No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

*This prospectus supplement, together with the short form base shelf prospectus dated July 27, 2017 (the "**Prospectus**") to which it relates, as amended or supplemented, and each document incorporated or deemed to be incorporated by reference in the Prospectus constitutes a public offering of these securities only in those jurisdictions where they may lawfully be offered for sale and therein only by persons permitted to sell such securities.*

*The offering of Series 21 Shares (as defined herein) under this prospectus supplement is directed only to residents of Canada and Series 21 Shares may only be offered outside of Canada by the Underwriters (as defined herein) with the consent of Pembina Pipeline Corporation. The Series 21 Shares have not been registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act). This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the Series 21 Shares in the United States. See "Plan of Distribution".*

Information has been incorporated by reference in this prospectus supplement from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Pembina Pipeline Corporation, at #4000, 585 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1, telephone (403) 231-7500, and are also available electronically at www.sedar.com.*

PROSPECTUS SUPPLEMENT

To a Short Form Base Shelf Prospectus Dated July 27, 2017

New Issue **November 30, 2017**

PEMBINA PIPELINE CORPORATION
$400,000,000
16,000,000 Cumulative Redeemable Minimum Rate Reset Class A Preferred Shares, Series 21

Pembina Pipeline Corporation (the "**Corporation**" or "**Pembina**") is hereby qualifying the distribution (the "**Offering**") of 16,000,000 cumulative redeemable minimum rate reset Class A Preferred Shares, Series 21 ("**Series 21 Shares**") of the Corporation at a price of $25.00 per Series 21 Share. See "Details of the Offering" and "Plan of Distribution".

The holders of Series 21 Shares will be entitled to receive, as and when declared by the board of directors of the Corporation out of moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends for the initial period (the "**Initial Fixed Rate Period**") from and including the date of issue of the Series 21 Shares to but excluding March 1, 2023, at an annual rate of $1.225 per share, payable quarterly on the first day of March, June, September and December in each year, starting on March 1, 2018. If any such date is not a business day, the dividend will be paid on the next succeeding business day. Assuming an issue date of December 7, 2017, the first dividend, if declared, will be payable March 1, 2018, in the amount of $0.2819 per share.

For each five-year period after the Initial Fixed Rate Period (each, a "**Subsequent Fixed Rate Period**", and as defined herein), the holders of Series 21 Shares shall be entitled to receive, as and when declared by the board of directors of the Corporation, fixed cumulative preferential cash dividends, payable quarterly on the first day of March, June, September and December in each year, in the amount per share determined by multiplying one-quarter of the Annual Fixed Dividend Rate (as defined herein) for such Subsequent Fixed Rate Period by $25.00. The Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period will be determined by the Corporation on the Fixed Rate Calculation Date (as defined herein) and will be equal to the sum of the Government of Canada Yield (as defined herein) on the Fixed Rate Calculation Date plus a spread of 3.26%, provided that, in any event, such rate shall not be less than 4.90%. This spread will remain unchanged over the life of the Series 21 Shares. See "Details of the Offering".

The Series 21 Shares shall not be redeemable prior to March 1, 2023. Subject to the provisions described under "Details of the Offering – Certain Provisions of Series 21 Shares – Restrictions on Payments and Reductions of Capital", on March 1, 2023, and on March 1 in every fifth year thereafter, the Corporation may, at its option, upon not less than 30 days and not more than 60 days prior written notice, redeem for cash all or any part of the outstanding Series 21 Shares by the payment of $25.00 per Series 21 Share plus all accrued and unpaid dividends. See "Details of the Offering".

Option to Convert Series 21 Shares into Series 22 Shares

The holders of the Series 21 Shares will have the right to convert all or any of their shares into cumulative redeemable floating rate Class A Preferred Shares, Series 22 (the "**Series 22 Shares**") of the Corporation, subject to certain conditions, on March 1, 2023 and on March 1 in every fifth year thereafter. The holders of the Series 22 Shares will be entitled to receive, as and when declared by the board of directors of the Corporation, floating rate cumulative preferential cash dividends payable quarterly on the first day of March, June, September and December in each year (each, a "**Quarterly Floating Rate Period**", and as defined herein), in the amount per share determined by multiplying the Floating Quarterly Dividend Rate (as defined herein) for such Quarterly Floating Rate Period by $25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year. The Floating Quarterly Dividend Rate will be the annual rate of interest equal to the sum of the T-Bill Rate (as defined herein) on the applicable Floating Rate Calculation Date (as defined herein) plus a spread of 3.26%. This spread will remain unchanged over the life of the Series 22 Shares. See "Details of the Offering".

The Series 21 Shares and Series 22 Shares are series of shares in the same class. The conversion right entitles holders to elect periodically which of the two series they wish to hold and does not entitle holders to receive a different class or type of securities. Other than the different dividend rights and redemption rights attached thereto, the Series 21 Shares and Series 22 Shares are identical in all material respects. See "Details of the Offering".

Price: $25.00 per Series 21 Share to initially yield 4.90% per annum

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	Price to the Public	**Underwriters' Fee(1)**	**Net Proceeds to the Corporation(2)**
Per Series 21 Share	$25.00	$0.75	$24.25
Total(3)	**$400,000,000**	**$12,000,000**	$**388,000,000**

Notes:

(1) The Underwriters' fee for the Series 21 Shares is $0.25 for each share sold to certain institutions by closing of the Offering, and $0.75 per share for all other Series 21 Shares purchased by the Underwriters. The Underwriters' fee indicated in the table assumes that no Series 21 Shares are sold to such institutions.

(2) Before deducting the estimated expenses of the Offering of approximately $250,000. The expenses of the Offering will be paid from the general funds of the Corporation.

(3) The Underwriters originally agreed to purchase 12,000,000 Series 21 Shares and, in addition, the Corporation granted the Underwriters an option (the "**Underwriters' Option**"), exercisable at any time, and from time to time, until 48 hours prior to the closing time on the Closing Date (as defined herein), to purchase up to an aggregate of 4,000,000 additional Series 21 Shares on the same terms and conditions. On November 28, 2017, the Underwriters fully exercised the Underwriters' Option to purchase an additional 4,000,000 Series 21 Shares. As a result, the amounts set forth in this prospectus supplement have been adjusted to reflect the full exercise of the Underwriters' Option.

There is no market through which the Series 21 Shares may be sold and purchasers may not be able to resell Series 21 Shares purchased under this prospectus supplement. This may affect the pricing of the Series 21 Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Series 21 Shares and the extent of issuer regulation. See "Risk Factors".

The Toronto Stock Exchange (the "**TSX**") has conditionally approved the listing of the Series 21 Shares and Series 22 Shares described in this prospectus supplement. Listing of the Series 21 Shares is subject to the Corporation fulfilling all the listing requirements of the TSX on or before February 28, 2018, including distribution of the Series 21 Shares and, at the time of any conversion into Series 22 Shares, the Series 22 Shares, to a minimum number of public securityholders.

It is currently anticipated that the closing date of the Offering (the "**Closing Date**") will be on or about December 7, 2017, or such later date as the Corporation and the Underwriters may agree but in any event not later than December 29, 2017. See "Details of the Offering".

The terms of the Offering were determined by negotiations between the Corporation and RBC Dominion Securities Inc., CIBC World Markets Inc. and Scotia Capital Inc. (collectively, the "**Lead Underwriters**"), on their own behalf and on behalf of BMO Nesbitt Burns Inc., TD Securities Inc., National Bank Financial Inc., GMP Securities L.P., Canaccord Genuity Corp., Desjardins Securities Inc., Industrial Alliance Securities Inc. and Raymond James Ltd. (collectively, the "**Underwriters**").

The Underwriters, as principals, conditionally offer the Series 21 Shares, subject to prior sale, if, as and when issued by the Corporation to, and accepted by, the Underwriters in accordance with the conditions contained in the Underwriting Agreement (as defined herein) referred to under "Plan of Distribution", and subject to the approval of certain legal matters relating to the Offering on behalf of the Corporation by Blake, Cassels & Graydon LLP and on behalf of the Underwriters by Bennett Jones LLP.

Subscriptions for Series 21 Shares will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. Book entry only certificates representing the Series 21 Shares will be issued in registered form to CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and will be deposited with CDS on the Closing Date. A purchaser of Series 21 Shares will receive only a customer confirmation from a registered dealer which is a CDS participant and from or through which the Series 21 Shares are purchased. See "Depository Services".

Subject to applicable laws, the Underwriters may, in connection with the Offering, over-allot or effect transactions which stabilize or maintain the market price of the Series 21 Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriters propose to offer the Series 21 Shares initially at the offering price specified above. After a reasonable effort has been made to sell all of the Series 21 Shares at the price specified, the Underwriters may reduce the selling price to investors from time to time in order to sell any of the Series 21 Shares remaining unsold. Any such reduction will not affect the proceeds received by the Corporation. **See "Plan of Distribution".**

In the opinion of counsel, subject to the provisions of any particular plan, the Series 21 Shares and the Series 22 Shares issuable on conversion of the Series 21 Shares, if issued on the date hereof, would be, on such date, qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder (together, the "**Tax Act**") for certain tax-exempt trusts. See "Eligibility for Investment".

Investing in the Series 21 Shares involves certain risks. See "Risk Factors" in the accompanying Prospectus and in this prospectus supplement.

Each of RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., TD Securities Inc. and National Bank Financial Inc. is, directly or indirectly, a subsidiary or an affiliate of a Canadian chartered bank that is a lender to Pembina or its subsidiaries. The net proceeds from the Offering will be used to reduce the indebtedness of Pembina to such lenders under the Credit Facilities (as defined herein). Accordingly, pursuant to applicable securities legislation, Pembina may be considered a "connected issuer" of such Underwriters. See "Relationship Among the Corporation and the Underwriters" and "Use of Proceeds".

The principal and registered offices of the Corporation are located at #4000, 585 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1.

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document is in two parts. The first part is this prospectus supplement, which describes certain terms of the Series 21 Shares the Corporation is offering and also adds to and updates certain information contained in the Prospectus and the documents incorporated by reference therein. The second part, the Prospectus, gives more general information, some of which may not apply to the Series 21 Shares offered hereunder. Defined terms or abbreviations used in this prospectus supplement that are not defined herein have the meanings ascribed thereto in the Prospectus.

You should rely only on the information contained in this prospectus supplement or incorporated by reference into the Prospectus. The Corporation has not, and the Underwriters have not, authorized anyone to provide you with different or additional information. The Corporation is not, and the Underwriters are not, making an offer to sell the Series 21 Shares in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement, the Prospectus or any documents incorporated by reference into the Prospectus is accurate as of any date other than the date of those documents, as the Corporation's business, operating results, financial condition and prospects may have changed since those dates.

In this prospectus supplement, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. References to "dollars" or "$" are to lawful currency of Canada. References to "US Dollars" or "US$" are to lawful currency of the United States of America.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in the Prospectus and this prospectus supplement, and in certain documents incorporated by reference into the Prospectus, constitute forward-looking statements or information (collectively, "**forward-looking statements**") within the meaning of applicable securities legislation. All forward-looking statements are based on Pembina's current expectations, estimates, projections, beliefs and assumptions based on information available at the time the statement was made and in light of the Corporation's experience and its perception of historical trends. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "could", "would", "believe", "plan", "intend", "design", "target", "undertake", "view", "indicate", "maintain", "explore", "entail", "projection", "schedule", "objective", "strategy", "likely", "potential", "aim", "outlook", "propose", "goal", and similar expressions suggesting future events or future performance.

By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Pembina believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, the Prospectus and included in this prospectus supplement should not be unduly relied upon. These statements speak only as of the date of this prospectus supplement, the date of the Prospectus or as of the date specified in the documents incorporated by reference into the Prospectus, as the case may be.

In particular, the Prospectus and this prospectus supplement, and the documents incorporated by reference into the Prospectus, contain forward-looking statements pertaining to, among other things, the following:

- the future levels and sustainability of cash dividends that Pembina intends to pay to its shareholders, the dividend payment date and the tax treatment thereof;
- planning, construction, capital expenditure estimates, schedules, regulatory and environmental applications and anticipated approvals, expected capacity, incremental volumes, in-service dates, rights, activities, benefits and operations with respect to new construction of, or expansions on existing, pipelines, gas services facilities, fractionation facilities, terminalling, storage and hub facilities and other facilities or energy infrastructure, as well as the impact of Pembina's new projects on its future financial performance;
- the anticipated impacts and benefits of the Arrangement (as defined herein);

- anticipated synergies between assets under development, assets acquired and existing assets of the Corporation;
- pipeline, processing, fractionation and storage facility and system operations and throughput levels;
- treatment under governmental regulatory regimes, including taxes, environmental and greenhouse gas regulations and related abandonment and reclamation obligations, and Aboriginal, landowner and other stakeholder consultation requirements;
- Pembina's estimates of, and strategy for, payment of future abandonment costs and decommissioning obligations, and deferred tax liability;
- Pembina's strategy and the development and expected timing of new business initiatives, growth opportunities, and succession planning and the impact thereof;
- increased throughput potential, processing capacity and fractionation capacity due to increased oil and gas industry activity and new connections and other initiatives on Pembina's pipelines and at Pembina's facilities;
- expected future cash flows and the sufficiency thereof, financial strength, sources of and access to funds at attractive rates, future contractual obligations, future financing options, future renewal of credit facilities, availability of capital to fund growth plans, operating obligations and dividends, and the use of proceeds from financings;
- tolls and tariffs and processing, transportation, fractionation, storage and services commitments and contracts;
- operating risks (including the amount of future liabilities related to pipeline spills and other environmental incidents) and related insurance coverage and inspection and integrity programs;
- the adoption of new accounting standards;
- commodity inventory and pricing in the North American natural gas and liquids markets;
- the impact of the current and forward commodity price environment on Pembina;
- competitive conditions and Pembina's ability to position itself competitively in the industry; and
- the anticipated use of proceeds from the Offering.

Various factors or assumptions are typically applied by Pembina in drawing conclusions or making the forecasts, projections, predictions or estimations set out in forward-looking statements based on information currently available to Pembina. These factors and assumptions include, but are not limited to, those set forth below and those listed under the headings "Forward-Looking Statements and Information" in the Annual MD&A (as defined herein) and the AIF (as defined herein), including the following:

- the timing, costs and manner of integrating the business of Veresen Inc. ("**Veresen**") acquired through the Arrangement and the resulting effects of such integration;
- oil and gas industry exploration and development activity levels and the geographic region of such activity;
- the success of Pembina's operations;
- prevailing commodity prices and exchange rates, tax rates and the ability of Pembina to maintain current credit ratings;
- the availability of capital to fund future capital requirements relating to existing assets and projects;
- expectations regarding participation in Pembina's pension plan;
- expectations respecting the suspension or reinstatement of Pembina's Premium Dividend™[1] and Dividend Reinvestment Plan;

[1] Denotes trademark of Canaccord Genuity Corp.

- future operating costs, including geotechnical and integrity costs being consistent with historical costs;
- oil and gas industry compensation levels remaining consistent;
- in respect of current developments, expansions, planned capital expenditures, completion dates and capacity expectations: that third parties will provide any necessary support; that any third party projects relating to Pembina's growth projects will be sanctioned and completed as expected; that any required commercial agreements can be reached or that existing contracts will be renewed; that all required regulatory and environmental approvals can be obtained on the necessary terms in a timely manner; that counterparties will comply with contracts in a timely manner; that there are no unforeseen events preventing the performance of contracts or the completion of the relevant facilities; and that there are no unforeseen material costs relating to the facilities which are not recoverable from customers;
- in respect of the stability of Pembina's dividends: prevailing commodity prices, margins and exchange rates; that Pembina's future results of operations will be consistent with past performance and management expectations in relation thereto; the continued availability of capital at attractive prices to fund future capital requirements relating to existing assets and projects, including, but not limited to, future capital expenditures relating to expansion, upgrades and maintenance shutdowns; the success of growth projects; future operating costs; that counterparties to material agreements will continue to perform in a timely manner; that there are no unforeseen events preventing the performance of contracts; and that there are no unforeseen material construction or other costs related to current growth projects or current operations;
- prevailing regulatory, tax and environmental laws and regulations and tax pool utilization; and
- the amount of future liabilities relating to lawsuits and environmental incidents and the availability of coverage under Pembina's insurance policies (including in respect of Pembina's business interruption insurance policy).

The actual results of Pembina could differ materially from those anticipated in these forward-looking statements as a result of the material risk factors set forth below:

- the combined company resulting from the Arrangement may not have the attributes or benefits currently anticipated by Pembina;
- the regulatory environment and decisions and Aboriginal and landowner consultation requirements;
- the impact of competitive entities and pricing;
- labour and material shortages;
- reliance on key relationships and agreements and the outcome of stakeholder engagement;
- the strength and operations of the oil and natural gas production industry and related commodity prices;
- non-performance or default by counterparties to agreements which Pembina or one or more of its affiliates has entered into in respect of its business;
- actions by governmental or regulatory authorities, including changes in tax laws and treatment, changes in royalty rates or increased environmental regulation;
- fluctuations in operating results;
- adverse general economic and market conditions in Canada, North America and elsewhere, including changes, or prolonged weaknesses, as applicable, in interest rates, foreign currency exchange rates, commodity prices, supply/demand trends and overall industry activity levels;
- constraints on, or the unavailability of adequate infrastructure;
- changes in the political environment, in North America and elsewhere, and public opinion;
- ability to access various sources of debt and equity capital;
- changes in credit ratings;
- technology and security risks;

- natural catastrophes;
- the intended use of the net proceeds of the Offering by Pembina may change if the board of directors of Pembina determines that it would be in the interests of Pembina to deploy the proceeds for some other purpose; and
- other risk factors discussed under "*Risk Factors*" herein and in the Prospectus and in the documents incorporated by reference into the Prospectus and this prospectus supplement, including the AIF and the Annual MD&A.

These factors should not be construed as exhaustive. Unless required by law, Pembina does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Any forward-looking statements contained herein, in the Prospectus or in the documents incorporated by reference into the Prospectus are expressly qualified by this cautionary statement.

DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed to be incorporated by reference into the Prospectus solely for the purposes of the Offering. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars.

See "Documents Incorporated by Reference" in the Prospectus. As of the date hereof, the following documents filed with the securities commissions or similar authorities in each of the provinces of Canada are specifically incorporated by reference into and form an integral part of the Prospectus and this prospectus supplement:

(a) the annual information form of Pembina dated February 23, 2017 for the year ended December 31, 2016 (the "**AIF**");

(b) the audited consolidated statement of financial position of the Corporation as at December 31, 2016 and December 31, 2015 and the consolidated statements of earnings and comprehensive income, changes in equity and cash flows of the Corporation for the years then ended, together with the notes thereto and the auditors' report thereon (the "**Annual Financial Statements**");

(c) Pembina's management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2016 (the "**Annual MD&A**");

(d) the management information circular of Pembina dated March 16, 2017 relating to the annual meeting of Shareholders held on May 5, 2017;

(e) the unaudited condensed consolidated interim financial statements of Pembina for the three-month and nine-month periods ended September 30, 2017 (the "**Interim Financial Statements**");

(f) Pembina's management's discussion and analysis of financial condition and results of operations for the three-month and nine-month periods ended September 30, 2017 (the "**Q3 MD&A**" and, together with the Annual MD&A, the "**MD&A**");

(g) the material change report of Pembina dated May 3, 2017 (the "**Veresen MCR**") relating to the entering into of the arrangement agreement between Pembina and Veresen dated May 1, 2017, providing for, among other things, the plan of arrangement under Section 193 of the *Business Corporations Act* (Alberta) involving Pembina, Veresen, the holders of common shares in the capital of Veresen and the holders of preferred shares in the capital of Veresen (the "**Arrangement**");

(h) the business acquisition report of Pembina dated October 26, 2017 relating to the completion of the Arrangement (the "**Veresen BAR**"); and

(i) the "template version" (as defined in applicable Canadian securities laws) of the term sheet for the Offering dated and filed November 28, 2017 (the "**Term Sheet**").

Any documents of the type referred to above, including any interim financial statements and related management's discussion and analysis, any material change reports (except confidential material change reports) and business acquisition reports, filed by the Corporation with the various securities commissions or similar authorities in Canada after the date of this prospectus supplement and prior to the completion or termination of the Offering shall be deemed to be incorporated by reference into the Prospectus for purposes of the Offering. These documents will be available through the internet on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") which can be accessed at www.sedar.com.

Any statement contained in the Prospectus, in this prospectus supplement or in any other document (or part thereof) incorporated or deemed to be incorporated by reference into the Prospectus or this prospectus supplement shall be deemed to be modified or superseded for the purposes of this prospectus supplement to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference in the Prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the Prospectus.

Copies of the documents incorporated by reference into the Prospectus and this prospectus supplement may be obtained on request without charge from the Corporate Secretary of Pembina at #4000, 585 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1 (telephone (403) 231-7500).

MARKETING MATERIALS

The template version of the Term Sheet does not form part of this prospectus supplement to the extent that the contents thereof have been modified or superseded by a statement contained in this prospectus supplement.

In addition, any template version of any other "marketing materials" (as such term is defined in applicable Canadian securities laws) filed with the securities commission or similar authority in each of the provinces of Canada in connection with this Offering after the date hereof but prior to the termination of the distribution of the securities under this prospectus supplement is deemed to be incorporated by reference herein.

USE OF PROCEEDS

The net proceeds to the Corporation from the Offering will be $388,000,000 after deducting the maximum Underwriters' fee of $12,000,000 (assuming no Series 21 Shares are sold to certain institutions to result in a lower Underwriters' fee) and before deducting expenses of the Offering. The expenses of the Offering are expected to be approximately $250,000 and will be paid from the general funds of the Corporation.

The Corporation intends to use the net proceeds from the Offering to reduce indebtedness of the Corporation under the Credit Facilities. The indebtedness of the Corporation under the Credit Facilities was incurred in the normal course of business to fund the Corporation's capital program, and to fund a portion of the cash consideration payable to former common shareholders of Veresen pursuant to the Arrangement. For further details on these capital expenditures and the Corporation's expansion and growth capital projects, see the discussion under the headings entitled "New Developments" for each of the Corporation's business units in the Annual MD&A, which is incorporated by reference into the Prospectus and see the discussion under the headings "General Developments of Pembina" and "Description of Pembina's Business and Operations" in the AIF, which is incorporated by reference in the Prospectus. For further details with respect to the Arrangement, please see the Veresen MCR and the Veresen BAR, which are also incorporated by reference in the Prospectus and this prospectus supplement.

The use of the net proceeds of the Offering by the Corporation is consistent with the Corporation's stated business objectives of providing reliable returns to investors through monthly dividends while enhancing long-term value for its shareholders. There is no particular significant event or milestone that must occur for Pembina's business objectives to be accomplished. While Pembina believes that it has the skills and resources necessary to accomplish its stated business objectives, participation in the transportation and midstream service industry has a number of inherent risks. See "Risk Factors" in this prospectus supplement, the Prospectus, the Annual MD&A and the AIF.

Should the Corporation not immediately require the net proceeds of the Offering in connection with the above stated uses, it may either invest such funds in short-term marketable debt securities or temporarily reduce short-term indebtedness.

In addition, while the Corporation intends to use the net proceeds of the Offering as stated above, there may be circumstances that are not known at this time where a reallocation of the net proceeds may be advisable for business reasons that management or the board of directors of Pembina believe are in the Corporation's best interests.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation as at September 30, 2017 before and after giving effect to the Offering and the Arrangement, which was completed effective October 2, 2017. The financial information set out below should be read in conjunction with the Annual Financial Statements, the Interim Financial Statements. Other than as set forth below, there have been no material changes in Pembina's share and loan capital since September 30, 2017.

Designation ($millions, unless otherwise noted)	**Authorized(2)(3)**	**As at September 30, 2017**	**As at September 30, 2017 after giving effect to the Offering and the Arrangement(12)**
Common Shares(1)	Unlimited	$9,067 (403,143,623 common shares)	$13,395 (502,609,449 common shares)
Class A Preferred Shares(3)			
Series 1	$250	$250	$250
Series 3	$150	$150	$150
Series 5	$250	$250	$250
Series 7	$250	$250	$250
Series 9	$225	$225	$225
Series 11	$170	$170	$170
Series 13	$250	$250	$250
Series 15(4)	$200	-	$200
Series 17(4)	$150	-	$150
Series 19(4)	$200	-	$200
Series 21	$400	-	$400
Convertible Debentures(11)			
Series F Convertible Debentures(5)	$173	$95	$95
Notes(11)			
Series C Senior Unsecured Notes(6)	$200	$200	$200
Series D Senior Unsecured Notes(7)	$267	$267	$267
Medium Term Notes, Series 1(8)	$250	$250	$250
Medium Term Notes, Series 2(8)	$450	$450	$450
Medium Term Notes, Series 3(8)	$450	$450	$450
Medium Term Notes, Series 4(8)	$600	$600	$600
Medium Term Notes, Series 5(8)	$450	$450	$450
Medium Term Notes, Series 6(8)	$500	$500	$500
Medium Term Notes, Series 7(8)	$500	$500	$500
Medium Term Notes, Series 8(8)	$650	$650	$650
Medium Term Notes, Series 9(8)	$550	$550	$550
Veresen Medium Term Notes, Series 1(8)			$150
Veresen Medium Term Notes, Series 3(8)			$50
Veresen Medium Term Notes, Series 4(8)			$200
Veresen Medium Term Notes, Series 5(8)			$350
Bank Debt(11)			

Designation ($millions, unless otherwise noted)	Authorized(2)(3)	As at September 30, 2017	As at September 30, 2017 after giving effect to the Offering and the Arrangement(12)
Revolving Credit Facility(9)	$2,500	$208	$1,886
Operating Credit Facility(9)	$20	-	-
Veresen Credit Facility(10)	-	-	-

Notes:

(1) At September 30, 2017, 15,463,614 Options were outstanding and held by employees of Pembina, of which 7,953,251 were exercisable. The Options have exercise prices ranging from $25.28 to $52.01 and expire at various dates to August 2024.

(2) Pembina is authorized to issue an unlimited number of Internal Preferred Shares, which may only be issued to a wholly-owned subsidiary of Pembina, and such shares are eliminated on consolidation. No Internal Preferred Shares are outstanding.

(3) The terms of the Class A Preferred Shares provide that the number of Class A Preferred Shares which may be issued and outstanding at any time shall be limited to a number equal to no more than 20% of the number of issued and outstanding Common Shares at the time of issuance of any Class A Preferred Shares.

(4) Upon completion of the Arrangement, Veresen's outstanding preferred shares were exchanged for preferred shares of Pembina (the "**Pembina Exchange Shares**") with substantially the same terms and conditions. The actual designation of the Pembina Exchange Shares issued pursuant to the Arrangement were numerical based on the next available number in the sequence of Class A Preferred Shares (being Series 15 Preferred Shares, Series 17 Preferred Shares and Series 19 Preferred Shares).

(5) The Series F Convertible Debentures bear interest at the rate of 5.75% per annum payable semi-annually and mature on December 31, 2018.

(6) The Series C senior unsecured notes of Pembina bear interest at the rate of 5.58% per annum and mature on September 30, 2021.

(7) The Series D senior unsecured notes of Pembina bear interest at the rate of 5.91% per annum and mature on November 18, 2019.

(8) The Medium Term Notes, Series 1 were issued by Pembina on March 29, 2011 in the aggregate principal amount of $250 million of senior unsecured medium term notes, have a fixed interest rate of 4.89% per annum that is paid semi-annually, and will mature on March 29, 2021. The Medium Term Notes, Series 2 were issued by Pembina on October 22, 2012 in the aggregate principal amount of $450 million of senior unsecured medium term notes, have a fixed interest rate of 3.77% per annum that is paid semi-annually, and will mature on October 24, 2022. The Medium Term Notes, Series 3 were issued by Pembina on April 30, 2013, February 2, 2015 and June 16, 2015 in the aggregate principal amount of $200 million, $150 million and $100 million, respectively, of senior unsecured medium term notes, have a fixed interest rate of 4.75% per annum that is paid semi-annually, and will mature on April 30, 2043. The Medium Term Notes, Series 4 were issued by Pembina on April 4, 2014 in the aggregate principal amount of $600 million senior unsecured medium term notes, have a fixed interest rate of 4.81% per annum that is paid semi-annually, and will mature on March 25, 2044. The Medium Term Notes, Series 5 were issued by Pembina on February 2, 2015 in the aggregate principal amount of $450 million of senior unsecured medium term notes, have a fixed interest rate of 3.54% per annum that is paid semi-annually, and will mature on February 3, 2025. The Medium Term Notes, Series 6 were issued by Pembina on June 16, 2015 in the aggregate principal amount of $500 million of senior unsecured medium term notes, have a fixed interest rate of 4.24% per annum that is paid semi-annually, and will mature on June 15, 2027. The Medium Term Notes, Series 7 were issued by Pembina on August 11, 2016 in the aggregate principal amount of $500 million of senior unsecured medium term notes, have a fixed interest rate of 3.71% per annum that is paid semi-annually, and will mature on August 11, 2026. The Medium Term Notes, Series 8 ("**Series 8 MTNs**") were issued by Pembina on January 20, 2017 and August 16, 2017 in the aggregate principal amount of $300 million and $350 million, respectively, of senior unsecured medium term notes, have a fixed interest rate of 2.99% per annum that is paid semi-annually, and will mature on January 22, 2024. The Medium Term Notes, Series 9 ("**Series 9 MTNs**") were issued by Pembina on January 20, 2017 and August 16, 2017 in the aggregate principal amount of $300 million and $250 million, respectively, of senior unsecured medium term notes, have a fixed interest rate of 4.74% per annum that is paid semi-annually, and will mature on January 21, 2047. The Veresen Medium Term Notes, Series 1 were issued by Veresen on November 22, 2011 in the aggregate amount of $150 million of senior unsecured medium term notes, have a fixed interest rate of 4.00% per annum that is paid semi-annually, and are due November 22, 2018. The Veresen Medium Term Notes, Series 3 were issued by Veresen on March 14, 2012 in the aggregate amount of $50 million of unsecured medium term notes, have a fixed interest rate of 5.05% per annum that is payable semi-annually, and are due March 14, 2022. The Veresen Medium Term Notes, Series 4 were issued by Veresen on June 13, 2014 in the aggregate amount of $200 million as senior unsecured medium term notes, have a fixed interest rate of 3.06% per annum that is payable semi-annually, and are due June 13, 2019. The Veresen Medium Term Notes, Series 5 were issued by Veresen on November 10, 2016 in the aggregate amount of $350 million as senior unsecured medium term notes, have a fixed interest rate of 3.43% per annum payable semi-annually, and are due November 10, 2021. In connection with the Arrangement, Pembina and Veresen amalgamated, which resulted in Pembina assuming all of Veresen's outstanding obligations, including its obligations under the Veresen Medium Term Notes.

(9) Pembina's credit facilities as at September 30, 2017 consisted of an unsecured $2,500 million revolving credit facility due May 2020 (the "**Revolving Credit Facility**") and an unsecured operating facility of $20 million due May 2018 (the "**Operating Credit Facility**", and together with the Revolving Credit Facility, the "**Credit Facilities**"). Borrowings on the Revolving Credit Facility and the Operating Credit Facility bear interest at prime lending rates plus nil to 1.25% or Bankers' Acceptances rates plus 1.00% to 2.25%. Margins on the Credit Facilities are based on the credit rating of Pembina's senior unsecured debt. There are no repayments due over the term of the Credit Facilities. As at September 30, 2017, Pembina had $2.3 billion of cash and unutilized debt available under the Credit Facilities. Pembina also had an additional $29 million in letters of credit issued pursuant to a separate credit facility.

(10) Prior to closing of the Arrangement, Veresen had an existing $750 million revolving credit facility that was set to mature on May 31, 2020 and an existing $45 million club revolving credit facility that was set to mature on May 31, 2020. All amounts outstanding under the revolving credit facility at closing of the Arrangement were repaid using funds drawn from the Revolving Credit Facility and the Veresen revolving credit facility was cancelled. As of the date hereof, $3.2 million remains outstanding under the club revolving credit facility.

(11) All debt amounts in the table as at September 30, 2017 represent the outstanding principal balances of such debt obligations.

(12) Excludes debt of Alberta Ethane Gathering System L.P. ("**AEGS**") (a previous subsidiary of Veresen and current subsidiary of Pembina). AEGS had outstanding, as at September 30, 2017, $74 million principal amount of 5.565% senior notes due 2020. Amounts outstanding

under the Revolving Credit Facility following completion of the Arrangement give effect to the repayment of the Veresen revolving credit facility described in footnote (10) above as well as amounts drawn to fund a portion of the cash consideration payable to former common shareholders of Veresen pursuant to the Arrangement.

EARNINGS COVERAGE

The following consolidated earnings coverage ratios of the Corporation have been prepared and included in this prospectus supplement in accordance with disclosure requirements under Canadian securities laws and have been calculated for the twelve-month period ended December 31, 2016 based on audited financial information and for the twelve-month period ended September 30, 2017 based on unaudited financial information. The earnings coverage ratios set out below do not purport to be indicative of earnings coverage ratios for any future periods. The earnings coverage ratios set out below have been adjusted to give effect to (a) the Offering and the application of the net proceeds therefrom as described under "Use of Proceeds", (b) the issuance of the Pembina Exchange Shares pursuant to the Arrangement, and (c) the borrowings by Pembina under its Revolving Credit Facility following completion of the Arrangement for the repayment of the Veresen revolving credit facilities and to fund a portion of the cash consideration payable to former common shareholders of Veresen pursuant to the Arrangement (the "**Arrangement Related Borrowings**"). In addition, the Corporation's earnings coverage ratio for the twelve months ended December 31, 2016 has been adjusted to give effect to the issuance by the Corporation of $1.2 billion aggregate principal amount of Series 8 MTNs and Series 9 MTNs on January 20, 2017 and August 16, 2017 and the use of proceeds therefrom as if the Series 8 MTNs and Series 9 MTNs were issued and the proceeds used as at January 1, 2016.

	Twelve Months Ended December 31, 2016	Twelve Months Ended September 30, 2017
Earnings coverage on long-term debt and preferred shares(1)(2)	2.0x	2.4x

Notes:

(1) Earnings coverage is equal to profit or loss attributable to the Shareholders before interest expense (including capitalized interest) and income tax expense, divided by interest expense (including capitalized interest) on all long-term debt and preferred share dividend obligations.

(2) Pembina's *pro forma* interest coverage ratios for the twelve months ended December 31, 2016 and the six months ended June 30, 2017 were 2.1 times and 3.8 times, respectively. Pembina's *pro forma* dividend requirements on all of its Class A Preferred Shares and the Pembina Exchange Shares, adjusted to a before-tax equivalent using an effective income tax rate of 25% and 25% for the twelve months ended December 31, 2016 and the six months ended June 30, 2017, respectively, amounted to approximately $153 million and $94 million for the twelve months ended December 31, 2016 and the six months ended June 30, 2017, respectively. Pembina's *pro forma* adjusted interest expense requirements amounted to approximately $240 million and $134 million for the twelve months ended December 31, 2016 and the six months ended June 30, 2017, respectively. The amounts for the twelve months ended December 31, 2016 are adjusted to reflect the issuance by the Corporation of the Series 8 MTNs and Series 9 MTNs on January 20, 2017 and August 16, 2017, and the amounts for the six months ended June 30, 2017 are adjusted to reflect the issuance by the Corporation of the Series 8 MTNs and Series 9 MTNs on August 16, 2017, in each case including the use of proceeds therefrom, as if the Series 8 MTNs and Series 9 MTNs were issued and the proceeds used as at January 1, 2016. Pembina's *pro forma* profit or loss attributable to the Shareholders before interest expense and income tax for the twelve month period ended December 31, 2016 was $814 million and for the six month period ended June 30, 2017 was $873 million, which is 2.1 times and 3.8 times Pembina's aggregate dividend and interest expense requirements (adjusted as described above) for such periods, respectively. All of the foregoing amounts have been calculated using the *pro forma* financial statements included in the Veresen BAR, which is incorporated by reference in the Prospectus, give effect to the Arrangement (including the issuance of the Pembina Exchange Shares and the Arrangement Related Borrowings) and have been adjusted to give effect to the Offering and the issuance of the applicable Series 8 MTNs and Series 9 MTNs, including the use of proceeds therefrom.

Pembina's dividend requirements on all of its Class A Preferred Shares, adjusted to a before-tax equivalent using an effective income tax rate of 29%, amounted to $162 million for the twelve month period ended December 31, 2016 and using an effective income tax rate of 29%, amounted to $173 million for the twelve month period ended September 30, 2017. The Corporation's adjusted interest expense requirements amounted to approximately $211 million for the twelve month period ended December 31, 2016 and the Corporation's interest expense was approximately $226 million for the twelve month period ended September 30, 2017. The amounts above have been adjusted to give effect (a) the Offering and the application of the net proceeds therefrom as described under "Use of Proceeds", (b) the issuance of the Pembina Exchange Shares pursuant to the Arrangement and (c) the Arrangement Related Borrowings. In addition, the amounts for the twelve months ended December 31, 2016 have been adjusted to give effect to the issuance by the Corporation of $1.2 billion aggregate principal amount of Series 8 MTNs and Series 9 MTNs on January 20, 2017 and August 16, 2017 and the use of proceeds therefrom, as if the Series 8 MTNs and Series 9 MTNs were issued and the proceeds used as at January 1, 2016. Pembina's profit or loss attributable to the Shareholders before interest expense and income tax for the twelve month period ended December 31, 2016 was

$757 million and for the twelve month period ended September 30, 2017 was $951 million, which are 2.0 times and 2.4 times Pembina's aggregate dividend and interest expense requirements (adjusted as described above) for such periods, respectively.

DETAILS OF THE OFFERING

The following is a summary of the principal rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares ("**Class A Preferred Shares**") of the Corporation as a class and to be attached to the Series 21 Shares and Series 22 Shares. Such provisions will be available on SEDAR at www.sedar.com.

Definition of Terms

The following definitions are relevant to the Series 21 Shares and the Series 22 Shares.

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% or greater being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date and 3.26%, provided that, in any event, such rate shall not be less than 4.90%.

"**Dividend Payment Date**" means the first day of March, June, September and December in each year, starting on March 1, 2018.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the annual rate of interest (expressed as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.000005% or greater being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date and 3.26%.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

"**Government of Canada Yield**" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and that appears on the Bloomberg Screen GCAN5YR <Index> Page on such date; provided that if such rate does not appear on the Bloomberg Screen GCAN5YR <Index> Page on such date, then the Government of Canada Yield shall mean the arithmetic average of the yields quoted to the Corporation by two registered Canadian investment dealers selected by the Corporation as being the annual yield to maturity on such date, compounded semi-annually, that a non-callable Government of Canada bond would carry if issued, in Canadian dollars, at 100% of its principal amount on such date with a term to maturity of five years.

"**Initial Fixed Rate Period**" means the period from and including the date of issue of the Series 21 Shares to but excluding March 1, 2023.

"**Quarterly Commencement Date**" means the first day of March, June, September and December in each year, commencing March 1, 2023.

"**Quarterly Floating Rate Period**" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date.

"**Series 21 Conversion Date**" means March 1, 2023 and March 1 in every fifth year thereafter.

"**Series 22 Conversion Date**" means March 1, 2028, and March 1 in every fifth year thereafter.

"**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including March 1, 2023 to but excluding March 1, 2028, and for each succeeding Subsequent Fixed Rate Period means the period from and including the day immediately following the last day of the immediately preceding Subsequent Fixed Rate Period to but excluding March 1 in the fifth year thereafter.

"**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as an annual rate on 90 day Government of Canada treasury bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

Certain Provisions of the Class A Preferred Shares as a Class

Subject to certain limitations, the board of directors of the Corporation may, from time to time, issue Class A Preferred Shares in one or more series and determine for any such series, prior to any issuance, its designation, number of shares and respective rights, privileges, restrictions and conditions. The Class A Preferred Shares, as a class, have, among others, provisions to the effect set forth below.

Ranking and Priority

Each series of Class A Preferred Shares shall have priority over the Common Shares, the Class B Preferred Shares and any other class of Pembina's shares ranking junior to the Class A Preferred Shares with respect to redemption, the payment of dividends, the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding-up of Pembina. The Class A Preferred Shares of any series may also be given such preferences, not inconsistent with the provisions of Pembina's articles, over the Common Shares, the Class B Preferred Shares and over any other class of Pembina's shares ranking junior to the Class A Preferred Shares, as may be determined by the board of directors of Pembina.

Parity Among Series

Each series of Class A Preferred Shares shall rank on parity with every other series of Class A Preferred Shares, in each case, with respect to redemption, the payment of dividends, the return of capital and the distribution of assets in the event of the liquidation, dissolution or winding up of Pembina.

Dividends

The holders of each series of Class A Preferred Shares shall be entitled to receive dividends (which may be cumulative or non-cumulative and variable or fixed) as and when declared by the board of directors of Pembina.

Participation

If any cumulative dividends or amounts payable on a return of capital in the event of the liquidation, dissolution or winding-up of Pembina in respect of a series of Class A Preferred Shares are not paid in full, the Class A Preferred Shares of all series shall participate rateably in: (a) the amounts that would be payable on such shares if all such dividends were declared at or prior to such time and paid in full; and (b) the amounts that would be payable in respect of the return of capital as if all such amounts were paid in full; provided that if there are insufficient assets to satisfy all such claims, the claims of the holders of the Class A Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining shall be applied towards the payment and satisfaction of claims in respect of dividends. After payment to the holders of any series of Class A Preferred Shares of the amount so payable, the holders of such series of Class A Preferred Shares shall not be entitled to share in any further distribution of the property or assets of Pembina in the event of the liquidation, dissolution or winding up of Pembina.

Conversion

No series of Class A Preferred Shares shall be convertible into any other class of Pembina's shares but they may be convertible into another series of Class A Preferred Shares.

Redemption

Each series of Class A Preferred Shares shall be redeemable by Pembina on such terms as determined by the board of directors of Pembina.

Voting

Holders of any series of Class A Preferred Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class A Preferred Shares or a series thereof) to receive notice of, attend at or vote at any meeting of shareholders of the Corporation, unless the board of directors of the Corporation shall determine otherwise, in which case voting rights shall only be provided in circumstances where the Corporation shall have failed to pay a certain number of dividends on such series of Class A Preferred Shares, which determination and number of dividends and any other terms in respect of such voting rights, shall be determined by the board of directors of the Corporation and set out in the designations, rights, privileges, restrictions and conditions of such series of Class A Preferred Shares.

Limitation of the Number of Class A Preferred Shares

The number of Class A Preferred Shares which may be issued and outstanding at any time shall be limited to a number equal to not more than twenty percent of the number of issued and outstanding Common Shares at the time of issuance of any Class A Preferred Shares.

Certain Provisions of the Series 21 Shares

Issue Price

The Series 21 Shares will have an issue price of $25.00 per share.

Dividends on Series 21 Shares

During the Initial Fixed Rate Period, the holders of the Series 21 Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at an annual rate of $1.225 per share, payable quarterly on each Dividend Payment Date in each year. The first dividend, if declared, shall be payable on March 1, 2018, and, notwithstanding the foregoing, shall be $0.2819 per Series 21 Share based on the anticipated Closing Date of December 7, 2017 (such amount determined by multiplying $1.225 by the number of days in the period from and including the date of issue of the Series 21 Shares to but excluding March 1, 2018, and dividing that product by 365).

During each Subsequent Fixed Rate Period, the holders of the Series 21 Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends, payable quarterly on each Dividend Payment Date, in the amount per share determined by multiplying one-quarter of the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period by $25.00.

On each Fixed Rate Calculation Date, the Corporation shall determine the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 21 Shares. The Corporation shall, on each Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series 21 Shares.

Redemption of Series 21 Shares

The Series 21 Shares shall not be redeemable prior to March 1, 2023. Subject to the provisions described under "Restrictions on Payments and Reductions of Capital", on March 1, 2023 and on March 1 in every fifth year thereafter, the Corporation may redeem all or any part of the Series 21 Shares by the payment of an amount in cash for each share to be redeemed equal to $25.00 plus all accrued and unpaid dividends thereon to but excluding the date fixed for redemption.

Notice of any redemption of Series 21 Shares will be given by the Corporation not more than 60 days and not less than 30 days prior to the date fixed for redemption. If less than all of the outstanding Series 21 Shares are at any time to be redeemed, the shares to be so redeemed shall be selected by lot in such manner as the board of directors of the Corporation or the transfer agent or registrar, if any, appointed by the Corporation in respect of such shares shall decide, or, if the board of directors of the Corporation so decides, such shares may be redeemed *pro rata* (disregarding fractions).

From and after the date specified in a notice of redemption, the Series 21 Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price is not made upon presentation of certificates in accordance with the provisions of the Series 21 Shares, in which case the rights of the holders shall remain unaffected.

Conversion of Series 21 Shares into Series 22 Shares

The Series 21 Shares shall not be convertible prior to March 1, 2023. Holders of Series 21 Shares shall have the right to convert on each Series 21 Conversion Date, subject to certain restrictions, all or any of their Series 21 Shares into Series 22 Shares on the basis of one Series 22 Share for each Series 21 Share. Written notice of a holder's intention to convert Series 21 Shares must be received by the transfer agent and registrar for the Series 21 Shares at its principal office in Toronto, Ontario or Calgary, Alberta not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series 21 Conversion Date. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert Series 21 Shares is irrevocable.

The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series 21 Conversion Date, give notice to the then registered holders of the Series 21 Shares of the conversion right. On the 30th day prior to each Series 21 Conversion Date, the Corporation shall give notice to the then registered holders of the Series 21 Shares of the Annual Fixed Dividend Rate for the Series 21 Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series 22 Shares for the next succeeding Quarterly Floating Rate Period.

Holders of Series 21 Shares shall not be entitled to convert their shares into Series 22 Shares if the Corporation determines that there would remain outstanding on a Series 21 Conversion Date less than 1,000,000 Series 22 Shares, after having taken into account all Series 21 Shares tendered for conversion into Series 22 Shares and all Series 22 Shares tendered for conversion into Series 21 Shares. The Corporation shall give notice thereof to all affected registered holders of the Series 21 Shares at least seven days prior to the applicable Series 21 Conversion Date. Furthermore, if the Corporation determines that there would remain outstanding on a Series 21 Conversion Date less than 1,000,000 Series 21 Shares, after having taken into account all Series 21 Shares tendered for conversion into Series 22 Shares and all Series 22 Shares tendered for conversion into Series 21 Shares, then all of the remaining outstanding Series 21 Shares shall be converted automatically into Series 22 Shares on the basis of one Series 22 Share for each Series 21 Share on the applicable Series 21 Conversion Date and the Corporation shall give notice thereof to the then registered holders of such remaining Series 21 Shares at least seven days prior to the Series 21 Conversion Date.

The Corporation reserves the right not to deliver Series 22 Shares to any person that the Corporation or its transfer agent has reason to believe is a person whose address is in, or that the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction.

If the Corporation gives notice to the holders of the Series 21 Shares of the redemption of all of the Series 21 Shares, the right of a holder of Series 21 Shares to convert such Series 21 Shares shall terminate and the Corporation shall not be required to give notice to the registered holders of the Series 21 Shares of the Annual Fixed Dividend Rate for the Series 21 Shares for the next succeeding Subsequent Fixed Rate Period, the Floating Quarterly Dividend Rate for the Series 22 Shares for the next succeeding Quarterly Floating Rate Period or the conversion right of holders of Series 21 Shares.

The Series 21 Shares and Series 22 Shares are series of shares in the same class. The conversion right entitles holders to elect periodically which of the two series they wish to hold and does not entitle holders to receive a different class or type of securities. Other than the different dividend rights and redemption rights attached thereto, the Series 21 Shares and Series 22 Shares are identical in all material respects.

Purchase for Cancellation

Subject to the provisions described under "Restrictions on Payments and Reductions of Capital" below, the Corporation may at any time or times purchase for cancellation all or any part of the Series 21 Shares at the lowest price or prices at which, in the opinion of the board of directors of the Corporation, such shares are obtainable.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Series 21 Shares shall be entitled to receive $25.00 per Series 21 Share plus all accrued and unpaid dividends thereon before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series 21 Shares in any respect. After payment to the holders of the Series 21 Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Corporation.

Restrictions on Payments and Reductions of Capital

So long as any Series 21 Shares are outstanding, the Corporation shall not**:**

(a) call for redemption, purchase, reduce or otherwise pay for less than all the Series 21 Shares and all other preferred shares then outstanding ranking prior to or on a parity with the Series 21 Shares with respect to payment of dividends,

(b) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series 21 Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series 21 Shares with respect to payment of dividends, or

(c) call for redemption, purchase, reduce or otherwise pay for any shares of the Corporation ranking junior to the Series 21 Shares with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series 21 Shares and on all other preferred shares then outstanding ranking prior to or on a parity with the Series 21 Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action.

Creation or Issue of Additional Shares

So long as any Series 21 Shares are outstanding, the Corporation shall not, without the prior approval of the holders of the Series 21 Shares, create or issue any shares ranking prior to or on a parity with the Series 21 Shares with respect to repayment of capital or payment of dividends, provided that the Corporation may without such approval issue additional series of Class A Preferred Shares if all dividends then payable on the Series 21 Shares shall have been paid or set apart for payment.

Voting Rights

Except as otherwise provided by law and except for meetings of the holders of Class A Preferred Shares as a class and meetings of the holders of Series 21 Shares as a series, the holders of the Series 21 Shares are not entitled to voting rights or to receive notice of or to attend shareholders' meetings unless dividends on the Series 21 Shares are in arrears to the extent of eight quarterly dividends, whether or not consecutive. Until all such arrears of dividends have been paid, holders of Series 21 Shares will be entitled to receive notice of and to attend all shareholders' meetings at which directors are to be elected and which take place more than 60 days after the date on which the failure first occurred (other than separate meetings of holders of another class or series of shares) and to one vote in respect of each Series 21 Share held with respect to resolutions to elect directors.

Tax Election

The Series 21 Shares will be "taxable preferred shares" as defined in the Tax Act for purposes of the tax under Part IV.l of the Tax Act applicable to certain corporate holders of the Series 21 Shares. The terms of the Series 21 Shares require the Corporation to make the necessary election under Part VI.1 of the Tax Act so that such corporate holders will not be subject to the tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series 21 Shares. See "Certain Canadian Federal Income Tax Considerations – Dividends".

Modification

The provisions attaching to the Series 21 Shares may be amended with the written approval of all the holders of the Series 21 Shares outstanding or by at least two-thirds of the votes cast at a meeting of the holders of such shares duly called for that purpose.

Business Day

If any day on which any dividend on the Series 21 Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day. For the purposes hereof, "business day" shall mean a day on which banks are generally open for business in both Calgary, Alberta and Toronto, Ontario.

Certain Provisions of the Series 22 Shares

Issue Price

The Series 22 Shares will be issuable only upon conversion of Series 21 Shares and will have an ascribed issue price of $25.00 per share.

Dividends on Series 22 Shares

During each Quarterly Floating Rate Period, the holders of the Series 22 Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors, out of the moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate for such Quarterly Floating Rate Period by $25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year.

On each Floating Rate Calculation Date, the Corporation shall determine the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 22 Shares. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series 22 Shares.

Redemption of Series 22 Shares

Subject to the provisions described under "Restrictions on Payments and Reductions of Capital" below, the Corporation may redeem all or any part of the Series 22 Shares by the payment of an amount in cash for each share to be redeemed equal to (a) $25.00 in the case of a redemption on any Series 22 Conversion Date on or after March 1, 2028, or (b) $25.50 in the case of a redemption on any date after March 1, 2023 that is not a Series 22 Conversion Date, in each case plus all accrued and unpaid dividends thereon to but excluding the date fixed for redemption.

Notice of any redemption of Series 22 Shares will be given by the Corporation not more than 60 days and not less than 30 days prior to the date fixed for redemption. If less than all of the outstanding Series 22 Shares are at any time to be redeemed, the shares to be so redeemed shall be selected by lot in such manner as the board of directors of the Corporation or the transfer agent or registrar, if any, appointed by the Corporation in respect of such shares shall decide, or, if the board of directors of the Corporation so decides, such shares may be redeemed *pro rata* (disregarding fractions).

From and after the date specified in a notice of redemption, the Series 22 Shares called for redemption shall cease to be entitled to dividends and the holders shall not be entitled to exercise any of the rights of holders in respect thereof unless payment of the cash redemption price is not made upon presentation of certificates in accordance with the provisions of the Series 22 Shares, in which case the rights of the holders shall remain unaffected.

Conversion of Series 22 Shares into Series 21 Shares

The Series 22 Shares shall not be convertible prior to March 1, 2028. Holders of Series 22 Shares shall have the right to convert on each Series 22 Conversion Date, subject to certain restrictions, all or any of their Series 22 Shares into Series 21 Shares on the basis of one Series 21 Share for each Series 22 Share. Written notice of a holder's intention to convert Series 22 Shares must be received by the transfer agent and registrar for the Series 22 Shares at its principal office in Toronto, Ontario or Calgary, Alberta not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series 22 Conversion Date. Once received by the transfer agent and registrar on behalf of the Corporation, the election of a holder to convert Series 22 Shares is irrevocable.

The Corporation shall, not more than 60 days and not less than 30 days prior to the applicable Series 22 Conversion Date, give notice to the then registered holders of the Series 22 Shares of the conversion right. On the 30th day prior to each Series 22 Conversion Date, the Corporation shall give notice to the then registered holders of the Series 22 Shares of the Annual Fixed Dividend Rate for the Series 21 Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate for the Series 22 Shares for the next succeeding Quarterly Floating Rate Period.

Holders of Series 22 Shares shall not be entitled to convert their shares into Series 21 Shares if the Corporation determines that there would remain outstanding on a Series 22 Conversion Date less than 1,000,000 Series 21 Shares, after having taken into account all Series 22 Shares tendered for conversion into Series 21 Shares and all Series 21 Shares tendered for conversion into Series 22 Shares. The Corporation shall give notice thereof to all affected registered holders of the Series 22 Shares at least seven days prior to the applicable Series 22 Conversion Date. Furthermore, if the Corporation determines that there would remain outstanding on a Series 22 Conversion Date less than 1,000,000 Series 22 Shares, after having taken into account all Series 22 Shares tendered for conversion into Series 21 Shares and all Series 21 Shares tendered for conversion into Series 22 Shares, then all of the remaining outstanding Series 22 Shares shall be converted automatically into Series 21 Shares on the basis of one Series 21 Share for each Series 22 Share on the applicable Series 22 Conversion Date and the Corporation shall give notice thereof to the then registered holders of such remaining Series 22 Shares at least seven days prior to the Series 22 Conversion Date.

The Corporation reserves the right not to deliver Series 21 Shares to any person that the Corporation or its transfer agent has reason to believe is a person whose address is in, or that the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada if such delivery would require the Corporation to take any action to comply with the securities laws of such jurisdiction.

If the Corporation gives notice to the holders of the Series 22 Shares of the redemption of all of the Series 22 Shares, the right of a holder of Series 22 Shares to convert such Series 22 Shares shall terminate and the Corporation shall not be required to give notice to the registered holders of the Series 22 Shares of the Annual Fixed Dividend Rate for the Series 21 Shares for the next succeeding Subsequent Fixed Rate Period, the Floating Quarterly Dividend Rate for the Series 22 Shares for the next succeeding Quarterly Floating Rate Period or the conversion right of holders of Series 22 Shares.

The Series 21 Shares and Series 22 Shares are series of shares in the same class. The conversion right entitles holders to elect periodically which of the two series they wish to hold and does not entitle holders to receive a different class or type of securities. Other than the different dividend rights and redemption rights attached thereto, the Series 21 Shares and Series 22 Shares are identical in all material respects.

Purchase for Cancellation

Subject to the provisions described under "Restrictions on Payments and Reductions of Capital" below, the Corporation may at any time or times purchase for cancellation all or any part of the Series 22 Shares at the lowest price or prices at which, in the opinion of the board of directors of the Corporation, such shares are obtainable.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Series 22 Shares shall be entitled to receive $25.00 per Series 22 Share plus all accrued and unpaid dividends thereon before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of the Common Shares or to the holders of any other shares ranking junior to the Series 22 Shares in any respect. After payment to the holders of the Series 22 Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property, or assets of the Corporation.

Restrictions on Payments and Reductions of Capital

So long as any Series 22 Shares are outstanding, the Corporation shall not:

(a) call for redemption, purchase, reduce or otherwise pay for less than all the Series 22 Shares and all other preferred shares then outstanding ranking prior to or on a parity with the Series 22 Shares with respect to payment of dividends,

(b) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Corporation ranking junior to the Series 22 Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series 22 Shares with respect to payment of dividends, or

(c) call for redemption, purchase, reduce or otherwise pay for any shares of the Corporation ranking junior to the Series 22 Shares with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Series 22 Shares and on all other preferred shares then outstanding ranking prior to or on a parity with the Series 22 Shares with respect to payment of dividends shall have been declared and paid or set apart for payment at the date of any such action.

Creation or Issue of Additional Shares

So long as any Series 22 Shares are outstanding, the Corporation shall not, without the prior approval of the holders of the Series 22 Shares, create or issue any shares ranking prior to or on a parity with the Series 22 Shares with respect to repayment of capital or payment of dividends, provided that the Corporation may without such approval issue additional series of Class A Preferred Shares if all dividends then payable on the Series 22 Shares shall have been paid or set apart for payment.

Voting Rights

Except as otherwise provided by law and except for meetings of the holders of Class A Preferred Shares as a class and meetings of the holders of Series 22 Shares as a series, the holders of the Series 22 Shares are not entitled to voting rights or to receive notice of or to attend shareholders' meetings unless dividends on the Series 22 Shares are in arrears to the extent of eight quarterly dividends, whether or not consecutive. Until all such arrears of dividends have been paid, holders of Series 22 Shares will be entitled to receive notice of and to attend all shareholders' meetings at which directors are to be elected and which take place more than 60 days after the date on which the failure first occurred (other than separate meetings of holders of another class or series of shares) and to one vote in respect of each Series 22 Share held with respect to resolutions to elect directors.

Tax Election

The Series 22 Shares will be "taxable preferred shares" as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of the Series 22 Shares. The terms of the Series 22 Shares require the Corporation to make the necessary election under Part VI.1 of the Tax Act so that such corporate holders will not be subject to the tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series 22 Shares. See "Certain Canadian Federal Income Tax Considerations – Dividends".

Modification

The series provisions attaching to the Series 22 Shares may be amended with the written approval of all the holders of the Series 22 Shares outstanding or by at least two-thirds of the votes cast at a meeting or adjourned meeting of the holders of such shares duly called for that purpose.

Business Day

If any day on which any dividend on the Series 22 Shares is payable by the Corporation or on or by which any other action is required to be taken by the Corporation is not a business day, then such dividend shall be payable and such other action may be taken on or by the next succeeding day that is a business day. For the purposes hereof, "business day" shall mean a day on which banks are generally open for business in both Calgary, Alberta and Toronto, Ontario.

DEPOSITORY SERVICES

The Series 21 Shares and Series 22 Shares will be issued in "book entry only" form and must be purchased or transferred through a participant in the CDS depository service (a "**CDS Participant**"). The Corporation will cause a global certificate or certificates representing any newly issued Series 21 Shares or Series 22 Shares to be delivered to, and registered in the name of, CDS or its nominee. All rights of holders of Series 21 Shares or Series 22 Shares must be exercised through, and all payments or other property to which such holder of Series 21 Shares or Series 22 Shares, as the case may be, is entitled, will be made or delivered by, CDS or the CDS Participant through which the holder of Series 21 Shares or Series 22 Shares holds such shares. Each person who acquires Series 21 Shares or Series 22 Shares will receive only a customer confirmation of purchase from the registered dealer from or through which the Series 21 Shares or Series 22 Shares are acquired in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but customer confirmations are generally issued promptly after execution of a customer order. CDS is responsible for establishing and maintaining book entry accounts for its CDS Participants having interests in the Series 21 Shares or Series 22 Shares.

The ability of a beneficial owner of Series 21 Shares or Series 22 Shares to pledge such shares or otherwise take action with respect to such owner's interest in such shares (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Corporation has the option to terminate registration of the Series 21 Shares and Series 22 Shares through the book entry only system, in which event certificates for Series 21 Shares and Series 22 Shares in fully registered form will be issued to the beneficial owners of such shares or their nominees.

Neither the Corporation nor the Underwriters will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Series 21 Shares or Series 22 Shares held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Series 21 Shares or Series 22 Shares; or (c) any advice or representation made by or with respect to CDS and those contained in this prospectus supplement and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its CDS Participants. The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS and persons, other than CDS Participants, having an interest in the Series 21 Shares or Series 22 Shares must look solely to CDS Participants for payments made by or on behalf of the Corporation to CDS in respect of the Series 21 Shares or Series 22 Shares.

If (a) required by applicable law, (b) the book entry only system ceases to exist, (c) the Corporation determines that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Series 21 Shares or Series 22 Shares and the Corporation is unable to locate a qualified successor, or (d) the Corporation, at its option, decides to terminate the book entry only system, then certificates representing the Series 21 Shares and Series 22 Shares, as applicable, will be made available and sent to registered holders.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated November 28, 2017 among the Corporation and the Underwriters, the Corporation has agreed to sell an aggregate of 16,000,000 Series 21 Shares to the Underwriters, and the Underwriters have severally (and not jointly or jointly and severally) agreed to purchase from the Corporation, as principals, such Series 21 Shares at a price of $25.00 per Series 21 Share payable in cash against delivery on the Closing Date. The Underwriting Agreement provides that, in consideration of the services of the Underwriters in connection with the Offering, the Corporation will pay the Underwriters a fee of $0.25 per Series 21 Share issued and sold by the Corporation to certain institutions, and $0.75 per Series 21 Share for all other Series 21 Shares issued and sold by the Corporation as part of the Offering, for an aggregate fee payable by the Corporation of $12,000,000 (assuming that no sales are made to such certain institutions). The Underwriters' fee is payable on the Closing Date.

The terms of the Offering were established through negotiations between the Corporation and the Lead Underwriters, on their own behalf and on behalf of the other Underwriters.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint or joint and several) and each Underwriter is entitled, at its option, to terminate and cancel its obligations under the Underwriting Agreement if, prior to the closing time on the Closing Date: (a) any order to cease or suspend trading in any securities of the Corporation or prohibiting or restricting the distribution of any of the Series 21 Shares is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, by the TSX or the New York Stock Exchange (the "**NYSE**") or by any other competent authority, and has not been rescinded, revoked or withdrawn; (b) any inquiry, investigation or other proceeding (whether formal or informal) is announced, commenced or threatened or any order or ruling is issued (and has not been rescinded, revoked or withdrawn) by any securities commission or similar regulatory authority, by the TSX or the NYSE or by any other competent authority or there is a change in law, regulation or policy or the interpretation or administration thereof, if, in the reasonable opinion of the Underwriters or any of them, the announcement, commencement, threatening or issuing thereof materially adversely affects the trading or distribution of the Series 21 Shares; (c) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any law or regulation which, in the opinion of the Underwriters or any of them, seriously adversely affects, or involves, or will seriously adversely affect, or involve, the financial markets generally or the business, operations or affairs of the Corporation and its subsidiaries taken as a whole; (d) there shall occur a negative change in the rating or outlook applicable to the Series 21 Shares by DBRS (as defined herein) or S&P (as defined herein) or if one of such organizations shall place the Series 21 Shares on a "credit watch"; or (e) there should occur any material change or change in a material fact or the Underwriters becoming aware, whether as a result of their due diligence or otherwise, of any material fact with respect to the Corporation, which had not been publicly disclosed at or prior to the date of the Underwriting Agreement, in either case which, in the reasonable opinion of the Underwriters or any of them, would be expected to have a significant adverse effect on the market price or value of the Series 21 Shares.

If an Underwriter fails to purchase the Series 21 Shares which it has agreed to purchase, the other Underwriters may, but are not obligated to, purchase such Series 21 Shares, provided that, if the aggregate number of Series 21 Shares not purchased is less than or equal to 6% of the aggregate number of Series 21 Shares agreed to be purchased by the Underwriters, then each of the other Underwriters is obligated to purchase severally the Series 21 Shares not taken up, on a *pro rata* basis or as they may otherwise agree as between themselves. If the aggregate number of Series 21 Shares not purchased is greater than 6% of the aggregate number of Series 21 Shares agreed to be purchased by the Underwriters, then each of the other Underwriters shall be relieved of its obligations to purchase its respective percentage of the Series 21 Shares, subject to the terms and conditions of the Underwriting Agreement. The Underwriters are, however, obligated to take up and pay for all Series 21 Shares if any Series 21 Shares are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that the Corporation will indemnify the Underwriters and their respective affiliates and each of their respective directors, officers, employees and agents against certain liabilities and expenses.

The Underwriters propose to offer the Series 21 Shares initially at the public offering price specified on the cover page of this prospectus supplement. After the Underwriters have made a reasonable effort to sell all of the Series 21 Shares offered by this prospectus supplement at the price specified herein, the offering price may be decreased and may be further changed from time to time to an amount not greater than $25.00. In the event the offering price of the Series 21 Shares is reduced, the compensation received by the Underwriters will be decreased by the amount by which the aggregate price paid by the purchasers for the Series 21 Shares is less than the gross proceeds paid by the Underwriters to the Corporation for the Series 21 Shares. Any such reduction will not affect the proceeds received by the Corporation.

Subscriptions for Series 21 Shares will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice.

The TSX has conditionally approved the listing of the Series 21 Shares and Series 22 Shares described in this prospectus supplement. Listing of the Series 21 Shares is subject to the Corporation fulfilling all the listing requirements of the TSX on or before February 28, 2018, including distribution of the Series 21 Shares and, at the time of any conversion into Series 22 Shares, the Series 22 Shares, to a minimum number of public securityholders.

The Corporation has agreed that, subject to certain exceptions, it shall not sell or agree or offer to sell or grant any option for the sale of or otherwise dispose of any preferred shares or any other shares with provisions or characteristics similar to the Series 21 Shares, or announce such intention, prior to 60 days after the Closing Date without the prior consent of the Lead Underwriters, on behalf of the Underwriters, which consent shall not be unreasonably withheld or delayed.

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Series 21 Shares. The policy statements allow certain exceptions to the foregoing prohibitions. The Underwriters may only avail themselves of such exceptions on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Series 21 Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 21 Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Series 21 Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and, accordingly may not be offered or sold within the United States.

RELATIONSHIP AMONG THE CORPORATION AND THE UNDERWRITERS

Each of RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., TD Securities Inc. and National Bank Financial Inc. is, directly or indirectly, a wholly-owned or majority-owned subsidiary of a Canadian chartered bank that is a lender (collectively, the "**lenders**") to Pembina and its subsidiaries and to which the Corporation or its subsidiaries is currently indebted. Consequently, the Corporation may be considered to be a connected issuer of each Underwriter under applicable securities laws. The net proceeds of this Offering will be used by Pembina to reduce indebtedness under the Credit Facilities, which indebtedness was incurred in the normal course of business. See "Use of Proceeds".

See "Liquidity & Capital Resources" in the MD&A for a description of the material terms of the Credit Facilities. As at November 29, 2017, approximately $2.1 billion was owed to the lenders in aggregate under the Credit Facilities. The debt outstanding under the Credit Facilities is unsecured. Pembina is in compliance with all material terms of the agreements governing the Credit Facilities and none of the lenders has waived any material breach by Pembina of such agreements since their execution. The financial position of Pembina has not changed substantially or adversely since the indebtedness under the Credit Facilities was incurred.

The decision to distribute the Series 21 Shares offered hereby and the determination of the terms of the Offering were made through negotiations between the Corporation and RBC Dominion Securities Inc., CIBC World Markets Inc. and Scotia Capital Inc., on their own behalf and on behalf of the other Underwriters. The lender affiliates of such Underwriters under the Credit Facilities did not have any involvement in such decision or determination, but have been advised of the issuance and the terms thereof. As a consequence of this Offering, each of RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., TD Securities Inc. and National Bank Financial Inc. will receive its share of the Underwriters' fee and each of the lenders may receive a portion of the proceeds from the Offering from the Corporation as a repayment of outstanding indebtedness under the Credit Facilities. The Credit Facilities will then be available to be re-drawn by the Corporation as required.

CREDIT RATINGS

The Series 21 Shares have been rated Pfd-3 by DBRS Limited ("**DBRS**") and P-3 (High) by Standard & Poor's ("**S&P**") (DBRS and S&P are each a "**Rating Agency**" and together the "**Rating Agencies**"). Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. The Rating Agencies' ratings for preferred shares range from a high of Pfd-1 to a low of D for DBRS and from a high of P-1 to a low of D for S&P.

According to the DBRS rating system, securities rated Pfd-3 are of adequate credit quality. While protection of dividends and principal is still considered acceptable, the issuing entity is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection. "High" or "low" grades are used to indicate the relative standing within a rating category. The absence of either a "high" or "low" designation indicates the rating is in the middle of the category.

According to the S&P rating system, securities rated P-3 are regarded as having significant speculative characteristics. While such securities will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions. The ratings from P-1 to P-5 may be modified by "high" and "low" grades which indicate relative standing within the major rating categories.

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. Credit ratings are not recommendations to purchase, hold or sell securities and do not address the market price or suitability of a specific security for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

The Corporation will pay fees to each of S&P and DBRS for the credit ratings to be rendered on the Series 21 Shares. The Corporation has also paid fees to each of S&P and DBRS for credit ratings provided on other outstanding securities of the Corporation. Additional information relating to such other ratings is included under the heading "Description of the Capital Structure of Pembina – Credit Ratings" in the AIF. Other than those payments made in respect of credit ratings, no additional payments have been made to either of S&P and DBRS for any other services provided to the Corporation during the past two years.

RISK FACTORS

An investment in the Series 21 Shares offered hereunder involves certain risks. In addition to the other information contained in this prospectus supplement and the accompanying Prospectus, and in the documents incorporated by reference therein, prospective purchasers of Series 21 Shares should consider carefully the risk factors set forth below, as well as the risk factors referenced under the heading "Risk Factors" in the accompanying Prospectus, the AIF and the Annual MD&A.

Risks Relating to Securities Offered under this Prospectus Supplement

Market for Securities

There is currently no market through which the Series 21 Shares may be sold and purchasers of Series 21 Shares may not be able to resell the Series 21 Shares purchased under this prospectus supplement. The price offered to the public for the Series 21 Shares and the number of Series 21 Shares to be issued have been determined by negotiations among the Corporation and the Underwriters. The price paid for each Series 21 Share may bear no relationship to the price at which the Series 21 Shares will trade in the public market subsequent to the completion of the Offering. The Corporation cannot predict at what price the Series 21 Shares will trade and there can be no assurance that an active trading market will develop for the Series 21 Shares or, if developed, that such market will be sustained. The TSX has conditionally approved the listing of the Series 21 Shares and Series 22 Shares described in this prospectus supplement. Listing is subject to the Corporation fulfilling all the listing requirements of the TSX on or before February 28, 2018, including distribution of the Series 21 Shares and, at the time of any conversion into Series 22 Shares, to a minimum number of public securityholders.

Market Price

The market price of the Series 21 Shares and Series 22 Shares may fluctuate due to a variety of factors relative to the Corporation's business, including announcements of new developments, change in credit ratings, fluctuations in the Corporation's operating results, sales of the Series 21 Shares and Series 22 Shares in the marketplace, failure to meet analysts' expectations, any public announcements made in regard to this Offering, the impact of various tax laws or rates and general market conditions or the worldwide economy. In recent years, stock markets have experienced significant price fluctuations, which have been unrelated to the operating performance of the affected companies. There can be no assurance that the market price of the Series 21 Shares and Series 22 Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Corporation's performance.

Prevailing yields on similar securities will affect the market value of the Series 21 Shares and Series 22 Shares. Assuming all other factors remain unchanged, the market value of the Series 21 Shares and Series 22 Shares would be expected to decline as prevailing yields for similar securities rise and would be expected to increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield, T-Bill Rate and comparable benchmark rates of interest for similar securities will also affect the market value of the Series 21 Shares and Series 22 Shares in an analogous manner.

Dividends

There is uncertainty with respect to future dividend payments by the Corporation and the level thereof, as the Corporation's dividend policy and the funds available for the payment of dividends from time to time is dependent upon, among other things, operating cash flow generated by the Corporation and its subsidiaries, financial requirements for the Corporation's operations and the execution of its growth strategy and the satisfaction of solvency tests imposed by the *Business Corporations Act* (Alberta) for the declaration and payment of dividends.

The dividend rate for the Series 21 Shares and the Series 22 Shares will reset every five years and quarterly, respectively. In each case, the new dividend rate is unlikely to be the same as, and may be lower than, the dividend rate for the applicable preceding period. Investments in the Series 22 Shares, given their floating interest component, entail risks not associated with investments in the Series 21 Shares. The resetting of the applicable rate on a Series 22 Share may result in a lower yield compared to fixed rate Series 21 Shares. The applicable rate on a Series 22 Share will fluctuate in accordance with fluctuations in the T-Bill Rate on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which the Corporation has no control. See "Details of the Offering – Certain Provisions of the Series 22 Shares – Dividends on Series 22 Shares".

Credit Ratings

The credit ratings applied to the Series 21 Shares are an assessment by the Rating Agencies of the Corporation's ability to pay its obligations. The credit ratings are based on certain assumptions about the future performance and capital structure of the Corporation that may or may not reflect the actual performance or capital structure of the Corporation. Changes in credit ratings of the Series 21 Shares may affect the market price or value and the liquidity of the Series 21 Shares. There is no assurance that any credit rating assigned to the Series 21 Shares will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant Rating Agency. See "Credit Ratings".

Insolvency or Winding-Up

The Series 21 Shares and Series 22 Shares are equity capital of the Corporation which rank equally with other Class A Preferred Shares, if any, in the event of an insolvency or winding-up of the Corporation. If the Corporation becomes insolvent or is wound up, the Corporation's assets must be used to pay liabilities and other debt before payments may be made on the Series 21 Shares, Series 22 Shares and other Class A Preferred Shares, if any.

Automatic Conversion

An investment in the Series 21 Shares may become an investment in Series 22 Shares without the consent of the holder in the event of an automatic conversion of the Series 21 Shares into Series 22 Shares. Upon such automatic conversion, the dividend rate on the Series 22 Shares will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate, which may vary from time to time, while the dividend rate on the Series 21 Shares will be, for each five-year period, a fixed rate that is determined by reference to the Government of Canada Yield on the 30th day prior to the first day of each such five-year period. In addition, holders may be prevented from converting their Series 21 Shares into Series 22 Shares in certain circumstances. See "Details of the Offering".

No Fixed Maturity

Neither the Series 21 Shares nor the Series 22 Shares have a fixed maturity date and are not redeemable at the option of the holders of Series 21 Shares or the Series 22 Shares, as applicable. The ability of a holder to liquidate its holdings of Series 21 Shares and the Series 22 Shares, as applicable, may be limited.

No Voting Rights

Holders of Series 21 Shares and Series 22 Shares will not generally have voting rights at meetings of shareholders of the Corporation except under limited circumstances. See "Details of the Offering".

Redeemable

The Corporation may choose to redeem the Series 21 Shares and/or Series 22 Shares from time to time, in accordance with its rights described under "Details of the Offering – Certain Provisions of the Series 21 Shares – Redemption of Series 21 Shares" and "Details of the Offering – Certain Provisions of the Series 22 Shares – Redemption of Series 22 Shares", including when prevailing interest rates are lower than the yield borne by the Series 21 Shares and Series 22 Shares. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yield on the Series 21 Shares or Series 22 Shares being redeemed. The Corporation's redemption right may also adversely impact a purchaser's ability to sell Series 21 and Series 22 Shares.

Incurrence of Additional Indebtedness

Pembina may incur additional indebtedness that may adversely affect its ability to meet its financial obligations under the Series 21 Shares or Series 22 Shares, as applicable.

Pembina may incur additional indebtedness in the future, which could have important consequences to holders of the Series 21 Shares or Series 22 Shares, as applicable, including the following:

- Pembina could have insufficient cash to meet its financial obligations, including obligations under the Series 21 Shares or Series 22 Shares, as applicable;
- the ability to obtain additional financing for working capital, capital expenditures or general corporate purposes may be impaired; and
- a significant degree of debt could make Pembina more vulnerable to changes in general corporate and industry conditions.

Refinancing Risks

Pembina may be exposed to additional risks such as interest rate and refinancing risk, capital market risk and industry risk. Details associated with these risks can be found in the AIF and the Annual MD&A which are incorporated by reference in the Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to Pembina, and Bennett Jones LLP, counsel to the Underwriters (collectively, "**counsel**"), based on current provisions of the Tax Act, the Series 21 Shares offered hereby and the Series 22 Shares issuable on conversion of the Series 21 Shares, if issued on the date hereof, will be, on such date, "qualified investments" for purposes of the Tax Act for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), registered disability savings plans ("**RDSPs**"), registered education savings plans ("**RESPs**"), deferred profit sharing plans and tax free savings accounts ("**TFSAs**"), each as defined in the Tax Act.

Notwithstanding the foregoing, if the Series 21 Shares or the Series 22 Shares issuable on a conversion of the Series 21 Shares are a "prohibited investment", within the meaning of the Tax Act, for a particular RRSP, RRIF or TFSA, the annuitant under the RRSP or RRIF or the holder of a TFSA, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Series 21 Shares and the Series 22 Shares issuable on a conversion of the Series 21 Shares will not be a prohibited investment for an RRSP, RRIF or TFSA provided that the annuitant of the RRSP or RRIF or the holder of the TFSA, as the case may be, deals at arm's length with Pembina for purposes of the Tax Act and does not have a "significant interest" (within the meaning of the Tax Act) in Pembina. Proposed amendments to the Tax Act will extend the application of the "prohibited investment" rules to investments held by RDSPs and RESPs, applicable to investments acquired, and transactions occurring, after March 22, 2017. Assuming these proposals are enacted as proposed, notwithstanding that the Series 21 Shares and Series 22 Shares may be qualified investments for a trust governed by an RDSP or an RESP, the holder of an RDSP or the subscriber of an RESP will be subject to penalty tax if the Series 21 Shares or Series 22 Shares are prohibited investments for the RDSP or RESP. There can be no assurance that these proposals will be enacted or that they will be enacted as proposed. In addition, the Series 21 Shares and the Series 22 Shares issuable on conversion of the Series 21 Shares will generally not be a "prohibited investment" and therefore not subject to the penalty tax if such shares are "excluded property" (within the meaning of the Tax Act).

Prospective investors who intend to hold Series 21 Shares or the Series 22 Shares issuable on a conversion of the Series 21 Shares in their RRSP, RRIF, RDSP, RESP or TFSA should consult their own tax advisors regarding their particular circumstances.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of counsel, the following summary, as of the date hereof, describes the principal Canadian federal income tax considerations generally applicable under the provisions of the Tax Act to a prospective purchaser of Series 21 Shares pursuant to this prospectus supplement and to a holder of Series 22 Shares who acquired such shares as a result of a conversion of the Series 21 Shares who, at all relevant times, for the purposes of the Tax Act, is (or is deemed to be) resident in Canada, holds the Series 21 Shares and will hold the Series 22 Shares, as applicable, as capital property, deals at arm's length and is not affiliated with the Corporation or the Underwriters, and is not exempt from tax under Part I of the Tax Act (a "**Holder**"). Generally, the Series 21 Shares or Series 22 Shares will be considered to be capital property to a Holder provided the Holder does not hold the shares in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Holders who might not otherwise be considered to hold their Series 21 Shares or Series 22 Shares as capital property may, in certain circumstances, be entitled to have them and all other "Canadian securities" (as defined in the Tax Act) owned by them in the year of election or in any subsequent taxation year treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Holders who do not hold their Series 21 Shares or will not hold their Series 22 Shares, as applicable, as capital property should consult their own tax advisors with respect to their own particular circumstances. This summary assumes the Series 21 Shares and the Series 22 Shares will be listed on a designated stock exchange in Canada under the Tax Act (which currently includes the TSX) at all relevant times.

This summary is not applicable to a Holder: (a) that is a "financial institution", as defined in the Tax Act for the purpose of the "mark-to-market" rules; (b) an interest in which would be a "tax shelter investment" as defined in the Tax Act; (c) that is a "specified financial institution" as defined in the Tax Act; (d) which has made a "functional currency" election under the Tax Act to determine its Canadian tax results in a currency other than Canadian currency; or (e) that has entered into or will enter into, in respect of the Series 21 Shares or the Series 22 Shares, a "derivative forward agreement", a "dividend rental arrangement", a "synthetic equity arrangement" or a "synthetic disposition arrangement" as those terms are defined in the Tax Act including in any Proposals (as defined below).

Any such Holder should consult its own tax advisors with respect to an investment in the Series 21 Shares or the Series 22 Shares.

This summary is based upon the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposals**"), existing case law and counsel's understanding of the current published administrative and assessing practices of the Canada Revenue Agency. This summary assumes the Proposals will be enacted in the form proposed; however, no assurance can be given that the Proposals will be enacted in their current form, or at all. On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of its intention to amend the Tax Act to increase the tax cost of earning passive investment income through a private corporation. On October 18, 2017, the Minister of Finance (Canada) announced that the government was considering how to proceed with these proposals while taking into account the feedback received on the consultation paper. No specific amendments to the Tax Act have been proposed in connection with these announcements. Holders that are private Canadian corporations should consult their own tax advisors. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, nor does it take into account any provincial, territorial or foreign income tax legislation or considerations.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. No representations are made with respect to the income tax consequences to any particular Holder. Consequently, prospective Holders should consult their own tax advisors with respect to their particular circumstances for advice with respect to the tax consequences to them of acquiring, holding and disposing of the Series 21 Shares or the Series 22 Shares, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

Dividends

Dividends (including deemed dividends) received (or deemed to be received) on the Series 21 Shares or the Series 22 Shares, as the case may be, by a Holder that is an individual (other than certain trusts) will be included in such Holder's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations. Individuals are entitled to an enhanced gross-up and dividend tax credit in respect of "eligible dividends" received from taxable Canadian corporations, such as the Corporation, if such dividends have been designated as eligible dividends by the Corporation at or before the time of payment. By notice in writing on the Corporation's website, the Corporation advised its shareholders that all dividends paid by the Corporation will be "eligible dividends" unless the Corporation otherwise notifies its shareholders.

Dividends received by a Holder who is an individual (other than certain trusts) may give rise to a liability for alternative minimum tax under the Tax Act.

Dividends (including deemed dividends) received on the Series 21 Shares or the Series 22 Shares, as the case may be, by a Holder that is a corporation will be included in computing the Holder's income and will generally be deductible in computing the Holder's taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Holder that is a corporation as proceeds of disposition or as a capital gain. Holders that are corporations should consult their own tax advisors with respect to the potential application subsection 55(2) of the Tax Act having regard to their own circumstances.

A Holder that is a "private corporation" or a "subject corporation" (as such terms are defined in the Tax Act) may generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Series 21 Shares or the Series 22 Shares, as the case may be, to the extent such dividends are deductible in computing its taxable income. A Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on its "aggregate investment income", which is defined in the Tax Act to include dividends received (or deemed to be received) that are not deductible in computing income for a year.

The Series 21 Shares and the Series 22 Shares will be "taxable preferred shares" as defined in the Tax Act. The terms of the Series 21 Shares and the Series 22 Shares require the Corporation to make the necessary election under Part VI.1 of the Tax Act so that corporate Holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series 21 Shares or the Series 22 Shares.

Dispositions

A Holder who disposes of or is deemed to dispose of Series 21 Shares or Series 22 Shares (on the redemption of such shares or otherwise but not including on a conversion of Series 21 Shares into Series 22 Shares, a conversion of Series 22 Shares into Series 21 Shares, a tax-deferred transaction or disposition to the Corporation that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) will generally realize a capital gain (or a capital loss) to the extent that the Holder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to the Holder. The amount of any deemed dividend arising on the redemption, acquisition or cancellation by the Corporation of Series 21 Shares or Series 22 Shares, as the case may be, will generally not be included in computing the Holder's proceeds of disposition for purposes of computing the capital gain (or capital loss) arising on the disposition of such Series 21 Shares or Series 22 Shares, as the case may be. See " – Redemption" below.

Generally, one-half of any capital gain realized by a Holder in a taxation year will be included in computing the Holder's income in the year of disposition as a taxable capital gain and one-half of any capital loss (an "**allowable capital loss**") must be deducted from the Holder's taxable capital gains in the year of disposition. Allowable capital losses in excess of taxable capital gains for a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward indefinitely and deducted against net taxable capital gains in those other taxation years, subject to and in accordance with the rules contained in the Tax Act. If the Holder is a corporation, any capital loss arising on a disposition of a Series 21 Share or a Series 22 Share, as the case may be, may, in certain circumstances, be reduced by the amount of any dividends, which have been received (or deemed to be received) on the Series 21 Share or Series 22 Share or any share which was converted into such share. Analogous rules apply to a partnership or trust of which a corporation, partnership or trust is a member or beneficiary.

Capital gains realized by a Holder that is an individual may give rise to a liability for alternative minimum tax under the Tax Act. Taxable capital gains of a "Canadian-controlled private corporation", as defined in the Tax Act, may be subject to an additional refundable tax on its "aggregate investment income", which is defined to include an amount in respect of taxable capital gains.

Redemption

If the Corporation redeems Series 21 Shares or Series 22 Shares, or otherwise acquires or cancels Series 21 Shares or Series 22 Shares (other than by a purchase by the Corporation of the shares in the open market in the manner in which shares are normally purchased by any member of the public in the open market), the Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Corporation in excess of the paid-up capital (as determined for purposes of the Tax Act) of such shares at such time. Generally, the difference between the amount paid and the amount of the deemed dividend will be treated as proceeds of disposition for purposes of computing the capital gain or capital loss arising on the disposition of such shares. See "Dispositions" above. In the case of a Holder that is a corporation, it is possible that in certain circumstances all or part of any such deemed dividend may be treated as proceeds of disposition and not as a dividend.

Conversion

The conversion of Series 21 Shares into Series 22 Shares and the conversion of Series 22 Shares into Series 21 Shares will not constitute a disposition of property for purposes of the Tax Act and, accordingly, will not give rise to a capital gain or capital loss. The cost to a Holder of the Series 22 Shares or Series 21 Shares, as the case may be, received on the conversion will, subject to the cost averaging rules contained in the Tax Act for identical properties, be deemed to be equal to the Holder's adjusted cost base of the converted Series 21 Shares or Series 22 Shares, as the case may be, immediately before the conversion.

INTERESTS OF EXPERTS

Certain legal matters relating to the Offering will be passed upon by Blake, Cassels & Graydon LLP, on behalf of Pembina, and by Bennett Jones LLP, on behalf of the Underwriters. As at the date of this prospectus supplement, the partners and associates of Blake, Cassels & Graydon LLP, and the partners and associates of Bennett Jones LLP, each as a group, own, directly or indirectly, less than 1% of each class of outstanding securities of the Corporation.

The auditors of the Corporation are KPMG LLP, Chartered Professional Accountants, of Calgary, Alberta, Canada. KPMG LLP are independent professional accountants with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

The audited consolidated financial statements of Veresen as at and for the years ended December 31, 2016 and December 31, 2015, together with the notes thereto, incorporated by reference in the Prospectus have been audited by PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Calgary, Alberta, Canada, as indicated in the auditors' report thereon dated February 28, 2017, which is also incorporated by reference in the Prospectus. PricewaterhouseCoopers LLP has confirmed that they were independent of Veresen within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Series 21 Shares and Series 22 Shares is Computershare Trust Company of Canada at its principal offices in Calgary, Alberta, and Toronto, Ontario.

CERTIFICATE OF THE UNDERWRITERS

Date: November 30, 2017

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

RBC DOMINION SECURITIES INC.	CIBC WORLD MARKETS INC.	SCOTIA CAPITAL INC.
By: (signed) "*Douglas Pearce*"	By: (signed) "*Kelsen Vallee*"	By: (signed) "*David Baboneau*"

BMO NESBITT BURNS INC.

By: (signed)
"*Tim Lisevich*"

TD SECURITIES INC.

By: (signed)
"*Scott Barron*"

NATIONAL BANK FINANCIAL INC.

By: (signed)
"*Iain Watson*"

GMP SECURITIES L.P.

By: (signed)
"*Dean M. Willner*"

CANACCORD GENUITY CORP.	DESJARDINS SECURITIES INC.	INDUSTRIAL ALLIANCE SECURITIES INC.	RAYMOND JAMES LTD.
By: (signed) "*Andrew D. Birkby*"	By: (signed) "*Stuart Roberts*"	By: (signed) "*Trevor Conway*"	By: (signed) "*Jason Holtby*"