stated Capital.** The aggregate stated capital of Amalco will be an amount equal to the aggregate of the paid-up capital for the purposes of the Tax Act of the Acquisitionco Shares and the Provident Shares immediately before the amalgamation;
  - (viii) **By-laws.** The by-laws of Amalco shall be the by-laws of Acquisitionco;
  - (ix) **Registered Office.** The registered office of Amalco shall be the registered office of Acquisitionco;
  - (x) **Effect of Amalgamation.** The following shall be the effect of the amalgamation:
    - (A) all of the property of each of Acquisitionco and Provident shall continue to be the property of Amalco;
    - (B) Amalco shall continue to be liable for the obligations of each of Acquisitionco and Provident;

- (C) any existing cause of action, claim or liability to prosecution of Acquisitionco or Provident shall be unaffected;
  - (D) any civil, criminal or administrative action or proceeding pending by or against either of Acquisitionco or Provident may be continued to be prosecuted by or against Amalco; and
  - (E) a conviction against, or ruling, order or judgment in favour of or against, either of Acquisitionco or Provident may be enforced by or against Amalco;
- (xi) **Articles.** The articles of amalgamation of Amalco filed shall be deemed to be the articles of incorporation of Amalco, and the certificate of amalgamation of Amalco shall be deemed to be the certificate of incorporation of Amalco;
  - (xii) **Inconsistency with Laws.** To the extent any of the provisions of this Plan of Arrangement is deemed to be inconsistent with applicable Laws, this Plan of Arrangement shall be automatically adjusted to remove such inconsistency;
  - (xiii) **Exchange and Cancellation of Shares.** On the amalgamation:
    - (A) each issued and outstanding Provident Share (other than Provident Shares held by Pembina) shall be cancelled and in consideration therefor the Provident Shareholder shall receive that portion of a fully paid and non-assessable Pembina Share equal to the Provident Exchange Ratio in respect of each Provident Share so cancelled;
    - (B) the issued and outstanding shares in the capital of Provident (other than Provident Shares) shall be cancelled and in consideration therefor the holder of such shares shall receive such number of redeemable and retractable non-voting preferred shares of Amalco as have an aggregate redemption price equal to the aggregate fair market value of the shares of such holder being cancelled;
    - (C) the issued and outstanding Acquisitionco Shares shall be cancelled and in consideration therefor Pembina shall receive redeemable and retractable non-voting preferred shares of Amalco with an aggregate redemption price equal to the fair market value of Acquisitionco as calculated immediately prior to the amalgamation; and
    - (D) the issued and outstanding Provident Shares held by Pembina shall be cancelled and in exchange Pembina shall receive 100 common shares in the capital of Amalco; and
- (e) Pembina shall assume all rights and obligations of Amalco relating to the Provident Debentures in exchange for a note issued by Amalco to Pembina with a principal amount equal to the then principal amount outstanding in respect of the Provident Debentures plus accrued but unpaid interest thereon, and the conversion price of each class of the Provident Debentures set forth in the Provident Debenture Indenture shall be amended based on the Provident Exchange Ratio.

- 3.2 Pembina, Provident, Acquisitionco and Amalco shall make the appropriate entries in their respective securities registers to reflect the matters referred to in Section 3.1.
- 3.3 With respect to each Exchanging Provident Shareholder at the Effective Time, upon the transfer of each Provident Share pursuant to subsection 3.1(c):
- (a) each holder of a Provident Share shall cease to be a holder of the Provident Share so transferred and the name of such holder shall be removed from the register of holders of Provident Shares as it relates to the Provident Share so transferred;
  - (b) Pembina shall be added to the register of holders of Provident Shares as it relates to the Provident Shares so transferred to Pembina; and
  - (c) Pembina shall allot and issue to such holder the portion of a Pembina Share issuable to such holder on the basis set forth in subsection 3.1(c), and the name of such holder shall be added to the register of holders of Pembina Shares.
- 3.4 With respect to each Provident Shareholder (other than Dissenting Shareholders and Exchanging Provident Shareholders) at the Effective Time, upon the cancellation of each Provident Share pursuant to subparagraph 3.1(d)(xiii)(A):
- (a) each holder of a Provident Share shall cease to be a holder of the Provident Share so cancelled and the name of such holder shall be removed from the register of holders of Provident Shares as it relates to the Provident Share so cancelled; and
  - (b) Pembina shall allot and issue to such holder the portion of a Pembina Share issuable to such holder on the basis set forth in subparagraph 3.1(d)(xiii)(A), and the name of such holder shall be added to the register of holders of Pembina Shares;

#### **ARTICLE 4 CERTIFICATES, FRACTIONAL SHARES AND PAYMENTS**

##### **4.1 Payment of Consideration**

- (a) Forthwith following the Effective Time, Pembina and Provident shall, subject to subsection 4.1(b) of this Plan of Arrangement, cause to be paid to Provident Shareholders the amounts payable in respect of Provident Shares required by Section 3.1 of this Plan of Arrangement.
- (b) Upon surrender to the Depository for cancellation of a certificate or certificates (as applicable) which, immediately prior to the Effective Time, represented outstanding Provident Shares that were transferred or converted, as applicable, pursuant to subsection 3.1(c), hereof, as applicable, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, each Provident Shareholder represented by such surrendered certificate(s) shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder, the consideration which such holder has the right to receive under this Plan of Arrangement for such Provident Shares less any amounts withheld pursuant to Section 4.4 hereof, and any certificate(s) so surrendered shall forthwith be cancelled.

- (c) From and after the Effective Time, each certificate that immediately prior to the Effective Time represented Provident Shares shall be deemed to represent only the right to receive the consideration in respect of such Provident Shares required under this Plan of Arrangement, less any amounts withheld pursuant to Section 4.4 hereof. Any such certificate formerly representing Provident Shares not duly surrendered on or before the day that is three years less one day from the Effective Date shall cease to represent a claim by or interest of any kind or nature against or in any of Provident or Pembina. On such date, any and all consideration to which such former holder was entitled shall be deemed to have been surrendered to Pembina or Provident, as applicable.
- (d) Any payment made by way of cheque by Provident, the Depository or Pembina pursuant to this Plan of Arrangement that has not been deposited or has been returned to Provident, the Depository or Pembina or that otherwise remains unclaimed, in each case, on or before the second anniversary of the Effective Time shall be returned by the Depository to Pembina, and any right or claim to payment hereunder that remains outstanding on the day that is three years less one day from the Effective Date shall cease to represent a right or claim by or interest of any kind or nature and the right of a former holder of Provident Shares to receive the consideration for such Provident Shares pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to Pembina or Provident, as applicable, for no consideration.
- (e) No former holder of Provident Shares shall be entitled to receive any consideration with respect to such Provident Shares other than the consideration to which such former holder is entitled to receive in accordance with this Section 4.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

#### 4.2 **Lost Certificates**

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Provident Shares that were transferred pursuant to Section 3.1 of this Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, Pembina or the Depository, as applicable, will issue and deliver in exchange for such lost, stolen or destroyed certificate, the consideration to which the holder is entitled pursuant to this Plan of Arrangement. When authorizing such issuance and delivery in exchange for any lost, stolen or destroyed certificate, the Person to whom such consideration is to be issued and delivered shall, as a condition precedent to the delivery of such consideration, give a bond satisfactory to Pembina (acting reasonably) in such sum as Pembina may direct, or otherwise indemnify Pembina in a manner satisfactory to Pembina, acting reasonably, against any claim that may be made against Pembina with respect to the certificate alleged to have been lost, stolen or destroyed.

#### 4.3 **No Fractional Shares**

No certificates or scrip representing fractional Pembina Shares shall be issued upon the surrender for exchange of certificates pursuant to Section 4.1 and no dividend, stock split or other change in the capital structure of Pembina shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to exercise any rights as a security holder of Pembina. In lieu of any fractional Pembina Shares, a shareholder otherwise entitled to a fractional interest in a Pembina Share, shall receive the nearest whole number of Pembina Shares as applicable (with fractions equal to exactly 0.5 being rounded up).



#### 4.4 **Withholding Rights**

Provident, Pembina and the Depositary shall be entitled to deduct and withhold from any consideration otherwise payable to any Provident Shareholder under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 5.1 hereof), such amounts as Provident, Pembina or the Depositary determines, acting reasonably, are required or reasonably believes to be required to be deducted and withheld from such consideration in accordance with the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any other applicable law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such deducted and withheld amounts are remitted to the appropriate taxing authority.

### **ARTICLE 5 DISSENT RIGHTS**

#### 5.1 **Dissent Rights**

Registered Provident Shareholders may exercise Dissent Rights with respect to Provident Shares held by such holders in connection with the Arrangement pursuant to the procedure set forth in Section 191 of the ABCA, as modified by the Interim Order, provided that Provident Shareholders who exercise such Dissent Rights and who:

- (a) are ultimately entitled to be paid fair value for their Provident Shares shall be deemed not to have participated in the transactions in Article 3 (other than subsection 3.1(b) hereof) and shall be paid an amount equal to such fair value by Provident and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Provident Shareholders not exercised their Dissent Rights in respect of such Provident Shares and such Provident Shareholders shall be deemed to have transferred their Dissenting Shares to Provident for cancellation; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Provident Shares, shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of Provident Shares, and shall be entitled to receive only the consideration contemplated in Section 3.1 hereof that such Provident Shareholder would have received pursuant to the Arrangement if such Provident Shareholder had not exercised Dissent Rights, but further provided that in no case shall Provident or Pembina or any other Person be required to recognize Provident Shareholders who exercise Dissent Rights as Provident Shareholders after the Effective Time, and the names of such Provident Shareholders who exercise Dissent Rights shall be removed from the registers of Provident Shares at the Effective Time.

### **ARTICLE 6 AMENDMENT**

#### 6.1 **Amendment of this Plan of Arrangement**

- (a) Provident and Pembina reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that any amendment, modification or supplement must be contained in a written document which is: (i) filed with the Court and, if made following Provident Shareholders'

Meeting, approved by the Court; and (ii) communicated to Provident Shareholders in the manner required by the Court (if so required).

- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Provident and Pembina at any time prior to or at Provident Shareholders' Meeting with or without any other prior notice or communication and, if so proposed and accepted, in the manner contemplated and to the extent required by the Arrangement Agreement, by the Provident Shareholders, shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following Provident Shareholders' Meeting shall be effective only: (i) if it is consented to by Provident and Pembina (each acting reasonably); and (ii) if required by the Court or applicable Law, it is consented to by Provident Shareholders.
- (d) This Plan of Arrangement may be amended, modified or supplemented following the Effective Time unilaterally by Pembina, provided that it concerns a matter that, in the reasonable opinion of Pembina, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any Provident Shareholders.

**APPENDIX 1**

**OTHER RULES OR PROVISIONS (IF ANY):**

The directors may, between annual general meetings, appoint one or more additional directors of Amalco, to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed one-third (1/3) of the number of directors who held office at the expiration of the last annual meeting of Amalco.

No securities of Amalco, other than non-convertible debt securities, shall be transferred to any person without the approval of the Board of Directors by resolution.

## SCHEDULE B

### FORM OF ARRANGEMENT RESOLUTION

#### BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

(1) The arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") involving Provident Energy Ltd. (the "**Company**"), as more particularly described and set forth in the joint management proxy circular (the "**Circular**") of Pembina Pipeline Corporation and the Company accompanying the notice of this meeting, as the Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.

(2) The plan of arrangement (the "**Plan of Arrangement**") involving the Company, the full text of which is set out as Schedule A to the Arrangement Agreement made as of January 15, 2012 between Pembina Pipeline Corporation and the Company (the "**Arrangement Agreement**"), as the Plan of Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.

(3) The Arrangement Agreement, the actions of the directors of the Company in approving the Arrangement Agreement and the actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.

(4) Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the shareholders of the Company or that the Arrangement has been approved by the Court of Queen's Bench of Alberta, the directors of the Company are hereby authorized and empowered without further notice to or approval of the shareholders of the Company (i) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.

(5) Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute, under the corporate seal of the Company or otherwise, and to deliver to the Registrar under the ABCA for filing articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.

(6) Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

## SCHEDULE C

### **REPRESENTATIONS AND WARRANTIES OF PEMBINA**

- (a) **Organization and Qualification.** Each of Pembina and its Subsidiaries is a corporation or partnership duly incorporated or formed, as applicable, validly existing and in good standing under the Laws of its jurisdiction of incorporation or formation and has the requisite corporate or partnership power and authority to own its properties as now owned and to carry on its business as it is now being conducted. Pembina is, and its Subsidiaries are, duly registered to do business and each is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such registration necessary, except where the failure to be so registered or in good standing would not materially adversely affect Pembina and its Subsidiaries taken as a whole. Copies of the constating documents of Pembina and its Subsidiaries, together with all amendments to date, have been provided to Provident and are accurate and complete as of the date hereof and have not been amended or superseded.
- (b) **Authority Relative this Agreement.** Pembina has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by Pembina in the Arrangement contemplated hereby have been duly authorized by Pembina's board of directors and, subject to such approval of Pembina Shareholders as required by the TSX, no other corporate proceedings on the part of Pembina are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by Pembina and constitutes a legal, valid and binding obligation of Pembina enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
- (c) **Subsidiaries.** Pembina has no Subsidiaries other than Pembina Pipeline (an Alberta partnership), Pouce Coupé Pipe Line Ltd., Alberta Oil Sands Pipeline Ltd., Plateau Pipe Line Ltd., Pembina Marketing Ltd. and Pembina Gas Services Ltd. and Pembina Gas Services Limited Partnership, Pembina Midstream Limited Partnership, Pembina North Limited Partnership, Pembina West Limited Partnership and Pembina Oil Sands Pipeline L.P. (each an Alberta limited partnership). None of Pembina's Subsidiaries is currently prohibited, directly or indirectly, from paying any dividends to Pembina, from making any other distribution on such Subsidiary's capital stock, from repaying to Pembina any loans or advances to such Subsidiary from Pembina.
- (d) **Ownership of Subsidiaries.** Pembina is the beneficial direct or indirect owner of all of the outstanding shares and partnership interests and other ownership interests of Pembina's Subsidiaries with good title thereto free and clear of any and all Encumbrances, except for security interests in such securities for the interests of the lenders under Pembina's fixed rate secured senior notes due 2017. There are no options, warrants or other rights, plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by any of Pembina's Subsidiaries of any securities of Pembina's Subsidiaries or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of any of Pembina's Subsidiaries. All outstanding securities of Pembina's Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive right.

(e) No Violations; Absence of Defaults and Conflicts.

- (i) Neither Pembina nor any of its Subsidiaries is in violation of its constating documents or by-laws or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Pembina or any of its Subsidiaries is a party or to which any of them, or any of their respective properties or assets, may be subject or by which Pembina or any of its Subsidiaries is bound;
- (ii) neither the execution and delivery of this Agreement by Pembina nor the consummation of the Arrangement contemplated hereby nor compliance by Pembina with any of the provisions hereof will: (A) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance upon any of the properties or assets of Pembina or any of its Subsidiaries or cause any indebtedness to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of (1) their respective charter or by-laws or (2) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Pembina or any of its Subsidiaries is a party or to which any of them, or any of their respective properties or assets, may be subject or by which Pembina or any of its Subsidiaries is bound; or (B) subject to compliance with the statutes and regulations referred to below, violate any Laws, judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Pembina or any of its Subsidiaries or any of their respective properties or assets; or (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect; and
- (iii) other than in connection with or in compliance with the provisions of applicable Canadian Securities Laws, U.S. Securities Laws, the ABCA, the Competition Act, the HSR Act, the CT Act, the National Energy Board Act or other similar applicable Laws (including any Laws that regulate competition, antitrust, foreign investment or transportation), the terms of the Interim Order and the Final Order in respect of the Arrangement and the filing of the Articles of Arrangement, (A) there is no legal impediment to Pembina's consummation of the Arrangement, and (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of Pembina in connection with the consummation of the Arrangement.

(f) Litigation. Except as disclosed in writing to Provident by Pembina on or prior to the date hereof, there are no actions, suits, proceedings or investigations by Governmental Entities pending or, to the knowledge of Pembina, threatened, affecting or that would reasonably be expected to materially affect Pembina or any of its Subsidiaries or affecting or that would reasonably be expected to materially affect any of their property or assets at Law or equity or before or by any court or Governmental Entity which action, suit, proceeding or investigation involves a possibility of any judgment against or liability of Pembina or any of its Subsidiaries which, if successful, would materially affect Pembina or would significantly impede the ability of Pembina to consummate the Arrangement. Neither Pembina nor its Subsidiaries is subject to any outstanding order, writ, injunction or decree that has or would materially affect Pembina or would significantly impede the ability of Pembina to consummate the Arrangement.

(g) Tax Returns Filed and Taxes Paid. All Tax Returns required to be filed by or on behalf of Pembina or any of its Subsidiaries have been duly filed on a timely basis and such Tax Returns are true, complete and correct in all material respects. All Taxes shown to be payable on the Tax Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis, and, other than Taxes being contested in good faith and for which adequate reserves in accordance with Canadian GAAP have been established, no amount of Taxes are payable by Pembina or any of its Subsidiaries with respect to items or periods covered by such Tax Returns that would have a Material Adverse Effect on Pembina.

(h) Tax Reserves. Pembina has paid or provided adequate accruals in its consolidated audited financial statements for the year ended December 31, 2010 and in its consolidated unaudited financial statements for the three and nine months ended September 30, 2011 for Taxes, including income taxes and related future income taxes, in conformity with Canadian GAAP.

(i) Tax Deficiencies; Audits. No deficiencies exist or have been asserted with respect to Taxes of Pembina or any of its Subsidiaries that would have a Material Adverse Effect on Pembina. Neither Pembina nor any of its Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor, to the knowledge of Pembina, has such an event been asserted or threatened against Pembina or any of its Subsidiaries or any of their respective assets that would have a Material Adverse Effect on Pembina.

(j) Reporting Issuer Status. Pembina is a reporting issuer (where such concept exists) in all provinces of Canada and is in material compliance with all applicable Canadian Securities Laws therein. The currently issued and outstanding Pembina Shares are listed and posted for trading on the TSX and Pembina is in material compliance with the rules of the TSX.

(k) Capitalization. The authorized share capital of Pembina consists of an unlimited number of Pembina Shares and an unlimited number of a class of preferred shares designated as Preferred Shares, Series A (the "**Pembina Preferred Shares**"). There are issued and outstanding no more than 168,100,000 Pembina Shares and 101,400,000 Pembina Preferred Shares (all of which Pembina Preferred Shares are owned by Pembina's wholly-owned subsidiary, Alberta Oil Sands Pipeline Ltd.) and there are no other shares of any class or series outstanding. There are no more than 10,600,000 Pembina Shares issuable upon the conversion of Pembina Debentures and no more than 2,660,000 Pembina Shares issuable upon the exercise of outstanding Pembina Options as of the date hereof. Except as set forth above, and other than Pembina Shares issuable pursuant to the Pembina's Premium Dividend and Dividend Reinvestment Plan, upon conversion, redemption or maturity of the Pembina Debentures and upon exercise of the Pembina Options and pursuant to rights issued under Pembina Shareholder Rights Plan, each on the terms as publicly disclosed on or prior to the date hereof, there are no options, warrants or other rights, shareholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Pembina of any shares of Pembina or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of Pembina. All outstanding Pembina Shares and Pembina Debentures have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights, and all Pembina Shares issuable upon conversion, redemption or maturity of outstanding Pembina Debentures and upon exercise of the Pembina Options in accordance with their respective terms will be duly authorized and validly issued as fully paid and non-assessable and will not be subject to any pre-emptive rights.

(l) No Orders. No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the Pembina Shares or any other securities of Pembina has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of Pembina, are contemplated or threatened under any applicable Laws or by any other Governmental Entity.

(m) Material Agreements. Pembina and its Subsidiaries have not entered into any material agreements which are required to be filed by Pembina under National Instrument 51-102 – *Continuous Disclosure Obligations*, except for those agreements which have been so filed by Pembina. Pembina has provided Provident with true and complete copies of all contracts, agreements and commitments entered into by Pembina and its Subsidiaries which are material to Pembina and its Subsidiaries (taken as a whole), and all such material agreements, whether or not provided to Provident, are valid and subsisting and none of Pembina or its Subsidiaries, or to the knowledge of Pembina, any counterparty to such material agreements, is in material default under any such agreements.

(n) Non-Competition Agreements. Except as disclosed in writing to Provident by Pembina on or prior to the date hereof, neither Pembina nor any of its Subsidiaries is a party to or bound by any non-competition agreement, exclusivity agreement or any other agreement, commitment, understanding or obligation which purports to limit the manner or the localities or regions in which all or any portion of the business of Pembina or its Subsidiaries is or is reasonably expected to be conducted, and the execution, delivery and performance of this Agreement and the completion of the Arrangement does not and will not result in the restriction of Pembina or any of its Subsidiaries from engaging in their business or from competing with any Person as described above.

(o) Filings. Pembina has filed all documents required to be filed by it with all applicable Governmental Entities and all such documents were, as of their respective dates, in compliance in all material respects with all applicable Laws and at the time filed did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(p) Books and Records. The records and minute books of Pembina and its Subsidiaries and their respective predecessors have been maintained substantially in accordance with all applicable Laws and are complete and accurate in all material respects.

(q) Reports. As of their respective dates, (i) Pembina's audited financial statements as at and for the fiscal year ended December 31, 2010 and unaudited financial statements as at and for the three and nine months ended September 30, 2011, and following their filing by Pembina, if filed prior to the Effective Date, Pembina's audited financial statements as at and for the fiscal year ended December 31, 2011, and in each case the related management's discussion and analysis (collectively the "**Pembina Financial Statements**"), (ii) Pembina's Annual Information Form dated March 31, 2011 (including all documents incorporated by reference therein), (iii) Pembina's information circular dated April 4, 2011 for its annual meeting of shareholders held on May 26, 2011, (iv) all Pembina press releases and material change reports or similar documents filed with any Securities Regulators since December 31, 2010, and (v) all prospectuses or other offering documents used by Pembina in the offering of its securities or filed with Securities Regulators since December 31, 2010 are all the financial statements, forms, reports, prospectuses or other documents required to be filed by virtue of the applicable securities Laws since December 31, 2010, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading and complied in all material respects with all applicable Laws. Since December 31, 2010, Pembina has not filed any material change reports which continue to be confidential. The Pembina Financial Statements and all financial statements of Pembina and its



Subsidiaries included or incorporated by reference in such forms, statements, prospectuses and other offering documents were prepared in accordance with Canadian GAAP (except (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of Pembina's independent auditors or (ii) in the case of unaudited interim statements, to the extent they are subject to normal year-end adjustments), and fairly present the consolidated financial position, results of operations and cash flows of Pembina and its Subsidiaries as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments) and reflect appropriate and adequate reserves in respect of contingent liabilities, if any, of Pembina and its Subsidiaries on a consolidated basis. There has been no change in Pembina accounting policies, except as described in the notes to the Pembina Financial Statements, since December 31, 2010.

(r) Absence of Undisclosed Liabilities. Except as disclosed in writing to Provident by Pembina on or before the date hereof, Pembina has no material obligations or liabilities of any nature (matured or unmatured, fixed or contingent), other than:

- (i) those set forth or adequately provided for in the balance sheet included in Pembina's unaudited financial statements as at and for the three and nine months ended September 30, 2011 (the "**Pembina Balance Sheet**");
- (ii) those incurred in the ordinary course of business and not required to be set forth in the Pembina Balance Sheet under Canadian GAAP;
- (iii) those incurred in the ordinary course of business since the Pembina Balance Sheet Date and consistent with past practice; and
- (iv) those incurred in connection with the execution of this Agreement.

(s) No Material Adverse Change. Since December 31, 2010: (i) Pembina and its Subsidiaries have conducted their businesses only in the ordinary and normal course, (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Pembina and its Subsidiaries, taken as a whole, has been incurred other than in the ordinary course of business, and (iii) there has not been any Material Adverse Change in respect of Pembina and its Subsidiaries, taken as a whole.

(t) Conduct of Business. Except as publicly disclosed by Pembina on or prior to the date hereof, since December 31, 2010 neither Pembina nor any of its Subsidiaries has taken any action that would be in violation of subsections 5.1(a), 5.1(b) and 5.1(c) if such provision had been in effect since that date, other than violations which would not have any Material Adverse Effect on Pembina, or would not significantly impede Pembina's ability to consummate the Arrangement contemplated hereby.

(u) Environmental. Except as disclosed in writing to Provident by Pembina on or before the date hereof:

- (i) there have not occurred any material spills, emissions or pollution on any property of Pembina or its Subsidiaries as a result of their operations, nor has Pembina or any of its Subsidiaries been subject to any stop orders, control orders, clean-up orders or reclamation orders under applicable Environmental Laws. All operations of Pembina and its Subsidiaries have been and are now being conducted in compliance with all applicable Environmental Laws. Neither Pembina nor any of its Subsidiaries is aware of, or is subject to:

- (A) any proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any material work, repairs, construction, or expenditures; or
  - (B) any demand or notice with respect to the breach of any Environmental Laws applicable to Pembina or any of its Subsidiaries, including any regulations respecting the use, storage, treatment, transportation, or disposition of any Hazardous Substances.
- (ii) in the ordinary course of its business, Pembina periodically reviews the effect of Environmental Laws on various business, operations and properties of Pembina and its Subsidiaries, in the course of which it identifies and evaluates associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws, or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties). On the basis of such review, Pembina has reasonably concluded that there are no such associated costs and liabilities that would be material to Pembina and its Subsidiaries, taken as a whole.
- (v) Title. Pembina and its Subsidiaries have good and sufficient title to their real property interests including fee simple estate of and in real property, leases, easements, rights of way, permits or licenses from landowners or authorities permitting the use of land by Pembina and its Subsidiaries necessary to permit the operation of its business as presently owned and conducted. Pembina does not have any knowledge nor is aware of any defects, failures or impairments in the title of Pembina to its assets, whether or not an action, suit, proceeding or inquiry is pending or threatened or whether or not discovered by any third party.
- (w) Facilities. Except as disclosed in writing to Provident by Pembina on or prior to the date hereof, to the best of its knowledge, information and belief, the equipment, facilities, buildings, structures, improvements and other appurtenances on real property of Pembina and its Subsidiaries, as applicable, relating thereto are in good operating condition and in a good state of maintenance and repair, each is operated in accordance with good industry practice; each is adequate and suitable for the purpose for which it is currently being used and none thereof, nor the operation or maintenance thereof, violates any restrictive covenant or any applicable Law or encroaches any property owned by others.
- (x) No Encumbrances. Pembina has not encumbered or alienated its interest in its assets or agreed to do so and such assets are free and clear of all Encumbrances except for such Encumbrances as are disclosed in any governmental registry or arising in the ordinary course of business or are typically permitted encumbrances for assets of this nature.
- (y) Licenses. Each of Pembina and its Subsidiaries has obtained and is in compliance in all material respects with all licenses, permits, certificates, consents, orders, grants and other authorizations of or from any Governmental Entity necessary to conduct its businesses as they are now being or are proposed to be conducted.
- (z) Compliance with Laws. Pembina and its Subsidiaries have complied with and are not in violation of any applicable Laws in all material respects.

(aa) Long Term and Derivative Transactions. Except as disclosed in the Pembina Financial Statements or as disclosed in writing to Provident by Pembina on or prior to the date hereof, Pembina has no material obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, production sales transactions having terms greater than 90 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.

(bb) Insurance. Policies of insurance are in force naming Pembina or its applicable Subsidiary as an insured that adequately cover all risks as are customarily covered by participants in the industry in which Pembina operates. All such policies shall remain in force and effect (subject to taking into account insurance market conditions and offerings and industry practices) and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.

(cc) Indebtedness To and By Officers, Directors and Others. None of Pembina or any of its Subsidiaries is indebted to any of the directors, officers, employees or consultants of Pembina or any of its Subsidiaries or any of their respective associates or affiliates or other parties not at arm's length to Pembina or any of its Subsidiaries, except for amounts due as normal compensation or reimbursement of ordinary business expenses, nor is there any indebtedness owing by any such parties to Pembina.

(dd) Possession of Intellectual Property. Pembina and its Subsidiaries own or possess adequate patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property necessary to carry on the business now operated by them, and neither Pembina nor any Subsidiary has received any written notice or claim challenging Pembina or its Subsidiaries respecting the validity of, use of or ownership of the processes and technology, and to the knowledge of Pembina, there are no facts upon which such a challenge could be made.

(ee) Funds Available. Pembina has sufficient funds available to pay the amounts that may be payable pursuant to Section 7.3 or 7.4.

(ff) Investment Canada Act. Pembina is not a non-Canadian within the meaning of the Investment Canada Act.

(gg) Corrupt Practices Legislation.

- (i) To the knowledge of Pembina, neither it nor any of its Subsidiaries has, directly or indirectly, (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction or any official of any public international organization or (B) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the U.S. *Foreign Corrupt Practices Act of 1977*, as amended, the *Corruption of Foreign Public Officials Act (Canada)* or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* or the rules and regulations promulgated thereunder;

- (ii) during the periods of the Pembina Financial Statements, the operations of Pembina and its Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**"). To the best knowledge of Pembina, no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving Pembina or any of its Subsidiaries with respect to the Money Laundering Laws is pending or threatened; and
- (iii) neither Pembina nor any of its Subsidiaries nor, to the knowledge of Pembina, any director, officer, agent, employee or affiliate of Pembina or any of its Subsidiaries has had any sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**") imposed upon such Person; and neither Pembina nor any of its Subsidiaries is in violation of any of the economic sanctions of the United States administered by OFAC or any Law or executive order relating thereto (the "**U.S. Economic Sanctions**").
- (hh) Place of Principal Offices. The principal offices of Pembina are not located within the United States.
- (ii) Foreign Private Issuer. As of the date hereof, Pembina is a "foreign private issuer" within the meaning of Rule 405 of Regulation C adopted by the SEC under the U.S. Securities Act.
- (jj) Investment Company. To the knowledge of Pembina, neither Pembina nor any of its Subsidiaries is registered or is required to be registered as an "investment company" within the meaning of the *United States Investment Company Act of 1940*, as amended.
- (kk) HSR Act. Pembina, including all entities "controlled by" Pembina for purposes of the HSR Act, does not and prior to completion of the Arrangement will not, hold assets located in the United States with a fair market value in excess of U.S.\$66.0 million in the aggregate. During the 12-month period ended December 31, 2010, (i) Pembina and its Subsidiaries did not make sales in or into the United States in excess of U.S.\$66.0 million in the aggregate, and (ii) the assets that Pembina and its Subsidiaries hold as of immediately prior to completion of the Arrangement did not generate sales in or into the United States in excess of U.S.\$66.0 million in the aggregate.
- (ll) Disclosure. The data and information in respect of Pembina and its Subsidiaries and their respective assets, liabilities, businesses, affairs and operations provided by or on behalf of Pembina to or on behalf of Provident was and is accurate and correct in all material respects as at the respective dates thereof and does not omit any data or information necessary to make any data or information provided not materially misleading as at the respective dates thereof.
- (mm) PFIC Matters. Pembina was not classified as a "passive foreign investment company" (a "**PFIC**") within the meaning of Section 1297 of the U.S. Tax Code in respect of its fiscal year ended December 31, 2011, and it does not expect to be classified as a PFIC in respect of its current fiscal year.
- (nn) SEC Registration. As of the date hereof, no class of Pembina securities is registered or required to be registered pursuant to Section 12 of the U.S. Exchange Act. However, Pembina understands and acknowledges that upon completion of the Arrangement, the Pembina Shares will be deemed to be registered pursuant to Section 12 of the U.S. Exchange Act and Pembina will be deemed to be a successor registrant to Provident under the U.S. Exchange Act.

## SCHEDULE D

### REPRESENTATIONS AND WARRANTIES OF PROVIDENT

(a) Organization and Qualification. Each of Provident and its Subsidiaries is a corporation or partnership duly incorporated or formed, as applicable, validly existing and in good standing under the Laws of its jurisdiction of incorporation or formation and has the requisite corporate or partnership power and authority to own its properties as now owned and to carry on its business as it is now being conducted. Provident is, and its Subsidiaries are, duly registered to do business and each is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such registration necessary, except where the failure to be so registered or in good standing would not materially adversely affect Provident and its Subsidiaries taken as a whole. Copies of the constating documents of Provident and its Subsidiaries, together with all amendments to date, have been provided to Pembina and are accurate and complete as of the date hereof and have not been amended or superseded.

(b) Authority Relative this Agreement. Provident has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by Provident in the Arrangement contemplated hereby have been duly authorized by Provident's board of directors and, subject to such approval of Provident Shareholders as is stipulated by the Court in the Interim Order, no other corporate proceedings on the part of Provident are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by Provident and constitutes a legal, valid and binding obligation of Provident enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

(c) Subsidiaries. Provident has no Subsidiaries other than as disclosed in writing to Pembina by Provident on or prior to the date hereof. None of Provident's Subsidiaries is currently prohibited, directly or indirectly, from paying any dividends to Provident, from making any other distribution on such Subsidiary's capital stock, from repaying to Provident any loans or advances to such Subsidiary from Provident.

(d) Ownership of Subsidiaries. Except as disclosed in writing to Pembina by Provident on or prior to the date hereof, Provident is the beneficial direct or indirect owner of all of the outstanding shares and other ownership interests of Provident's Subsidiaries with good title thereto free and clear of any and all Encumbrances, except for security interests in such securities for the interests of the lender's under Provident's credit facilities. There are no options, warrants or other rights, plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by any of Provident's Subsidiaries of any securities of Provident's Subsidiaries or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of any of Provident's Subsidiaries. All outstanding securities of Provident's Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor where they issued in violation of, any pre-emptive right.

(e) No Violations; Absence of Defaults and Conflicts.

- (i) neither Provident nor any of its Subsidiaries is in violation of its constating documents or by-laws or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Provident or any of its Subsidiaries is a party or to which any of them, or any of their respective properties or assets, may be subject or by which Provident or any of its Subsidiaries is bound;
- (ii) except as disclosed in writing to Pembina by Provident on or prior to the date hereof, neither the execution and delivery of this Agreement by Provident nor the consummation of the Arrangement contemplated hereby nor compliance by Provident with any of the provisions hereof will: (A) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance upon any of the properties or assets of Provident or any of its Subsidiaries or cause any indebtedness to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of (1) their respective charter or by-laws or (2) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Provident or any of its Subsidiaries is a party or to which any of them, or any of their respective properties or assets, may be subject or by which Provident or any of its Subsidiaries is bound; or (B) subject to compliance with the statutes and regulations referred to below, violate any Laws, judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Provident or any of its Subsidiaries or any of their respective properties or assets; or (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect; and
- (iii) other than in connection with or in compliance with the provisions of applicable Canadian Securities Laws, U.S. Securities Laws, the ABCA, the Competition Act, the HSR Act, the CT Act, the National Energy Board Act or other similar applicable Laws (including any Laws that regulate competition, antitrust, foreign investment or transportation), the terms of the Interim Order and the Final Order in respect of the Arrangement and the filing of the Articles of Arrangement, (A) there is no legal impediment to Provident's consummation of the Arrangement, and (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of Provident in connection with the consummation of the Arrangement.

(f) Litigation. Except as disclosed in writing to Pembina by Provident on or prior to the date hereof, there are no actions, suits, proceedings or investigations by Governmental Entities pending or, to the knowledge of Provident, threatened, affecting or that would reasonably be expected to materially affect Provident or any of its Subsidiaries or affecting or that would reasonably be expected to materially affect any of their property or assets at Law or equity or before or by any court or Governmental Entity which action, suit, proceeding or investigation involves a possibility of any judgment against or liability of Provident or any of its Subsidiaries which, if successful, would materially affect Provident or would significantly impede the ability of Provident to consummate the Arrangement. Neither Provident nor its Subsidiaries is subject to any outstanding order, writ, injunction or decree that has or would materially affect Provident or would significantly impede the ability of Provident to consummate the Arrangement.

(g) Tax Returns Filed and Taxes Paid.

- (i) Except as disclosed in writing to Pembina by Provident on or before the date hereof, all Tax Returns required to be filed by or on behalf of Provident or any of its Subsidiaries have been duly filed on a timely basis and such Tax Returns are true, complete and correct in all material respects. All Taxes shown to be payable on the Tax Returns or on subsequent assessments or reassessments with respect thereto have been paid in full on a timely basis other than Taxes being contested in good faith and for which adequate reserves in accordance with Canadian GAAP have been established, and no other Taxes are payable by Provident or any of its Subsidiaries with respect to items or periods covered by such Tax Returns;
- (ii) Provident and its Subsidiaries have duly and timely paid all Taxes, including all installments on account of Taxes for the current year, that are due and payable by them whether or not assessed by the appropriate Governmental Entity;
- (iii) for all periods ended on and before December 31, 2010, Provident has made available to Pembina for review originals or true and complete copies of: (A) material portions of income tax audit reports, statements of deficiencies, closing or other agreements or correspondence concerning assessments, reassessments or audits pursuant to which a Governmental Entity has proposed amendments to previously filed Tax Returns received by or on behalf of Provident or any of its Subsidiaries relating to Taxes; (B) any material federal, provincial, state, local or foreign income or franchise Tax Returns for Provident and its Subsidiaries dating back to the 2005 taxation year; and (C) all material written communications to or from any Governmental Entity relating to the Taxes of Provident and its Subsidiaries over such period have been made available to Pembina;
- (iv) except as disclosed in writing to Pembina by Provident on or before the date hereof: (A) neither Provident nor any of its Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor, to the knowledge of Provident, has such an event been asserted or threatened against Provident and its Subsidiaries, or any of them, or any of their respective assets; (B) no waiver or extension of any statute of limitations is in effect with respect to Taxes or Tax Returns of Provident or any of its Subsidiaries and no request for any such waiver or extension is currently pending; (C) no audit by any Governmental Entity of Provident or any of its Subsidiaries is in process, to the knowledge of Provident, threatened; and (D) no written claim has been made to Provident or any of its Subsidiaries by any Governmental Entity in a jurisdiction where Provident and its Subsidiaries do not file Tax Returns that they are or may be subject to taxation by that jurisdiction;
- (v) Provident has or will furnish Pembina with originals or copies of all elections, designations or similar filings relating to Taxes and any agreement or other arrangement in respect of Taxes or Tax Returns that has effect for any period ending after the Effective Date;
- (vi) Provident has made available to Pembina originals or true and complete copies of all notices of assessments that have been received in respect of income, sales (including goods and services, harmonized sales and provincial or territorial sales) and capital tax liabilities of Provident and its Subsidiaries for all taxation years or periods ending prior to and including the taxation year or period ended December 31, 2010;

- (vii) each of Provident and its Subsidiaries has duly and timely withheld all Taxes and other amounts required by Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the account or benefit of any Person, including any employee, officer or director and any non-resident Person), and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by Law to be remitted by it. Each of Provident and its Subsidiaries has complied in all material respects with all Tax information reporting provisions of all applicable Laws;
- (viii) each of Provident and its Subsidiaries has duly and timely collected or self-assessed all amounts on account of any sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and have duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it;
- (ix) none of sections 17 or 78 or 80, 80.01, 80.02, 80.03 or 80.04 of the Tax Act, or any equivalent provision of the Tax legislation of any province or any other jurisdiction, have applied or will apply to any of Provident or its Subsidiaries at any time up to and including the Effective Time;
- (x) none of Provident and its Subsidiaries has acquired property from, or transferred property to, a non-arm's length Person, within the meaning of the Tax Act, for consideration the value of which is less than the fair market value of the property acquired or transferred or, in the case where such consideration included debt payable by the acquiror, for debt with a principal amount which is less than the fair market value of the property acquired or transferred in consideration of such debt;
- (xi) for all transactions between any of Provident and its Subsidiaries and any non-resident Person with whom Provident or its Subsidiaries was not dealing at arm's length during a taxation year commencing after 2005 and ending on or before the Effective Date, each of Provident and its Subsidiaries has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act;
- (xii) there are no reserves under the Tax Act, the U.S. Tax Code or any equivalent federal, provincial or territorial statute to be claimed by any of Provident or its Subsidiaries;
- (xiii) there are no Tax liens or security interests on any of the assets of Provident or any of its Subsidiaries that arose in connection with the failure, or alleged failure, to pay any Taxes;
- (xiv) except as disclosed in writing to Pembina by Provident on or before the date hereof, neither Provident nor any of its Subsidiaries (A) has any liability for the Taxes of any other Person, (B) has ever filed, or has ever been required to file, a consolidated, combined or unitary Tax Return with any other entity, (C) is a party to, or has any obligation under, any agreement or arrangement relating to the sharing, allocation or indemnification of Taxes, or any similar agreement, contract or arrangement (collectively, "**Tax Sharing Agreements**"), or (D) has any liability for the Taxes of any Person as a transferee, successor or agent, by contract or otherwise;
- (xv) the aggregate tax attributes of Provident and its Subsidiaries as of September 30, 2011 are not lower than as disclosed in writing to Buyer by Provident on or prior to the date hereof and Provident has not undertaken any transactions out of the ordinary course of its



business in the period beginning on October 1, 2011 and ending on the date hereof which would result in a material reduction in such aggregate tax attributes;

- (xvi) neither Provident nor any of its Subsidiaries has constituted a "distributing corporation" or a "controlled corporation" (within the meaning of Section 355(a)(1)(A) of the U.S. Tax Code) in a distribution of shares qualifying for tax-free treatment under Section 355 of the U.S. Tax Code (A) in the two years prior to the date of this Agreement or (B) in a distribution that could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the U.S. Tax Code) in conjunction with the transactions contemplated by this Agreement;
- (xvii) any adjustment of Taxes of Provident or any of its Subsidiaries made by the IRS, which adjustment is required to be reported to the appropriate state, local or foreign Governmental Entities, has been so reported;
- (xviii) neither Provident nor any of its Subsidiaries has executed or entered into a closing agreement pursuant to Section 7121 of the U.S. Tax Code or any similar provision of state, local or foreign law, and neither Provident nor any of its Subsidiaries is subject to any private letter ruling of the IRS or comparable ruling of any other Governmental Entity which may apply after the Effective Date;
- (xix) neither Provident nor any of its Subsidiaries nor, to the knowledge of Provident, any of its affiliates, has taken or agreed to take, or has failed to take, any action, nor is Provident or any of its Subsidiaries aware of any fact, agreement, plan or other circumstance, that would prevent the Arrangement from constituting a transaction qualifying as a reorganization under Section 368(a) of the U.S. Tax Code;
- (xx) there is no contract, agreement, plan or arrangement covering any person that, individually or collectively, could give rise to the payment by a Provident Subsidiary that is a U.S. person of any amount that would not be deductible by such Subsidiary solely by reason of Section 162(m) of the U.S. Tax Code; and
- (xxi) neither Provident nor any of its Subsidiaries has participated in any reportable transaction within the meaning of U.S. Treasury Regulations Section 1.6011-4(b).

(h) Tax Reserves. Provident has paid or provided adequate accruals in its consolidated audited financial statements for the year ended December 31, 2010 and in its consolidated unaudited financial statements for the three and nine months ended September 30, 2011 for Taxes, including income taxes and related future income taxes, in conformity with Canadian GAAP.

(i) Reporting Issuer Status. Provident is a reporting issuer (where such concept exists) in all provinces of Canada and is in material compliance with all applicable Canadian Securities Laws therein. The Provident Shares are registered pursuant to the U.S. Exchange Act and Provident is in material compliance with all applicable U.S. Securities Laws. The Provident Shares and the Provident Debentures are listed and posted for trading on the TSX and the Provident Shares are listed and posted for trading on the NYSE and Provident is in material compliance with the rules of the TSX and the NYSE.

(j) Capitalization. The authorized share capital of Provident consists of an unlimited number of Provident Shares. There are issued and outstanding no more than 274,300,000 Provident Shares and there are no other shares of any class or series outstanding. There are no more than 30,100,000 Provident Shares issuable upon the conversion of Provident Debentures. Except as set forth above, and other than

Provident Shares issuable pursuant to the Provident DRIP (it being understood that Provident shall suspend and keep suspended the Provident DRIP immediately following execution of this Agreement) and the Provident Debentures and pursuant to rights issued under the Provident Shareholder Rights Plan, each on the terms as publicly disclosed on or prior to the date hereof, there are no options, warrants or other rights, shareholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Provident of any shares of Provident or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of Provident. All outstanding Provident Shares and Provident Debentures have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights, and all Provident Shares issuable upon conversion of outstanding Provident Debentures in accordance with their respective terms will be duly authorized and validly issued as fully paid and non-assessable and will not be subject to any pre-emptive rights.

(k) Equity Monetization Plans. Other than the Provident CRSUs, the Provident PSUs and the Provident RSUs as disclosed in writing to Pembina by Provident on or prior to the date hereof, there are no outstanding stock appreciation rights, phantom equity, profit sharing plan or similar rights, agreements, arrangements or commitments payable to any director, officer or employee of Provident or its Subsidiaries and which are based upon the share price, revenue, value, income or any other attribute of Provident or its Subsidiaries and all such Provident CRSUs, Provident PSUs and Provident RSUs outstanding are subject only to the terms and conditions of the Provident LTI Plans (true and complete copies of which have been provided to Pembina prior to the date hereof) and the applicable grant agreements pursuant to which such awards were granted (a true and complete copy of the form of which has been provided to Pembina prior to the date hereof and none of the grant agreements entered into in respect of outstanding Provident CRSUs, Provident PSUs and Provident RSUs contain any material departures from such form of agreement) and in certain circumstances the Provident Employment Agreements.

(l) No Orders. No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the Provident Shares or any other securities of Provident has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of Provident, are contemplated or threatened under any applicable Laws or by any other Governmental Entity.

(m) Material Agreements. Provident and its Subsidiaries have not entered into any material agreements which are required to be filed by Provident under National Instrument 51-102 – *Continuous Disclosure Obligations*, except for those agreements which have been so filed by Provident. Provident has publicly filed on SEDAR a true and complete copy of the Provident Debenture Indenture, including all amendments and supplements thereto as defined herein. Provident has provided Pembina with originals or true and complete copies of all contracts, agreements and commitments entered into by Provident and its Subsidiaries which are material to Provident and its Subsidiaries (taken as a whole), and all agreements material to Provident and its Subsidiaries, whether or not provided to Pembina, are valid and subsisting and none of Provident or its Subsidiaries, or to the knowledge of Provident, any counterparty to such material agreements, is in material default under any such agreements.

(n) Non-Competition Agreements. Except as disclosed in writing to Pembina by Provident prior to the date hereof, neither Provident nor any of its Subsidiaries is a party to or bound by any non-competition agreement, exclusivity agreement or any other agreement, commitment, understanding or obligation which purports to limit the manner or the localities or regions in which all or any portion of the business of Provident or its Subsidiaries is or is reasonably expected to be conducted, and the execution, delivery and performance of this Agreement and the completion of the Arrangement does not and will not

result in the restriction of Provident or any of its Subsidiaries from engaging in their business or from competing with any Person as described above.

(o) Filings. Provident has filed all documents required to be filed by it with all applicable Governmental Entities and all such documents were, as of their respective dates, in compliance in all material respects with all applicable Laws and at the time filed did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(p) Books and Records. The records and minute books of Provident and its Subsidiaries and their respective predecessors have been maintained substantially in accordance with all applicable Laws and are complete and accurate in all material respects.

(q) Reports. As of their respective dates, (i) Provident's audited financial statements as at and for the fiscal year ended December 31, 2010 and unaudited financial statements as at and for the three and nine months ended September 30, 2011, and following their filing by Provident, if filed prior to the Effective Date, Provident's audited financial statements as at and for the fiscal year ended December 31, 2011, and in each case the related management's discussion and analysis (collectively, the "**Provident Financial Statements**"), (ii) each of Provident's Annual Information Form dated March 24, 2011 and its annual report on Form 40-F for the year ended December 31, 2010, and following their filing in accordance with subsection 5.2(o) of the Agreement, Provident's Annual Information Form for the year ended December 31, 2011 and its annual report on Form 40-F for the year ended December 31, 2011 (in each case including all documents incorporated by reference therein), (iii) Provident's information circular dated March 31, 2011 for its annual meeting of shareholders held on May 11, 2011, (iv) all Provident press releases and material change reports or similar documents filed with any Securities Regulators since December 31, 2010, and (v) all prospectuses or other offering documents used by Provident in the offering of its securities or filed with Securities Regulators since December 31, 2010 are all the financial statements, forms, reports, prospectuses or other documents required to be filed by virtue of the applicable securities Laws since December 31, 2010, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading and complied in all material respects with all applicable Laws. Since December 31, 2010, Provident has not filed any material change reports which continue to be confidential. The Provident Financial Statements and all financial statements of Provident and its Subsidiaries included or incorporated by reference in such forms, statements, prospectuses and other offering documents were prepared in accordance with Canadian GAAP (except (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of Provident's independent auditors or (ii) in the case of unaudited interim statements, to the extent they are subject to normal year-end adjustments), and fairly present the consolidated financial position, results of operations and cash flows of Provident and its Subsidiaries as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments) and reflect appropriate and adequate reserves in respect of contingent liabilities, if any, of Provident and its Subsidiaries on a consolidated basis. There has been no change in Provident accounting policies, except as described in the notes to the Provident Financial Statements, since December 31, 2010.

(r) Absence of Undisclosed Liabilities. Provident has no material obligations or liabilities of any nature (matured or unmatured, fixed or contingent), other than:

- (i) those set forth or adequately provided for in the balance sheet included in Provident's unaudited financial statements as at and for the three and nine months ended September 30, 2011 (the "**Provident Balance Sheet**");
- (ii) those incurred in the ordinary course of business and not required to be set forth in the Provident Balance Sheet under Canadian GAAP;
- (iii) those incurred in the ordinary course of business since the Provident Balance Sheet Date and consistent with past practice; and
- (iv) those incurred in connection with the execution of this Agreement.

(s) No Material Adverse Change. Since December 31, 2010: (i) Provident and its Subsidiaries have conducted their businesses only in the ordinary and normal course, (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Provident and its Subsidiaries, taken as a whole, has been incurred other than in the ordinary course of business, and (iii) there has not been any Material Adverse Change in respect of Provident and its Subsidiaries, taken as a whole.

(t) Conduct of Business. Except as disclosed in writing to Pembina by Provident on or before the date hereof or as publicly disclosed by Provident on or prior to the date hereof, since December 31, 2010 neither Provident nor any of its Subsidiaries has taken any action that would be in violation of subsections 5.2(a), 5.2(b), 5.2(c) and 5.2(d) if such provisions had been in effect since that date, other than violations which would not have any Material Adverse Effect on Provident, or would not significantly impede Provident's ability to consummate the Arrangement contemplated hereby.

(u) Environmental. Except as disclosed as writing to Pembina by Provident on or before the date hereof:

- (i) there have not occurred any material spills, emissions or pollution on any property of Provident or its Subsidiaries as a result of their operations, nor has Provident or any of its Subsidiaries been subject to any stop orders, control orders, clean-up orders or reclamation orders under applicable Environmental Laws. All operations of Provident and its Subsidiaries have been and are now being conducted in compliance with all applicable Environmental Laws. Neither Provident nor any of its Subsidiaries is aware of, or is subject to:
  - (A) any proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any material work, repairs, construction, or expenditures; or
  - (B) any demand or notice with respect to the breach of any Environmental Laws applicable to Provident or any of its Subsidiaries, including any regulations respecting the use, storage, treatment, transportation, or disposition of any Hazardous Substances.
- (ii) in the ordinary course of its business, Provident periodically reviews the effect of Environmental Laws on various business, operations and properties of Provident and its Subsidiaries, in the course of which it identifies and evaluates associated costs and

liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws, or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties). On the basis of such review, Provident has reasonably concluded that there are no such associated costs and liabilities that would be material to Provident and its Subsidiaries, taken as a whole.

(v) Title. Except as disclosed in writing to Pembina by Provident on or prior to the date hereof, Provident and its Subsidiaries have good and sufficient title to their real property interests including fee simple estate of and in real property, leases, easements, rights of way, permits or licenses from landowners or authorities permitting the use of land by Provident and its Subsidiaries necessary to permit the operation of its business as presently owned and conducted. Except as disclosed in writing to Pembina by Provident on or prior to the date hereof, Provident does not have any knowledge nor is aware of any defects, failures or impairments in the title of Provident to its assets, whether or not an action, suit, proceeding or inquiry is pending or threatened or whether or not discovered by any third party.

(w) Facilities. To the best of its knowledge, information and belief, the equipment, facilities, buildings, structures, improvements and other appurtenances on real property of Provident and its Subsidiaries, as applicable, relating thereto are in good operating condition and in a good state of maintenance and repair, each is operated in accordance with good industry practice; each is adequate and suitable for the purpose for which it is currently being used and none thereof, nor the operation or maintenance thereof, violates any restrictive covenant or any applicable Law or encroaches any property owned by others.

(x) No Encumbrances. Except as disclosed in writing to Pembina by Provident on or prior to the date hereof, Provident has not encumbered or alienated its interest in its assets or agreed to do so and such assets are free and clear of all Encumbrances except for such Encumbrances as are disclosed in any governmental registry or arising in the ordinary course of business or are typically permitted encumbrances for assets of this nature.

(y) Licenses. Each of Provident and its Subsidiaries has obtained and is in compliance in all material respects with all licenses, permits, certificates, consents, orders, grants and other authorizations of or from any Governmental Entity necessary to conduct its businesses as they are now being or are proposed to be conducted.

(z) Compliance with Laws. Provident and its Subsidiaries have complied with and are not in violation of any applicable Laws in all material respects.

(aa) Long Term and Derivative Transactions. Except as disclosed in the Provident Financial Statements or as disclosed in writing to Pembina by Provident on or prior to the date hereof, Provident has no material obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, production sales transactions having terms greater than 90 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.

(bb) Employee Benefit Plans. Provident has provided to Pembina true, complete and correct copies of each health, medical, dental, welfare, supplemental unemployment benefit, bonus, profit sharing, option, insurance, incentive, incentive compensation, deferred compensation, share purchase, share-based compensation, disability, pension, retirement or supplemental retirement plan and each other employee or director compensation or benefit plan, agreement or arrangement whether written or unwritten, tax-qualified or non-qualified, funded or unfunded, for the benefit of directors or former directors of Provident and/or its Subsidiaries, consultants or former consultants of Provident and/ or its Subsidiaries, employees or former employees of Provident and/or its Subsidiaries, which are maintained by, contributed to, or binding upon Provident or any Subsidiary thereof or in respect of which the Provident or any Subsidiary thereof has any actual or potential liability (the "**Provident Employee Plans**"), and:

- (i) each Provident Employee Plan has been maintained and administered in material compliance with its terms and in accordance with applicable Laws;
- (ii) all required employer contributions under any such plans have been made in accordance with the terms thereof;
- (iii) each Provident Employee Plan that is required or intended to be qualified under applicable Law or registered or approved by a governmental agency or authority has been so qualified, registered or approved by the appropriate governmental agency or authority, and nothing has occurred since the date of the last qualification, registration or approval which could reasonably be expected to materially adversely affect, or cause, the appropriate governmental agency or authority to revoke such qualification, registration or approval;
- (iv) to the knowledge of Provident, there are no pending or anticipated claims against or otherwise involving any of the Provident Employee Plans and no suit, action or other litigation (excluding claims for benefits incurred in the ordinary course of Provident Employee Plan activities) has been brought against or with respect to any Provident Employee Plan;
- (v) no Provident Employee Plan is a "registered pension plan" as that term is defined in subsection 248(1) of the Income Tax Act (Canada);
- (vi) all material contributions, reserves or premium payments required to be made to the Provident Employee Plans have been timely made or accrued for in the books and records of Provident;
- (vii) Provident has no current or projected liability for or obligation to provide any retiree health and life benefits under any Provident Employee Plan or otherwise except as may be required by Law at the sole expense of the employee;
- (viii) the execution and delivery of this Agreement or the consummation of the transactions contemplated herein will not (either alone or in combination with any other event) (i) result in, cause the accelerated vesting of, funding or delivery of, or increase the amount or value of, any payment or benefit to any current or former employee, officer, or director of Provident or any of its Subsidiaries under any Provident Employee Plans, (ii) limit the right of Provident or any of its Subsidiaries to amend, merge, terminate or receive a reversion of assets from any Provident Employee Plan or related trust or (iii) in respect of any individuals who are subject to taxation in the United States, result in the payment of any amount that, individually or in combination with any other such payment, right, or

benefit constitutes an "excess parachute payment", as defined in Section 280G(b)(1) of the U.S. Tax Code. No Provident Employee Plan provides for the gross-up or reimbursement of Taxes under Section 409A or Section 4999 of the U.S. Tax Code or any similar provision of applicable Law; and

- (ix) Neither Provident nor any of its ERISA Affiliates maintain, sponsor, contribute to or have any liability in respect of any employee benefit plan, contract or arrangement that is subject to ERISA.
- (cc) Employment Agreements and Collective Agreements.
- (i) Except as disclosed in writing to Pembina by Provident on or prior to the date hereof, neither Provident nor any Subsidiary of Provident is a party to, nor is engaged in any negotiations with respect to, any employment agreement with any officer or employee or any written or oral agreement, arrangement or understanding, providing for severance, termination or change of control payments to any Provident employee; provided that, severance or termination payments made to non-officer employees in the ordinary course of business shall not be subject to the foregoing. Except as disclosed in writing to Pembina by Provident on or prior to the date hereof, Provident and its Subsidiaries have no obligations to pay any amounts to any current or former directors, officers, employees or consultants of Provident or any of its Subsidiaries as a result of the execution, deliver and performance of this Agreement or the completion of the Arrangement and the transactions contemplated by this Agreement;
  - (ii) except as disclosed in writing to Pembina by Provident on or prior to the date hereof, neither Provident nor any Subsidiary of Provident is a party to, nor is engaged in any negotiations with respect to, any collective bargaining or union agreement, any actual or threatened application for certification or bargaining rights or letter of understanding, with respect to any current or former employee of Provident or any of its Subsidiaries. Except as disclosed in writing to Pembina by Provident on or prior to the date hereof, no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of Provident or any of its Subsidiaries employees by way of certification, interim certification, voluntary recognition, or succession rights of any employee of Provident or any of its Subsidiaries. During the last five years, no Person has petitioned and no Person is now petitioning, for union representation of any of the employees of Provident or any of its Subsidiaries.
  - (iii) neither Provident nor any of its Subsidiaries has any direct or indirect liability with respect to any misclassification of any Person as an independent contractor rather than as an employee or as exempt rather than non-exempt, or with respect to any employee leased from another employer, and no individual who has performed services for Provident or any of its Subsidiaries has been improperly included or excluded from participation in any Provident Employee Plan;
  - (iv) to the knowledge of Provident, there is no labour strike, dispute, lock-out work slowdown or stoppage pending or involving or, to the knowledge of Provident, threatened against Provident or any Subsidiary of Provident. No trade union has applied to have Provident or a Subsidiary of Provident declared a related successor, or common employer pursuant to the *Labour Relations Code* (Alberta) or any similar legislation in any jurisdiction in which Provident or any Subsidiary of Provident carries on business;

- (v) neither Provident nor any of its Subsidiaries has engaged in any unfair labour practice and no unfair labour practice complaint, grievance or arbitration proceeding is pending or, to the knowledge of Provident, threatened against Provident or any of its Subsidiaries;
- (vi) Provident and each of its Subsidiaries are in material compliance with all terms and conditions of employment and all Laws respecting employment, including pay equity, human rights, privacy, employment standards, worker's compensation occupational health and safety, the calculation and payment of wages, equal employment opportunity, affirmative action, and other hiring practices, immigration, unemployment, the payment of social security and other taxes, employment standards, employment of minors, labor relations, unions, withholding, wages and hours and overtime of any kind, insurance, pay equity, employee classification, family and medical leave, and where applicable the United States *Immigration Reform and Control Act* and any similar applicable Laws, and there are no outstanding any actual or threatened claims, complaints, investigations or orders under any such Laws;
- (vii) all amounts due or accrued for all salary, wages, bonuses, commissions, vacation with pay, and other employee benefits in respect of current or former directors, officers, employees or consultants of Provident or any of its Subsidiaries which are attributable to the period before the Effective Date have been paid or are accurately reflected in the books and records of Provident;
- (viii) there are no outstanding assessments, penalties, fines liens, charges, surcharges, or other amounts due or owing by Provident or any of its Subsidiaries pursuant to any workers' compensation legislation and none of Provident or any of its Subsidiaries has been reassessed under such legislation and, to the knowledge of Provident, no audit of any of Provident or any of its Subsidiaries is currently being performed pursuant to any applicable worker's compensation legislation;
- (ix) there are no material charges pending with respect to Provident or its Subsidiaries under applicable occupational health and safety legislation. Provident and each of its Subsidiaries have complied in all material respects with the terms and conditions of applicable occupational health and safety legislation, as well as with any orders issued under applicable occupational health and safety legislation. There are no appeals of any material orders under applicable occupational health and safety legislation currently outstanding;
- (x) except as disclosed in writing to Pembina by Provident on or prior to the date hereof, there are no employees of Provident on leave for any reason, including a long-term disability leave or extended absence;
- (xi) except as disclosed in writing to Pembina by Provident on or prior to the date hereof, there are no retirees or terminated employees of Provident to whom Provident has any benefits responsibility or other continuing or contingent obligation;
- (xii) except as disclosed in writing to Pembina by Provident on or prior to the date hereof, no employees of Provident or consultant of Provident or any of its Subsidiaries has any agreement as to length of notice or severance payment required to terminate his or her employment or services. Neither Provident nor any of its Subsidiaries has an obligation to make any severance or termination payment to any employees of Provident or consultant of Provident or any of its Subsidiaries in excess of any amount payable under



common law principles or the provisions of the applicable employment standards legislation;

- (xiii) except as disclosed in writing to Pembina by Provident on or prior to the date hereof, none of the employees of Provident or consultant engaged by Provident in the year immediately prior to the date hereof has indicated to Provident that he, she or it intends to resign, retire or terminate his, her or its engagement with Provident as a result of the transactions contemplated by this Agreement or otherwise;
- (xiv) Provident has made available to Pembina originals or copies of all agreements, policies or practices used by Provident or any of its Subsidiaries in connection with employment or consulting services with Provident or any of its Subsidiaries, including any arrangement or practice of Provident regarding redundancy or severance payments, whether contractual, customary or discretionary; and
- (xv) to the knowledge of Provident, none of the employees of Provident or consultants of Provident is in violation of any non-competition, non-solicitation, non-disclosure or any similar agreement with any third party.

(dd) Insurance. Policies of insurance are in force naming Provident or its applicable Subsidiary as an insured that adequately cover all risks as are customarily covered by participants in the industry in which Provident operates. All such policies shall remain in force and effect (subject to taking into account insurance market conditions and offerings and industry practices) and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.

(ee) Indebtedness To and By Officers, Directors and Others. None of Provident or any of its Subsidiaries is indebted to any of the directors, officers, employees or consultants of Provident or any of its Subsidiaries or any of their respective associates or affiliates or other parties not at arm's length to Provident or any of its Subsidiaries, except for amounts due as normal compensation or reimbursement of ordinary business expenses, nor is there any indebtedness owing by any such parties to Provident.

(ff) Possession of Intellectual Property. Provident and its Subsidiaries own or possess adequate patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property necessary to carry on the business now operated by them, and neither Provident nor any Subsidiary has received any written notice or claim challenging Provident or its Subsidiaries respecting the validity of, use of or ownership of the processes and technology, and to the knowledge of Provident, there are no facts upon which such a challenge could be made.

(gg) Guarantees and Indemnification. Except for guarantees of Subsidiaries of Provident with respect to credit obligations of Provident or as disclosed in writing to Pembina by Provident on or prior to the date hereof, none of Provident or any of its Subsidiary is a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the respective corporation or Applicable Laws, and other than standard indemnity agreements in underwriting and agency agreements and in the ordinary course provided to service providers) or any like commitment in respect of the obligations, liabilities (contingent or otherwise) of indebtedness of any other Person, other than guarantees of obligations of any other Subsidiary of Provident or industry typical indemnifications arising in relation to indemnification of purchasers or vendors under purchase and sale agreements.

(hh) No Insider Rights. No director, officer, insider or other party not at arm's length to Provident or any of its Subsidiaries has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, participation interest or any other interest whatsoever, in any assets or properties of Provident or any of its Subsidiaries.

(ii) Funds Available. Provident has sufficient funds available to pay the amounts that may be payable pursuant to Section 7.2 or 7.4.

(jj) Corrupt Practices Legislation.

(i) To the knowledge of Provident, neither it nor any of its Subsidiaries has, directly or indirectly, (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction or any official of any public international organization or (B) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the *U.S. Foreign Corrupt Practices Act of 1977*, as amended, the *Corruption of Foreign Public Officials Act (Canada)* or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* or the rules and regulations promulgated thereunder;

(ii) during the periods of the Provident Financial Statements, the operations of Provident and its Subsidiaries are and have been conducted at all times in compliance with Money Laundering Laws. To the best knowledge of Provident, no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving Provident or any of its Subsidiaries with respect to the Money Laundering Laws is pending or threatened; and

(iii) neither Provident nor any of its Subsidiaries nor, to the knowledge of Provident, any director, officer, agent, employee or affiliate of Provident or any of its Subsidiaries has had any sanctions administered by OFAC imposed upon such Person; and neither Provident nor any of its Subsidiaries is in violation of any U.S. Economic Sanctions.

(kk) Place of Principal Offices. The principal offices of Provident are not located within the United States.

(ll) Foreign Private Issuer. As of the date hereof, Provident is a "foreign private issuer" within the meaning of Rule 405 of Regulation C adopted by the SEC under the U.S. Securities Act.

(mm) Investment Company. To the knowledge of Provident, neither Provident nor any of its Subsidiaries is registered or is required to be registered as an "investment company" within the meaning of the *United States Investment Company Act of 1940*, as amended.

(nn) HSR Act. Provident does not own, directly or indirectly, any voting interest in any person that would require an additional filing by Pembina under the HSR Act in connection with the Arrangement.

(oo) Off-Balance Sheet Arrangements. Provident does not have any "off-balance sheet arrangements" as such term is defined in Form 40-F adopted by the SEC.

(pp) Internal Controls. Subject to the limitations and qualification set forth in the Management's Report on Internal Control Over Financial Reporting dated March 9, 2011 set out on page 44 of the management's discussion and analysis of the financial position and results of operations of Provident Energy Trust for the year ended December 31, 2010, and based upon the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, Provident Energy Trust maintained as of December 31, 2010 effective internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the U.S. Exchange Act. Since December 31, 2010, there have been no changes in Provident's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, Provident's internal control over financial reporting and Provident's internal control over financial reporting have been implemented and maintained in the same manner in which Provident Energy Trust's internal control over financial reporting was implemented and maintained for the year ended December 31, 2010;

(qq) Disclosure Controls. Provident maintains and Provident Energy Trust maintained disclosure controls and procedures as defined in Rules 13a-15(e) and Rule 15d-15(e) under the U.S. Exchange Act. As of December 31, 2010, which was the most recent evaluation date of such controls and procedures, the disclosure controls and procedures of Provident Energy Trust were effective to ensure that all information concerning Provident Energy Trust required to be disclosed by Provident Energy Trust in reports filed with the SEC was made known, on a timely basis, to the management of Provident Energy Trust. Since December 31, 2010, there have been no changes in Provident's disclosure controls and procedures that have materially affected, or are reasonably likely to materially affect, Provident's disclosure controls and procedures and Provident's disclosure controls and procedures have been implemented and maintained in the same manner in which Provident Energy Trust's disclosure controls and procedures was implemented and maintained for the year ended December 31, 2010;

(rr) Sarbanes-Oxley Act. Provident is in compliance in all material respects with the provisions of the *Sarbanes-Oxley Act of 2002* and the rules of the SEC thereunder applicable to Provident on the date hereof;

(ss) Financial Advisors. Except for TD Securities Inc., no financial advisor, broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission, or to the reimbursement of any of its expenses, in connection with the Arrangement. Provident has provided to Pembina a correct and complete copy of all agreements relating to the arrangements between it and its financial advisors as are in existence at the date hereof and agrees not to amend the terms of any such agreements relating to the payment of fees and expenses or indemnification without the prior written approval of Pembina.

(tt) Confidentiality Agreements. All agreements entered into by Provident with persons other than Pembina regarding the confidentiality of information provided to such persons or reviewed by such persons with respect to the sale of Provident or a substantial portion of its assets or any other business combination or similar transaction with another party are in industry typical form and Provident has not waived any standstill or other provisions of any of such agreements.

(uu) Disclosure. The data and information in respect of Provident and its Subsidiaries and their respective assets, liabilities, businesses, affairs and operations provided by or on behalf of Provident to or on behalf of Pembina was and is accurate and correct in all material respects as at the respective dates thereof and does not omit any data or information necessary to make any data or information provided not materially misleading as at the respective dates thereof.

(vv) Terms of Material Agreements. Except as disclosed in writing to Pembina by Provident on or prior to the date hereof, none of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby or pursuant to the Plan of Arrangement, will or has caused:

- (i) any breach of any material agreement to which Provident or any of its Subsidiaries or affiliates is or are party;
- (ii) the triggering of any Pre-Emptive Right under any material agreement to which Provident or any of its Subsidiaries or affiliates is or are party;
- (iii) the triggering of any Change of Control Provision under any material agreement to which Provident or any of its Subsidiaries or affiliates is or are party;
- (iv) the termination of or shortening of:
  - (A) the term of any material agreement to which Provident or any of its Subsidiaries or affiliates is or are party; or
  - (B) any term contained within any such agreement granting any manner of contractual right to Provident or its Subsidiaries or affiliates;
- (v) any requirement to replace, post or otherwise provide any form of credit assurance under or pursuant to any material agreement to which Provident or any of its Subsidiaries or affiliates is or are party; or
- (vi) the loss of any right of Provident or its Subsidiaries or affiliates (whether presently vested or vesting or arising in future) to acquire any interest in any property, facility or undertaking (including an incremental interest in any property, facility or undertaking in which Provident or any of its Subsidiaries or affiliates currently has or have an interest).

(ww) No Area of Mutual Interest, Exclusion or Non-Compete Provision. Except as disclosed in writing to Pembina by Provident on or prior to the date hereof, none of Provident or its Subsidiaries or affiliates are party to any material agreement containing any area of mutual interest or area of exclusion provisions or provisions precluding, preventing or otherwise constraining Provident or its Subsidiaries or affiliates from conducting business operations (whether directly or indirectly) within any particular geographical area, any particular industry or in competition with any third party.

(xx) PFIC Matters. Provident was not classified as a "passive foreign investment company" (a "PFIC") within the meaning of Section 1297 of the U.S. Tax Code in respect of its fiscal year ended December 31, 2011.

**SCHEDULE C**  
**CERTIFICATE OF AMALGAMATION**

**CORPORATE ACCESS NUMBER: 2016686319**

**Alberta**

**BUSINESS CORPORATIONS ACT**

**CERTIFICATE  
OF  
AMALGAMATION**

**PEMBINA NGL CORPORATION  
IS THE RESULT OF AN AMALGAMATION FILED ON 2012/04/02.**



# Amalgamate Alberta Corporation - Registration Statement

**Alberta Registration Date: 2012/04/02**

**Corporate Access Number: 2016686319**

**Service Request Number:** 17773430  
**Alberta Corporation Type:** Named Alberta Corporation  
**Legal Entity Name:** PEMBINA NGL CORPORATION  
**French Equivalent Name:**  
**Nuans Number:** 105315362  
**Nuans Date:** 2012/03/12  
**French Nuans Number:**  
**French Nuans Date:**

## REGISTERED ADDRESS

**Street:** 3800, 525 - 8 AVENUE SW  
**Legal Description:**  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P 1G1

## RECORDS ADDRESS

**Street:** 3800, 525 - 8 AVENUE SW  
**Legal Description:**  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P 1G1

## ADDRESS FOR SERVICE BY MAIL

**Post Office Box:**  
**City:**  
**Province:**  
**Postal Code:**  
**Internet Mail ID:**

**Share Structure:** THE ANNEXED SCHEDULE "A" IS INCORPORATED INTO AND FORMS PART OF THIS FORM.  
**Share Transfers Restrictions:** THE ANNEXED SCHEDULE "B" IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

**Number of Directors:**

**Min Number Of Directors:** 1

**Max Number Of Directors:** 10

**Business Restricted To:** NONE.

**Business Restricted From:** NONE.

**Other Provisions:** THE ANNEXED SCHEDULE "C" IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

**Professional Endorsement**

**Provided:**

**Future Dating Required:**

**Registration Date:** 2012/04/02

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**Director**

**Last Name:** WATKINSON  
**First Name:** D.  
**Middle Name:** JAMES  
**Street/Box Number:** 3800, 525 - 8 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P 1G1  
**Country:**  
**Resident Canadian:** Y  
**Named On Stat Dec:**

**Last Name:** DILGER  
**First Name:** MICHAEL  
**Middle Name:** H.  
**Street/Box Number:** 3800, 525 - 8 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P 1G1  
**Country:**  
**Resident Canadian:** Y  
**Named On Stat Dec:**

**Last Name:** ROBERTSON  
**First Name:** PETER  
**Middle Name:**  
**Street/Box Number:** 3800, 525 - 8 AVENUE SW



**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P 1G1  
**Country:**  
**Resident Canadian:** Y  
**Named On Stat Dec:**

**Last Name:** MICHALESKI  
**First Name:** ROBERT  
**Middle Name:**  
**Street/Box Number:** 3800, 525 - 8 AVENUE SW  
**City:** CALGARY  
**Province:** ALBERTA  
**Postal Code:** T2P 1G1  
**Country:**  
**Resident Canadian:** Y  
**Named On Stat Dec:**

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**Amalgamating Corporation**

<b>Corporate Access Number</b>	<b>Legal Entity Name</b>
2015788652	PROVIDENT ENERGY LTD.
2016593093	PEMBINA ACQUISITIONCO INC.

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**Attachment**

<b>Attachment Type</b>	<b>Microfilm Bar Code</b>	<b>Date Recorded</b>
Restrictions on Share Transfers	ELECTRONIC	2012/04/02
Share Structure	ELECTRONIC	2012/04/02
Articles/Plan of Arrangement/Court Order	10000107103490533	2012/04/02
Other Rules or Provisions	ELECTRONIC	2012/04/02

**Registration Authorized By:** BRENT C. HEAGY  
OFFICER

**SCHEDULE D**  
**CERTIFICATE OF AMENDMENT**

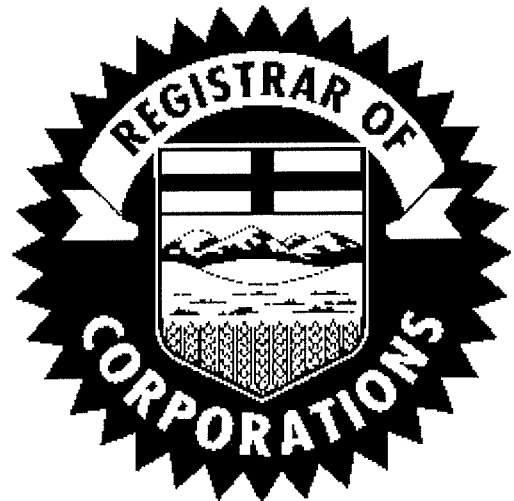
**CORPORATE ACCESS NUMBER: 2012090706**

**Government  
of Alberta ■**

**BUSINESS CORPORATIONS ACT**

**CERTIFICATE  
OF  
AMENDMENT**

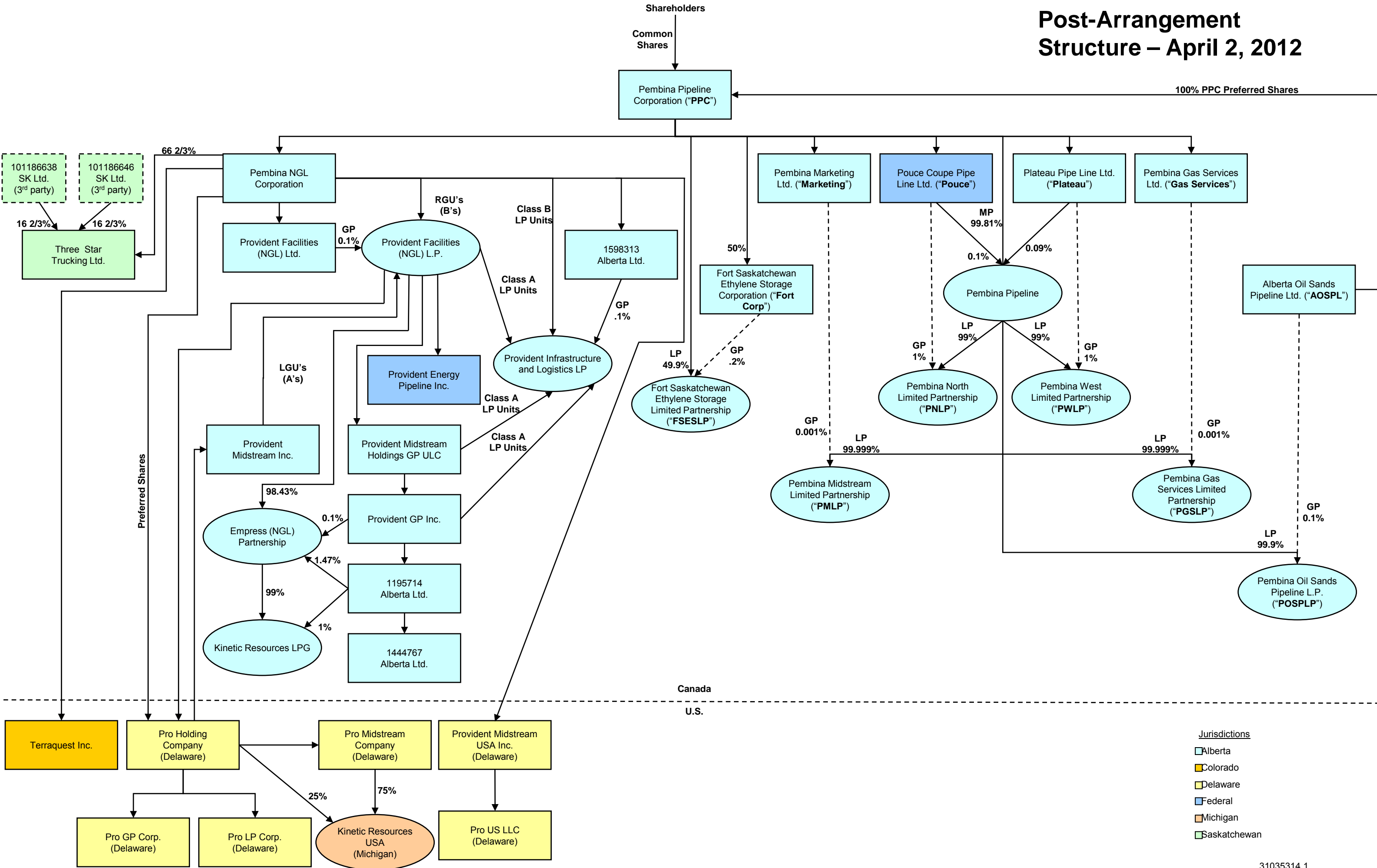
**PROVIDENT GP INC.  
CHANGED ITS NAME TO PEMBINA RESOURCE SERVICES GP INC. ON  
2012/05/31.**



**SCHEDULE E**

**CORPORATE STRUCTURE AS OF APRIL 2, 2012 AND JUNE 1, 2012**

# Post-Arrangement Structure – April 2, 2012





**SCHEDULE F**  
**CHANGE IN OWNERSHIP APPLICATION**

The Application		
1	Date:	August 23, 2012
2	Applicant:	<p>Pembina Resource Services GP Inc. ("Pembina GP") 3800, 525 – 8 Avenue SW Calgary, AB T2P 1G1</p> <p>Laura Lunt Manager Regulatory Affairs Ph: 403-231-7528 Fx: 403-231-7507 E-mail: <a href="mailto:llunt@pembina.com">llunt@pembina.com</a></p> <p>Provident GP Inc. ("Provident") 2100, 250 - 2 Street SW Calgary, AB T2P 0C1</p> <p>Ruel R. Santos Senior Engineer Ph: 403-781-5341 Fx: 403-718-1305 Email: <a href="mailto:RSantos@ProvidentEnergy.com">RSantos@ProvidentEnergy.com</a></p>
3	Authorized Company:	PanCanadian Kerrobert Pipeline Ltd. ("PanCanadian") is authorized by the National Energy Board (the "NEB" or "Board") to own a 50% interest in the Kerrobert Pipeline and the Kerrobert Expansion Pipeline, as described in further detail herein and collectively referred to as the "Pipelines".
4	Board Order(s):	See Schedule A.
5	Acquiring Company:	Pembina GP will be a 50% owner of the Kerrobert Pipeline.

6	Corporate Status:	<p>The company name, Provident was changed to Pembina GP on May 31, 2012. See attached Schedule D for a copy of the Certificate of Amendment.</p> <p>Pembina GP is an indirect wholly owned subsidiary of Pembina NGL Corporation, and its parent, Pembina Pipeline Corporation and is a body corporate incorporated under the <i>Alberta Business Corporations Act</i>.</p> <p>Pembina NGL Corporation is a body corporate incorporated under the <i>Alberta Business Corporations Act</i>, having a head office in Calgary, Alberta.</p> <p>The sole shareholder of Pembina NGL Corporation is Pembina Pipeline Corporation. Pembina Pipeline Corporation is a body corporate incorporated under the <i>Alberta Business Corporations Act</i>, having its head office in Calgary, Alberta.</p>
7	Reason for the application:	<p>On April 2, 2012, Pembina Pipeline Corporation completed its acquisition of Provident Energy Ltd. under a Plan of Arrangement pursuant to Section 193 of the <i>Business Corporations Act</i> (Alberta) (the "Arrangement"). See Schedule B for a copy of the Arrangement.</p> <p>In connection with the Arrangement, the business operating as Provident Energy Ltd. amalgamated with a wholly-owned subsidiary of Pembina Pipeline Corporation, which will carry on business under the name Pembina NGL Corporation. See Schedule C for a copy of the Certificate of Amalgamation.</p> <p>Provident was previously an indirect wholly owned subsidiary of Provident Energy Ltd., and, following the Arrangement was an indirect wholly owned subsidiary of Pembina NGL Corporation and its parent, Pembina Pipeline Corporation. See Schedule E for the corporate structure as of April 2, 2012, following the Arrangement.</p> <p>PanCanadian is the listed 50% holder of the above mentioned certificates and orders granted by the NEB. As set out in the cover letter to this application, PanCanadian changed its name to Encana Kerrobert Pipelines Limited ("Encana"), and Provident acquired a 50% ownership interest in the Kerrobert Pipeline and the Kerrobert Expansion Pipeline pursuant to a Purchase and Sale Agreement between Encana and Provident entities.</p> <p>On May 31, 2012, the name of Provident was changed to Pembina GP. See Schedule D for a copy of the Certificate of Amendment.</p>
8	Action Sought:	<p>Pembina GP respectfully requests approval, under s. 21 of the <i>Act</i>, to vary the GC-39 and OC-44 Certificates and Orders, more specifically set out in Schedule A related to the Kerrobert Pipeline and the Kerrobert Expansion Pipeline to reflect the name change (alternatively ownership change) from PanCanadian Kerrobert Pipeline Ltd. to Pembina Resource Services GP Inc.</p>



Notification and Consultation		
9	Consultation Program:	The Kerrobert Pipeline and the Kerrobert Expansion Pipeline are existing pipelines. No additional special consultation for the proposed ownership/name change has been conducted.
10	Landowner Notification:	N/A. Pembina is a non-operator of the Pipelines.
11	Emergency Signage:	Pembina GP is a 50% owner and does not operate the Pipelines. Plains Midstream Canada ULC ("Plains") is the other 50% owner and operator of the Pipelines. Plains has informed Pembina GP that the emergency signage is up to date.
12	Commercial Third Parties:	No commercial third parties. Plains and Pembina GP are the only shippers on the Pipelines.
The Pipeline		
13	Location:	<p><u>Kerrobert Pipeline</u></p> <p>Start and End Points: From 4-12-20-01 W4M to SE1/4-34-33-22 W3M  Length by Province: Total length = 153 km; Length in Alberta = approx. 2 km; Length in Saskatchewan= approx. 151 km  Direction of Flow: Northeast</p> <p><u>Kerrobert Expansion Pipeline</u></p> <p>Start and End Points: From 4-12-20-01 W4M to SW1/4-34-33-22 W3M  Length by Province: Total length = 156 km; Length in Alberta = approx. 2 km; Length in Saskatchewan= approx. 154 km  Direction of Flow: Northeast</p>
14	Description:	<p><u>Kerrobert Pipeline</u></p> <p>The Kerrobert Pipeline is a 153 km pipeline transporting natural gas liquids ("NGLs") and consists of: (1) an 8" diameter pipeline from 4-12-20-01 W4M at the Empress Complex in Alberta to the Kerrobert Storage Terminal at SW1/4-34-33-22 W3M (maximum operating pressure of 9928 kPa); and (2) a 10" diameter pipeline from the Kerrobert Storage Terminal at SW1/4-34-33-22 W3M to SE1/4-34-33-22 W3M at Enbridge's Kerrobert Terminal in Saskatchewan (maximum operating pressure of 4964 kPa), including</p>

		<p>all appurtenances and works connected therewith (the “Kerrobot Pipeline”).</p> <p><u>Kerrobot Expansion Pipeline</u></p> <p>The Kerrobot Expansion Pipeline is a 156 km pipeline transporting NGLs and consists of a 10” diameter pipeline from 4-12-20-01 W4M at the Empress Complex in Alberta to the Kerrobot Storage Terminal at SW1/4-34-33-22 W3M in Saskatchewan (maximum operating pressure of 9928 kPa) including all appurtenances and works connected therewith (the “Kerrobot Expansion Pipeline”).</p>
15	Upstream and Downstream Facilities:	See map attached as Schedule G.
16	Specifications:	See attached Schedule H.
17	Long term use:	There will be no change in the long-term use of the Pipelines.
18	Operating Status:	There will be no change in the operations of the Pipelines.
19	Conditions of Service:	There will be no changes in conditions of service offered by the pipeline.
<b>Financial Matters</b>		
20	Tolls and Tariffs:	Pembina GP has been advised by Plains that the filed tolls with the NEB No. 9 are currently in place. There are no planned changes.
21	Value:	N/A. Pembina is a non-operator of the Pipelines.
22	Cost:	Pembina Pipeline Corporation has acquired all of the issued and outstanding common shares of Provident Energy Ltd. by way of the Arrangement. This was a corporate transaction and there was no value assigned to individual assets. Please note however that only a name change took place from Provident to Pembina GP, as set out in Schedule D.
23	Financing:	<p>Pembina Pipeline Corporation has acquired all of the issued and outstanding common shares of Provident Energy Ltd. by way of the Arrangement.</p> <p>Pembina Pipeline Corporation entered into a new unsecured revolving credit facility (the “Facility”) of \$800</p>

		million with a syndicate of Canadian banking institutions for a term of 5 years. In addition, Pembina Pipeline Corporation has received commitments from its bank syndicate to increase the Facility to \$1.5 billion on closing of its proposed acquisition of Provident Energy Ltd. The Facility is available for general and corporate purposes and to execute Pembina Pipeline Corporation's growth strategy.
Jurisdiction		
24	Changes to Jurisdiction:	None. The Kerrobert Pipeline and the Kerrobert Expansion Pipeline are currently and will continue to be regulated by the NEB.

**Guide R – Transfer of Ownership, Lease or Amalgamation**

Filing #	Filing Requirement	In Application? References	Not in Application? Explanation
<b>Company Divesting of the Facilities</b>			
1.	The nature of the transaction.	Yes. See line 7.	
2.	A map of the pipeline and the relevant upstream and downstream facilities, identifying any facility that could become stranded.	Yes. See line 15.	
<b>Company Acquiring the New Facilities</b>			
1.	The new owner and operator of the pipeline including contact information.	Yes. See line 5 and 2.	
2.	The original cost of the asset, depreciation and net book value.	Yes. See line 21.	
3.	The purchase price of the asset.	Yes. See line 22.	
4.	The intended long-term use of the facilities.	Yes. See line 17.	
5.	Any changes in the conditions of service offered, including estimated toll impact.	Yes. See line 19 and 20.	

**SCHEDULE G**

**MAP**

# MAP OF THE KERROBERT PIPELINE AND KERROBERT EXPANSION PIPELINE



## SCHEDULE H

### PIPELINE SPECIFICATION SHEET

Listed Pipeline Owner	NEB Pipeline	NEB Order/Certificate	Year of Construction	From Location	To Location	Substance	Length (km)	OD (mm) (NPS)	Material	Grade	Wall Thickness (mm)	Max. Pressure (kPa) (Operating)	External Protection
PanCanadian Kerrobert Pipeline Ltd.	Kerrobert Pipeline	GC-39 and associated certificates and orders listed in Schedule A	1971	4-12-20-01 W4M	SW1/4-34-33-22 W3M	Natural Gas Liquids	152.3	219.1 (8")	API 5L	X52	4.22	9928	Single wrap poly-ethylene tape
PanCanadian Kerrobert Pipeline Ltd.	Kerrobert Pipeline	GC-39 and associated certificates and orders listed in Schedule A	1971	SW1/4-34-33-22 W3M	SE1/4-34-33-22 W3M	Natural Gas Liquids	0.7	273.1 (10")	CSA Z245.1	386	4.8	4964	Yellow Jacket
PanCanadian Kerrobert Pipeline Ltd.	Kerrobert Expansion Pipeline	GC-44 and associated certificates and orders listed in Schedule A	1998	4-12-20-01 W4M	SW1/4-34-33-22 W3M	Natural Gas Liquids	156	273.1 (10")	Steel	386 Mpa	4.78	9928	Yellow Jacket