

CORPORATE GOVERNANCE DISCLOSURE

(as at February 16, 2012)

The board of directors and senior management of the General Partner recognize that effective corporate governance is central to the prudent direction and operation of the Partnership in a manner that enhances unitholder value. The Partnership's corporate governance practices and policies have been established pursuant to the Partnership Agreement, National Policy 58-201 – *Corporate Governance Guidelines*, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Instrument 52-110 – *Audit Committees* (collectively, the "**Governance Guidelines**").

The corporate governance practices and policies of the Partnership have been developed under the general auspices of the Governance Committee of the board of directors of the General Partner. The Governance Committee believes that the corporate governance practices of the Partnership are appropriate for a limited partnership such as the Partnership. In addition, the Governance Committee reviews the governance practices and policies of the Partnership on an ongoing basis to ensure that the Partnership complies with the Governance Guidelines.

The discussion that follows relates primarily to the Governance Guidelines and highlights various elements of the Partnership's corporate governance program. It has been approved by the Governance Committee and by the board of directors of the General Partner.

Board of Directors

The board of directors currently consists of nine directors who provide a wide variety of business experience, of whom a majority (five of nine) are independent. The Partnership Agreement requires that there be no more than nine board members, five of whom are required to be Independent Directors, as defined in the Partnership Agreement. The board is responsible for determining whether or not each director is independent within the meaning of such term as defined in the Governance Guidelines. A director is considered independent in accordance with the Governance Guidelines only where the board determines that the director has no direct or indirect material relationship with the Partnership, the General Partner, or any of their affiliates or subsidiaries. A material relationship is defined in National Instrument 52-110 to mean any relationship which could, in the view of the board, be reasonably expected to interfere with the exercise of a director's independent judgment. On an annual basis, the Governance Committee reviews each relationship that a director has with the Partnership, the General Partner, and their affiliates and subsidiaries, including business, familial and other relationships, in order to determine whether the director is or remains independent. The following members of the board have been determined to be independent for the purposes of the Governance Guidelines: Messrs. Brown, Keinick, Robertson, Sangster and Shaw. Each of the independent directors is free from any business, familial, or other relationship which could, in the view of the board, be reasonably expected to interfere with the director's ability to exercise his independent judgment.

Messrs. Driscoll, Fesyk, Errico and Brigstocke are not considered by the board to be independent within the meaning of the Governance Guidelines because each has a direct or indirect material relationship with the Partnership or the General Partner, or an affiliate thereof, as applicable. Mr. Fesyk is the President and CEO of the General Partner and is a non-voting shareholder of Pipeline Assets Corp., the sole shareholder of the General Partner. Therefore, Mr. Fesyk is not considered to be an independent director. Mr. Fesyk is the sole member of the board of directors who is also a member of the management team of the General Partner. Mr. Errico is not considered to be an independent director because he is a non-voting shareholder of Pipeline Assets Corp. Mr. Brigstocke was, until April 17, 2011, a director of an affiliate of Pipeline Assets Corp. in the United Kingdom and, accordingly, is not considered to be an independent director. The Governance Committee is of the opinion that Mr. Brigstocke should not be considered an independent director until a period of three years has elapsed following the cessation of the aforementioned directorship, which is consistent with the timeframe set forth in the definition of independence in National Instrument 52-110. Mr. Driscoll, the chairman of the board, is not considered to be an independent director because of his control of all of the voting shares of Pipeline Assets Corp.

In order to continue to address the requirements of the Governance Guidelines and the chairman's non-independence, and to create a balance of authority and provide for objective leadership, the independent directors of the board have appointed Mr. Robertson to act as the lead independent director. In accordance with the role description of the lead independent director, which is reviewed by the board's independent directors on an annual basis, Mr. Robertson's responsibilities as lead independent director, in conjunction with the Governance Committee, include promoting the enhancement and effectiveness of the governance practices of the General Partner and the Partnership by serving as a liaison, when necessary, between the independent directors and the chairman of the board with respect to issues not readily or easily discussed at meetings of the full board. In addition, the lead independent director is responsible for ensuring that the board understands and maintains the boundaries between board and management responsibilities. Meetings of the independent directors held following each meeting of the board or at any other time are chaired by the lead independent director.

The board of directors has taken steps to ensure that adequate structures and processes are in place to permit the board to function independently. In addition to having established the lead independent director position in early 2007, it is a requirement of the board's terms of reference (the "**Board Mandate**") that the independent directors hold in camera sessions following each meeting of the board in order to facilitate open and candid discussion amongst the board's independent directors. In 2011, five board meetings were called and the independent directors met following each meeting. Similar in camera sessions are held during each of the meetings of the committees of the board. The board also excuses members of management and non-independent directors from portions of any meeting at which a potential conflict arises or where otherwise appropriate. The same approach is adopted at meetings of board committees from time to time. Furthermore, the board of directors also passed a resolution requiring that any material acquisition or divestiture which could result in an acquisition or divestiture fee being paid by the Partnership to the General Partner pursuant to the Partnership Agreement be independently reviewed by the independent directors before the General Partner may proceed with such a transaction. The independent directors have the ability to veto any such transaction. This review process was followed in 2011 in respect of the Partnership's recent acquisition of four petroleum storage terminals in Denmark from a subsidiary of DONG Energy Power A/S. The independent directors have the ability to retain independent external advisors, at the Partnership's expense, as they deem necessary. The independent directors are also provided unfettered access to information regarding the Partnership's activities.

The board has not adopted a formal policy limiting the number of outside directorships held by the directors. However, the Board Mandate provides that the board holds the responsibility to approve outside directorships or trusteeships on boards of public and private companies or entities in the same or related businesses as the Partnership. The board has delegated this responsibility to the Governance Committee. In this regard, the Governance Committee considers whether the director in question will be reasonably able to meet his or her duties in light of the responsibilities associated with fulfilling his or her duties as a director of the General Partner.

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

<u>Name of Director</u>	<u>Name of Other Issuer</u>
Nicholas Brigstocke	Azure Dynamics Corporation (UK and Canada) DDD Group PLC (UK)
John Driscoll	Canadian Income Management Inc. Canadian Income Management Trust Diversified Preferred Share Trust NCE Diversified Flow-Through (11) Limited Partnership NCE Diversified Flow-Through (12) Limited Partnership Sentry Select Primary Metals Corp. Sentry Group of Funds Sentry Group of Funds2
Jeffery Errico	Crew Energy Inc. Guide Exploration Ltd. Insignia Energy Ltd. NCE Diversified Flow-Through (11) Limited Partnership NCE Diversified Flow-Through (12) Limited Partnership

<u>Name of Director</u>	<u>Name of Other Issuer</u>
William Robertson	Argent Energy Trust Harvest Operations Corp.
Brant Sangster	Canadian Oil Sands Limited Harvest Operations Corp. Titanium Corporation

The attendance record of each director for board and committee meetings held since January 1, 2011, is as follows:

<u>Name of Director</u>	<u>Attendance Record</u>
Nicholas Brigstocke	5/5 Board Meetings
Lorne Brown	5/5 Board Meetings 4/4 Audit Committee Meetings 3/3 Environment, Health and Safety Meetings
John Driscoll	5/5 Board Meetings
Jeffery Errico	5/5 Board Meetings
David Fesyk	5/5 Board Meetings
Duane Keinick	5/5 Board Meetings 3/3 Compensation Committee Meetings 3/3 Environment, Health and Safety Meetings 2/2 Governance Committee Meetings
William Robertson	5/5 Board Meetings 4/4 Audit Committee Meetings 3/3 Compensation Committee Meetings 2/2 Governance Committee Meetings
Brant Sangster	5/5 Board Meetings 4/4 Audit Committee Meetings 3/3 Environment, Health and Safety Meetings
Richard Shaw	5/5 Board Meetings 3/3 Compensation Committee Meetings 2/2 Governance Committee Meetings

Board Mandate

The primary responsibilities of the board of directors, as further described in the Board Mandate available at www.interpipelinefund.com and set forth in Schedule "F" – "Board Terms of Reference" attached to the Annual Information Form, are set out below. The Board Mandate is reviewed and, if required, updated annually by the board of directors and was reaffirmed by the board of directors in February 2012. The board's primary responsibility is to foster the long term success of the Partnership, consistent with the obligations of the General Partner under the Partnership Agreement, and to foster the long term success of the General Partner as consistent with the board's responsibility to its shareholders to maximize shareholder value. Subject to the Unanimous Shareholders Agreement between the General Partner and Pipeline Assets Corp. (the "USA"), the board of directors has plenary power and is responsible for all significant decisions that affect the Partnership and the General Partner. The board of directors delegates certain of its responsibilities to the various committees of the board, as set out in the terms of reference of each committee. The board of directors acts in accordance with the Partnership Agreement and applicable laws.

Strategic Planning Process

The board of directors directs the strategic planning of the Partnership. The strategic plan of the Partnership for 2012 was reviewed by the board of directors in October 2011. Pursuant to the Board Mandate, the board reviews and approves the Partnership's: (i) budgets, (ii) financial and operating objectives used in determining compensation, (iii) the entering into, or withdrawing from, material lines of business, and (iv) material divestitures and acquisitions, subject to the independent review and approval function of the independent directors. In general, the board monitors management's achievements in implementing the Partnership's strategies and objectives.

Business and Risk Management

The board of directors has the responsibility to take all reasonable steps to ensure that management has identified the principal risks of the businesses of the Partnership and the General Partner and has implemented appropriate systems to manage these risks. The Audit Committee and the Environment, Health and Safety Committee meet regularly to review reports from management and to discuss significant risk areas and appropriate risk management policies. The Compensation Committee also considers risk management issues in relation to compensation matters.

Succession Planning, Compensation, Senior Management, Employees

The board of directors holds responsibility for succession planning and is responsible for choosing the President and CEO. The Governance Committee reviews succession planning issues on a regular basis, including, specifically, succession planning in relation to the position of President and CEO. In this regard, typically on a biannual basis, the Governance Committee reviews a highly detailed succession plan for senior leadership positions prepared by the President and CEO that includes a detailed description of the potential successors for senior leadership positions in the organization, including candidates for the position of President and CEO. The Compensation Committee reviews the compensation and performance of officers and employees and makes recommendations in respect thereof to the board of directors for approval. The Compensation Committee also reviews the compensation of directors and makes recommendations in respect thereof to the board of directors for approval. The board approves decisions relating to the appointment of senior management personnel and any employment contracts or other special arrangements that may have a material impact on the Partnership or its human resources and/or compensation policies.

Corporate Communications

The board approves all of the Partnership's major communications, including annual and quarterly reports, financing documents and major news releases. A Disclosure Policy has been adopted by the board, which covers the accurate and timely communication of all important information. A copy of the Disclosure Policy is available at www.interpipelinefund.com. This policy is reviewed annually under the supervision of the Governance Committee and was amended in February 2012. The Partnership provides updates to unitholders as required by the Partnership Agreement and also communicates via its website at www.interpipelinefund.com. Regular conference calls are held with financial analysts, unitholders and other stakeholders. Unitholders are able to provide feedback as outlined on the Partnership's website. The General Partner's Code of Ethics is posted on this website, as are certain other policies of the Partnership.

Compliance Reporting and Internal Controls

The board, through the Audit Committee, the Governance Committee, and the Environment, Health and Safety Committee, reviews the effectiveness of the Partnership's control processes and information systems by consulting with management and outside experts as necessary to ensure the integrity of the processes and systems. In 2011, the Audit Committee continued to monitor the testing of the control processes and systems of the Partnership through regular updates at each meeting of the Committee. The Committees review these control processes on a continuing basis.

The Audit Committee oversees the application of a "whistleblower" policy and the functioning of a "whistleblower hotline". This "hotline" is operated by a third party service provider to provide an anonymous way for employees

and others to report concerns or complaints regarding accounting, internal accounting controls or auditing matters. Any reports made through the "hotline" are reported directly to the chair of the Audit Committee.

Position Descriptions

The board has developed written position descriptions for its chair, the chair of each of the board committees, the lead independent director, the President and CEO and all other senior officers of the General Partner. The responsibilities of each committee chair are set out in each respective committee's charter. The written position descriptions of the chair, the lead independent director and the committee charters are available on the Partnership's website at www.interpipelinefund.com. The Governance Committee is responsible for developing and updating these position descriptions.

Orientation and Continuing Education

All new directors receive a comprehensive orientation following their appointment to the board of directors. A record of historical public information about the Partnership, the Board Mandate and terms of reference for each of the board committees, the Partnership Agreement, other material contracts, and the Partnership's policies are provided to each new director by the General Partner's corporate secretary. The orientation program for each new director is tailored to his or her needs; however, the focus of the orientation program is on providing new directors with (i) information about the director's duties and obligations as a member of the board of the General Partner and any board committee on which the director is invited to serve, (ii) information about the Partnership's business and operations, and (iii) the expectations of directors. New directors are invited to meet with the chairman of the board, other directors, and senior members of the management team in the first few months following their appointment.

All directors are invited and encouraged to table questions to other directors and senior management team members as the need arises at any time during their term as a director on the board of the General Partner. Directors are invited to, and take part in, tours of the facilities of the Partnership and are encouraged to interact with management to better understand the nature of the business. In 2011, all directors were invited to participate in a tour of certain of the Cold Lake pipeline system's facilities. The General Partner's five independent directors attended this site tour. Senior officers provide directors with information in respect of courses and programs available to them which may enhance skills and knowledge and also provide regular updates of changes in the law or business environment.

The board members, as well as certain of the General Partner's officers, are members of the Institute of Corporate Directors, a not-for-profit, member-based association promoting the effectiveness of Canadian directors and boards. This membership provides members with the opportunity to attend educational seminars each month on current topics of interest to Canadian boards of directors. The Institute of Corporate Directors also provides written updates to its membership on current issues affecting board members. The General Partner's board members were actively engaged in attending a number of the Institute of Corporate Directors' seminars throughout the year.

The corporate secretary provides regular updates to board committees on changes in the law that impact each committee's area of responsibility. For example, when the Canadian Securities Administrators release guidance on various disclosure requirements from time to time, the corporate secretary prepares an overview of such guidance and presents a summary to the applicable committee. In addition, when proposed amendments to Canadian securities laws are tabled, the corporate secretary prepares a summary of such proposals for the board's consideration. Periodically, the corporate secretary also provides an overview of the fiduciary obligations of the board and provides specific advice in this regard to the board's independent directors.

Regular updates on the Partnership's business environment are typically provided at the board's quarterly meetings. Such updates include assessments of the Partnership's performance relative to its strategic plan, which plan is considered in detail at the board's annual strategic planning session (see "Strategic Planning Process" above), the Partnership's performance relative to its peers, and other developments that could materially affect the Partnership's business, including any significant regulatory developments that affect the Partnership. Directors are also provided with a written monthly report from the President and CEO which provides an overview of key developments and initiatives of the Partnership in the month.

Ethical Business Conduct

The board has adopted a written code of business conduct and ethics applicable to all directors, officers and employees and to subsidiaries of the Partnership. The Code of Ethics can be viewed at www.interpipelinefund.com. The Governance Committee has the responsibility to monitor compliance with the Code of Ethics and to recommend improvements as deemed necessary or desirable. The Code of Ethics is reviewed annually by the Governance Committee. The General Partner monitors compliance with the Code of Ethics, and the board of directors and management of the General Partner encourage and promote a culture of ethical business conduct as follows:

- Each director, officer and employee is required to review and sign the Code of Ethics annually.
- In 2008, a detailed online training program concerning the Code of Ethics was created and implemented. Each employee is required to complete this online training program.
- Each director is required to sign a supplement to the Code of Ethics stating that the director shall make full disclosure of any conflict of interest, real or perceived, between their personal business and affairs and that of the Partnership. It is recognized that certain directors are also shareholders of the General Partner and that such shareholdings give rise to the potential for conflicts of interest and that such shareholdings must be fully disclosed. Therefore, directors are required to ensure that their private and personal interests neither interfere, nor appear to interfere, with the interests of the Partnership. See also "Board of Directors" and the discussion therein of the role of the independent directors in approving material acquisitions and divestitures that could result in an acquisition or divestiture fee being paid to the General Partner pursuant to the Partnership Agreement.
- The Partnership has adopted a "whistleblower" policy and "hotline". The "whistleblower hotline" is a confidential and anonymous reporting system that allows employees and others to report suspected illegal, unethical or improper conduct in violation of the Code of Ethics (see also "Board Mandate – Compliance Reporting and Internal Controls").
- Management has developed and implemented a Fraud Response Plan to address circumstances in which a fraud may have occurred in order to ensure appropriate and consistent action is taken. The Fraud Response Plan includes an overview of the roles and responsibilities associated with fraud investigations, and documentation requirements for fraud response processes.
- The Audit Committee is notified of any alleged violations of the Code of Ethics relating to accounting, internal controls or auditing matters and reports to the board following any such notifications.
- The Governance Committee receives a summary of any reported violations of the Code of Ethics at each of its regularly scheduled meetings and reports to the board following receipt of such summary.

To date, the Partnership has not been required to file a material change report relating to a departure from the Code of Ethics.

Nomination of Directors

In accordance with the USA, Pipeline Assets Corp., as the sole shareholder of the General Partner, is required to receive and give due consideration to recommendations from the Governance Committee as to nominees for election by Pipeline Assets Corp. to the board of directors of the General Partner. As indicated in the section hereof entitled "Board of Directors", Mr. Driscoll, the chairman of the board, is the controlling voting shareholder of Pipeline Assets Corp. Unitholders, each of whom is a Limited Partner pursuant to the Partnership Agreement, do not have the ability to elect the board of directors of the General Partner. In determining who to recommend as board nominees to Pipeline Assets Corp., the Governance Committee, which is comprised entirely of independent directors, annually reviews the performance of each individual director (see "Assessments" below) and undertakes a detailed search in the event that a new or additional board member is to be added to the board of directors. The Governance Committee considers gaps in the board's composition or expertise prior to seeking candidates for board membership

and then invites current board members (including the President and CEO) to provide nominees for the position. The Governance Committee then compares the skill sets, expertise and backgrounds of the nominees to the board composition and expertise gaps identified previously. Each nominee's achievements, experience, independence, and integrity are also considered by the Governance Committee, in addition to the existing commitments of a nominee, to ensure that such nominee will be able to fulfill his or her obligations as a board member. Following the completion of this process, the Governance Committee then provides its recommendation to Mr. Driscoll, who controls Pipeline Assets Corp., the shareholder of the General Partner. Ultimately, Pipeline Assets Corp., not the unitholders of the Partnership, has the legal right and obligation to elect the directors of the General Partner.

Retirement Policy Applicable to Directors

A retirement policy applicable to directors of the General Partner has not been established.

Compensation

The Compensation Committee is comprised solely of independent directors. This committee's purpose is to assist the board by dealing with specific issues which may affect the compensation of the General Partner's directors, officers, senior management and the application of the compensation philosophy to the General Partner's employees reporting through senior management. In particular, the members of the committee are responsible for reviewing the corporate goals and objectives relevant to the President and CEO's compensation, evaluating the President and CEO's performance against those goals and objectives and making recommendations to the board with respect to the President and CEO's compensation.

The Compensation Committee's recommendations with respect to directors' compensation are also presented to the board. Prior to making its recommendations, the committee reviews the form and adequacy of the directors' compensation to ensure that it accurately reflects the responsibilities and risks of being a director of the General Partner. Chairs of each committee of the board receive a supplemental fee for acting in that capacity.

All compensation components, including the Deferred Unit Rights Plan, are subject to the review and approval of the Compensation Committee. The Compensation Committee also assists the board by continually reviewing the compensation philosophy and making recommendations to the board as to changes to improve the General Partner's ability to recruit, retain and motivate employees. This committee reviews executive compensation disclosure before the Partnership publicly discloses this information. Three meetings of the committee were held in 2011.

In 2011, the Compensation Committee utilized compensation survey information provided by Mercer Human Resource Consulting Ltd. ("**Mercer**"), an independent human resource consulting firm, to help assess the competitiveness of the General Partner's executive compensation practices. Information provided by Mercer is based on its annual survey of compensation practices within the Canadian energy industry. No direct services were provided by Mercer to the Compensation Committee in 2011, and, as a result, no fees were paid to Mercer beyond the fees associated with the provision of the survey information to the General Partner.

Other Board Committees

The board has established the following four committees to assist with its responsibilities: (i) Audit, (ii) Environment, Health and Safety, (iii) Governance, and (iv) Compensation. Further information about each committee and its members can be found in the Annual Information Form, throughout this Schedule "C", and in the mandates, charters and/or terms of reference of each committee, which are available at www.interpipelinefund.com. The following is a brief description of each committee:

Audit Committee

The Audit Committee consists of Messrs. Robertson (Chair), Brown and Sangster, all of whom are independent directors. The terms of reference of the Audit Committee outline its overall responsibility to assist the board in fulfilling its oversight responsibilities with respect to financial reporting matters. Specific responsibilities and duties of the Audit Committee include monitoring the integrity of the financial reporting process and the system of internal

controls and pre-approving all non-audit services to be provided to the Partnership by external auditors. The terms of reference provide that the committee will have responsibility for oversight of the external auditors who shall report directly to the committee. In addition, the terms of reference direct that all committee members shall be financially literate with a working familiarity of basic finance and accounting practices and at least one member shall have accounting or related financial management expertise. The Partnership believes that the current composition of the committee complies with these financial literacy and expertise requirements.

The terms of reference of the Audit Committee provide that the committee has authority to retain, at the Partnership's expense, special legal, accounting and other consultants or experts it deems necessary in the performance of its duties. The retaining of outside financial and legal advisors at the expense of the Partnership at the request of individual board members is authorized in the event that a special committee of the board is formed.

The Audit Committee meets regularly and reviews the Partnership's annual consolidated financial statements, quarterly financial statements, Management's Discussion and Analysis and attendant press releases. It works with management to develop an annual audit plan, reviews all auditors' recommendations and meets independently with the auditors. The Audit Committee also meets with management without the auditors present following each Audit Committee meeting. The Audit Committee's terms of reference were reviewed in 2011 and include items which represent best practices and developments in this area. Four meetings of the Audit Committee were held in 2011.

Environment, Health and Safety Committee

The Environment, Health and Safety Committee consists of Messrs. Brown (Chair), Keinick and Sangster, all of whom are independent directors. The general purpose of this committee is to assist the board by dealing with specific issues in the environment, health and safety areas. The committee is responsible for environment, health and safety reporting to the board and to the Partnership's unitholders and is also responsible for reviewing the General Partner's environment, health and safety and asset integrity programs, initiatives and performance. This committee meets regularly and scrutinizes compliance matters, emergency preparedness and safety concerns and reviews internal controls in these areas. Three meetings of this committee were held in 2011. All board members are encouraged to tour the Partnership's facilities (see "Orientation and Continuing Education") and in 2011, the committee members, accompanied by two additional independent board members, toured certain of the Cold Lake pipeline system's facilities.

Governance Committee

The Governance Committee consists of Messrs. Shaw (Chair), Keinick and Robertson, all of whom are independent directors. The general purpose of this committee is to enhance corporate and partnership governance through a continuing assessment of the approaches to corporate and partnership governance and to make policy recommendations in respect thereof. The committee met two times in 2011. Many of the specific duties of this committee are highlighted in other sections of this Schedule.

Compensation Committee

The Compensation Committee consists of Messrs. Keinick (Chair), Robertson and Shaw, all of whom are independent directors. The Compensation Committee met three times in 2011. For further information concerning the responsibilities, powers and operation of the Compensation Committee, see "Compensation" and Schedule "D" – "Statement of Executive Compensation" attached to the Annual Information Form.

Assessments

The Governance Committee is required to review and report to the board on an annual basis its assessment of the performance of the board and the basis of its evaluation. In completing this assessment, the Governance Committee must review the performance of individual board members and must also assess the effectiveness of the board as a whole and recommend steps which may be taken to improve effectiveness. A key part of this process is the completion, on an annual basis, of an anonymous and confidential long form written directors' questionnaire by each director (the "**Questionnaire**"). The content of the Questionnaire is reviewed on an annual basis by the Governance

Committee and is revised as deemed necessary prior to the issuance of the Questionnaire to all directors in the last quarter of each fiscal year. The results of the Questionnaire are considered by the Governance Committee in its report and recommendations regarding board member performance to the board and to Pipeline Assets Corp., the shareholder of the General Partner. The Questionnaire includes numerous questions pertaining to the operation and governance of the board, resources and information available to the board, planning and budgeting processes, board effectiveness, board communications, independence of directors, committee performance and disclosure issues. Furthermore, the Questionnaire includes a detailed peer evaluation section, through which the directors independently evaluate each board member's effectiveness in areas such as communication skills, dedication to the board, understanding of the Partnership's business and risks and, if applicable, committee responsibilities. A self-evaluation component is not included in the current Questionnaire. In addition to the Questionnaire process, directors are encouraged to discuss directly with Mr. Driscoll and/or Mr. Robertson, in his capacity as lead independent director, any performance-related issues concerning board members.

Following the Governance Committee's review of the Questionnaire results, the chair of the Governance Committee meets with Mr. Driscoll, the controlling voting shareholder of Pipeline Assets Corp., which is the sole shareholder of the General Partner and the entity which is legally obligated to elect the directors of the General Partner, to discuss the Governance Committee's recommendations with respect to which directors should be appointed to the board for a further term of one year. Pipeline Assets Corp. is legally required to receive and give due consideration to recommendations from the Governance Committee as to nominees for election by Pipeline Assets Corp. to the board of directors of the General Partner. See "Nomination of Directors" above for a further discussion of the nomination process. In addition, the Governance Committee reports its assessment of the performance of the board and supporting information to the full board.