

This pricing supplement, together with the prospectus to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference into the prospectus, as amended or supplemented, constitutes a public offering of these securities only in the jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The offering of Notes (as defined herein) under this pricing supplement is directed only to residents of Canada and Notes may only be offered outside of Canada by the Dealers (as defined herein) with the consent of Pembina (as defined herein). The Notes have not been and will not be 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), except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This pricing supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in the United States.

PEMBINA PIPELINE CORPORATION



Pricing Supplement No.:

4

Date:

January 8, 2020

(To a short form base shelf prospectus of Pembina Pipeline Corporation ("**Pembina**" or the "**Corporation**") dated August 30, 2019 qualifying the distribution of medium term notes (the "**Prospectus**"))

MEDIUM TERM NOTES – SERIES 10 **(unsecured)**

Terms of Issue

Designation:

4.02% Medium Term Notes, Series 10 (the "**Notes**")

\$400 million aggregate principal amount of Notes (the "**Prior Notes**") were issued by Pembina on March 26, 2018. The Notes offered hereby will form a single series with the Prior Notes and will have the same maturity date. Upon settlement, the Notes will have the same CUSIP/ISIN numbers as, and will trade interchangeably with, the Prior Notes.

CUSIP/ISIN:

70632ZAK7 / CA 70632ZAK71

Re-Opening Amount:

\$250 million (total of \$650 million outstanding)

Commission Rate:

0.40%

Re-Opening Price:

\$1,062.36 per \$1,000 principal amount, plus accrued and unpaid interest from and including September 27, 2019 to but excluding January 10, 2020 in the amount of \$11.56438356 per \$1,000 of principal amount of Notes.

Net Proceeds (after commission):

\$264,590,000.00 plus accrued and unpaid interest (\$2,891,095.89).

Currency:

Canadian dollars

Original Settlement Date:

March 26, 2018

Trade Date:

January 8, 2020

Settlement Date:

January 10, 2020

Maturity Date:

March 27, 2028 (re-opening)

Re-Opening Yield to Maturity:

3.129%

Place of Delivery:

Calgary, Alberta

Coupon Rate:

4.02% per annum

Coupon Dates:	Semi-annually in arrears on March 27 and September 27 in each year.
Next Coupon Payment Date:	March 27, 2020
Next Coupon Payment:	\$20.10 per \$1,000 principal amount, being all accrued and unpaid interest on the Notes from and including September 27, 2019 to but excluding March 27, 2020.
Redemption Provisions:	Pembina may redeem the Notes, either in whole at any time, or in part from time to time, upon not less than 30 and not more than 60 days prior notice, (a) at any time prior to December 27, 2027 at a price equal to the greater of (i) par and (ii) the Canada Yield Price (as defined herein), and (b) at any time on or after December 27, 2027 (3 month par call) at a price equal to par, plus, in either case, accrued but unpaid interest, if any, to but excluding the date of redemption.
Form of Notes:	Global Note registered in the name of "CDS & Co."
Trustee:	Computershare Trust Company of Canada
Dealers:	CIBC World Markets Inc. RBC Dominion Securities Inc. TD Securities Inc. BMO Nesbitt Burns Inc. National Bank Financial Inc. Scotia Capital Inc. AltaCorp Capital Inc. J.P. Morgan Securities Canada Inc. (collectively, the " Dealers ")
Method of Distribution:	Agency
Aggregate Principal Amount of Medium Term Notes Outstanding under the Indenture (as defined herein) (including those described in this Pricing Supplement No. 4, the Series 12 Notes (as defined herein) described in Pricing Supplement No. 5 and the Series 11 Notes (as defined herein) described in Pricing Supplement No. 6):	\$8,400 million
Use of Proceeds:	The Corporation intends to use the net proceeds from the issue of the Notes pursuant to this Pricing Supplement No. 4, along with the net proceeds from the issue of the Series 12 Notes and the Series 11 Notes pursuant to Pricing Supplement No. 5 and Pricing Supplement No. 6, respectively, to repay indebtedness of the Corporation under its Revolving Credit Facility (as defined herein), as well as to fund the Corporation's capital program and for general corporate purposes. The current indebtedness of the Corporation under the Revolving Credit Facility was incurred in connection with the Cochin U.S. Acquisition (as defined herein) and in the normal course of business to fund the Corporation's capital program. For further details on the Corporation's capital expenditures and the Corporation's expansion and growth capital projects, see the discussion under the headings titled "<i>Projects & New Developments</i>" for each of the Corporation's divisions in the Interim MD&A (as defined herein). The above-noted use of the net proceeds 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 (as defined herein). There is no particular significant event or milestone that must occur for Pembina's business objectives to be accomplished.

Capitalized Terms:

Capitalized terms used in this Pricing Supplement No. 4 and not defined herein have the meaning given to such terms in Pembina's note indenture dated March 29, 2011, as has been amended and supplemented from time to time (the "**Indenture**"), pursuant to which the Notes will be issued.

DOCUMENTS INCORPORATED BY REFERENCE

The Prospectus, into which this Pricing Supplement No. 4 is deemed to be incorporated by reference, also incorporates by reference therein:

- (a) the annual information form of Pembina for the year ended December 31, 2018 dated February 21, 2019;
- (b) the audited annual consolidated financial statements of Pembina as at and for the years ended December 31, 2018 and December 31, 2017, together with the notes thereto and the auditors' report thereon (the "**Annual Financial Statements**");
- (c) the management's discussion and analysis of financial condition and results of operations of Pembina for the year ended December 31, 2018 (the "**Annual MD&A**");
- (d) the management information circular of Pembina dated March 15, 2019 relating to the annual and special meeting of holders (the "**Shareholders**") of common shares in the capital of Pembina ("**Common Shares**") held on May 3, 2019 and the special meeting of holders of Class A preferred shares in the capital of Pembina (the "**Class A Preferred Shares**") held on May 3, 2019, as adjourned to May 31, 2019 and further adjourned to June 25, 2019;
- (e) the unaudited interim condensed consolidated financial statements of Pembina as at and for the three and nine months ended September 30, 2019 (the "**Interim Financial Statements**");
- (f) the management's discussion and analysis of financial condition and results of operations of Pembina for the three and nine months ended September 30, 2019 (the "**Interim MD&A**");
- (g) the material change report of Pembina dated August 23, 2019 relating to the proposed acquisition by Pembina of Kinder Morgan Canada Limited ("**KML**") and the U.S. portion of the Cochin Pipeline system from Kinder Morgan, Inc.;
- (h) the template indicative term sheet (the "**Indicative Term Sheet**") prepared for potential investors in connection with the offering of the Notes and filed on January 8, 2020; and
- (i) the template final term sheet (the "**Final Term Sheet**") prepared for potential investors in connection with the offering of the Notes and filed on January 8, 2020.

The Indicative Term Sheet is not a part of this Pricing Supplement No. 4 to the extent that the contents of the Indicative Term Sheet have been modified or superseded by a statement contained in this Pricing Supplement No. 4. In addition, any statement contained in the Indicative Term Sheet is modified or superseded to the extent that a statement contained in the Final Term Sheet modifies or supersedes such prior statement.

The Indicative Term Sheet did not include a number of terms of the offering of the Notes. The terms of the offering of the Notes have been confirmed to reflect an aggregate principal amount of \$250 million, a yield to maturity (or "re-opening yield" as referred to in the Final Term Sheet) of 3.129% and a re-opening price of \$1,062.36 per \$1,000 principal amount, plus accrued and unpaid interest from and including September 27, 2019 to but excluding January 10, 2020 in the amount of \$11.56438356 per \$1,000 of principal amount of Notes, all as reflected in this Pricing Supplement No. 4.

DEFINITIONS

"**Canada Yield Price**" means, in effect, a price equal to the price of the Notes calculated in accordance with generally accepted financial practice in Canada to provide a yield to the remaining term to December 27, 2027 equal to the Government of Canada Yield plus 0.45% per annum for the Notes.

"**Government of Canada Yield**" means, on any date, in effect, the yield to maturity on such date compounded semi-annually which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the remaining term to December 27, 2027. The Government of Canada Yield will be the average of the yields determined by two major Canadian investment dealers selected by Pembina.

RECENT DEVELOPMENTS

Series D Senior Unsecured Note Repayment

The Corporation repaid \$267 million aggregate principal amount of senior unsecured notes, Series D of Pembina (the "**Series D Senior Unsecured Notes**") at maturity on November 18, 2019. The Series D Senior Unsecured Notes were issued on November 18, 2009 and bore interest at the rate of 5.91% per annum.

Kinder Acquisition

On December 16, 2019, Pembina completed the Kinder Acquisition (as defined herein), pursuant to which Pembina acquired: (i) all of the issued and outstanding restricted voting shares ("**KML Restricted Voting Shares**"), special voting shares ("**KML Special Voting Shares**"), cumulative redeemable minimum rate reset preferred shares, series 1 ("**KML Series 1 Preferred Shares**") and cumulative redeemable minimum rate reset preferred shares, series 3 ("**KML Series 3 Preferred Shares**") in the capital of KML and all of the issued and outstanding class B units in the capital of Kinder Morgan Canada Limited Partnership ("**Class B Units**") by way of a court-approved plan of arrangement under Section 193 of the *Business Corporations Act* (Alberta) (the "**Corporate Acquisition**"), in accordance with the terms and conditions of the amended and restated arrangement agreement dated September 10, 2019 between Pembina and KML; and (ii) the U.S. portion of the Cochin Pipeline system in accordance with the terms and conditions of the purchase and sale agreement dated August 20, 2019 among Kinder Morgan Operating L.P. "A", Pembina U.S. Corporation, Kinder Morgan, Inc. and Pembina (the "**Cochin U.S. Acquisition**" and, together with the Corporate Acquisition, the "**Kinder Acquisition**"). The total purchase price for the Kinder Acquisition was approximately \$4.35 billion.

Pursuant to the Corporate Acquisition: (a) holders of KML Restricted Voting Shares received, for each KML Restricted Voting Share held, 0.3068 of a Common Share; (b) holders of KML Special Voting Shares, and associated Class B Units, received, for each KML Special Voting Share held, a cash payment of \$0.000001 and, for each associated Class B Unit held, 0.3068 of a Common Share; (c) holders of KML Series 1 Preferred Shares received, for each KML Series 1 Preferred Share held, one cumulative redeemable rate reset class A preferred share, series 23 in the capital of Pembina ("**Series 23 Class A Preferred Shares**") with substantially the same terms and conditions as the KML Series 1 Preferred Shares; and (d) holders of KML Series 3 Preferred Shares received, for each KML Series 3 Preferred Share held, one cumulative redeemable rate reset class A preferred share, series 25 in the capital of Pembina ("**Series 25 Class A Preferred Shares**") with substantially the same terms and conditions as the KML Series 3 Preferred Shares. An aggregate of 35.7 million Common Shares, 12,000,000 Series 23 Class A Preferred Shares and 10,000,000 Series 25 Class A Preferred Shares were issued by Pembina under the Corporate Acquisition.

In connection with the Corporate Acquisition, the Corporation also assumed KML's obligations under its \$500 million unsecured revolving credit facility (the "**KML Credit Facility**") and converted such indebtedness into a \$500 million non-revolving term loan (the "**Term Loan**"). The Term Loan has an initial maturity date of August 31, 2022 and is pre-payable at Pembina's option without penalty.

Pursuant to the Cochin U.S. Acquisition, Pembina, through its wholly-owned subsidiary, Pembina U.S. Corporation, acquired all of the outstanding membership interests in Kinder Morgan Cochin LLC, the entity holding the U.S. portion of the Cochin Pipeline system, from Kinder Morgan Operating L.P. "A" for approximately \$2.05 billion in cash. The cash consideration paid under the Cochin U.S. Acquisition was funded through a draw down on Pembina's unsecured \$2.5 billion revolving credit facility (the "**Revolving Credit Facility**") and the Term Loan.

Dividend Increase

In connection with the completion of the Kinder Acquisition, on December 16, 2019, the Corporation announced that its board of directors approved a 5% increase in its monthly Common Share dividend rate from \$0.20 per Common Share to \$0.21 per Common Share. The first dividend under which the increase will take effect is expected to be declared in early January 2020 and payable on or about February 15, 2020.

Lump Sum Contract for PDH/PP Facility

On January 7, 2020, Pembina and Petrochemical Industries Company K.S.C. ("PIC") of Kuwait jointly announced that Canada Kuwait Petrochemical Corporation, their equally-owned joint venture entity, executed a lump sum engineering, procurement and construction contract related to the construction of the propane dehydrogenation ("PDH") facility within its integrated PDH and polypropylene ("PP") upgrading facility ("PDH/PP Facility"). In connection with the execution of the lump sum contract, Pembina revised its proportionate share of the capital cost of the PDH/PP Facility, including the 100 percent directly-owned supporting facilities, from \$2.5 billion to \$2.7 billion. In addition, Pembina and PIC announced that the PDH/PP Facility is expected to be placed into commercial service in the second half of 2023.

Concurrent Note Offering

Concurrently with the offering of the Notes pursuant to this Pricing Supplement No. 4, the Corporation has also agreed to issue \$250 million aggregate principal amount of Medium Term Notes, Series 12 due April 3, 2029 (the "Series 12 Notes") and \$500 million aggregate principal amount of Medium Term Notes, Series 11 due March 26, 2048 (the "Series 11 Notes").

The Series 12 Notes carry a fixed coupon of 3.62% per annum and are being issued pursuant to Pricing Supplement No. 5 to the Prospectus. The Series 11 Notes carry a fixed coupon of 4.75% per annum and are being issued pursuant to Pricing Supplement No. 6 to the Prospectus. The closing of the offering of each of the Series 12 Notes and the Series 11 Notes is anticipated to occur concurrently with the closing of the offering of the Notes offered pursuant to this Pricing Supplement No. 4 (collectively, the "Offering").

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation as at September 30, 2019 before and after giving effect to the repayment of the Series D Senior Unsecured Notes, the Kinder Acquisition and the Offering. The financial information set out below should be read in conjunction with the Annual Financial Statements and 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, 2019.

Designation (\$millions, unless otherwise noted)	Authorized⁽²⁾⁽³⁾	As at September 30, 2019	As at September 30, 2019 after giving effect to the repayment of the Series D Senior Unsecured Notes, the Kinder Acquisition and the Offering
Common Shares ⁽¹⁾	Unlimited	\$13,814 (511,771,314 Common Shares)	\$15,563 (547,500,689 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	\$200	\$200	\$200
Series 17	\$150	\$150	\$150
Series 19	\$200	\$200	\$200
Series 21	\$400	\$400	\$400

Series 23	\$300	-	\$300
Series 25	\$250	-	\$250
Notes ⁽¹¹⁾			
Series A Senior Unsecured Notes ⁽⁴⁾	\$73	\$73	\$73
Series C Senior Unsecured Notes ⁽⁵⁾	\$200	\$200	\$200
Series D Senior Unsecured Notes ⁽⁶⁾	\$267	\$267	-
Medium Term Notes, Series 1 ⁽⁷⁾	\$250	\$250	\$250
Medium Term Notes, Series 2 ⁽⁷⁾	\$450	\$450	\$450
Medium Term Notes, Series 3 ⁽⁷⁾	\$450	\$450	\$450
Medium Term Notes, Series 4 ⁽⁷⁾	\$600	\$600	\$600
Medium Term Notes, Series 5 ⁽⁷⁾	\$450	\$450	\$450
Medium Term Notes, Series 6 ⁽⁷⁾	\$500	\$500	\$500
Medium Term Notes, Series 7 ⁽⁷⁾	\$500	\$500	\$500
Medium Term Notes, Series 8 ⁽⁷⁾	\$650	\$650	\$650
Medium Term Notes, Series 9 ⁽⁷⁾	\$550	\$550	\$550
Medium Term Notes, Series 10 ⁽⁷⁾	\$650	\$400	\$650
Medium Term Notes, Series 11 ⁽⁷⁾	\$800	\$300	\$800
Medium Term Notes, Series 12 ⁽⁷⁾	\$650	\$400	\$650
Medium Term Notes, Series 13 ⁽⁷⁾	\$700	\$700	\$700
Medium Term Notes, Series 14 ⁽⁷⁾	\$600	\$600	\$600
Medium Term Notes, Series 15 ⁽⁷⁾	\$600	\$600	\$600
Veresen Medium Term Notes, Series 3 ⁽⁸⁾	\$50	\$50	\$50
Veresen Medium Term Notes, Series 5 ⁽⁸⁾	\$350	\$350	\$350
Bank Debt ⁽¹¹⁾			
Revolving Credit Facility ⁽⁹⁾	\$2,500	-	\$1,553
Operating Credit Facility ⁽⁹⁾	\$20	-	-
Term Loan ⁽¹⁰⁾	\$500	-	\$497

Notes:

- (1) At September 30, 2019, 17,913,997 Options were outstanding and held by employees of Pembina, of which 8,886,936 were exercisable. The Options have exercise prices ranging from \$28.36 to \$52.01 and expire at various dates to August 2026.
- (2) Pembina is authorized to issue an unlimited number of Class B Preferred Shares, which may only be issued to a wholly-owned subsidiary of Pembina, and such shares are eliminated on consolidation. No Class B 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 maximum of 254,850,850 Class A Preferred Shares.
- (4) The Series A senior unsecured notes of Pembina bear interest at the rate of 5.565% per annum and mature on May 4, 2020.
- (5) The Series C senior unsecured notes of Pembina bear interest at the rate of 5.58% per annum and mature on September 30, 2021.
- (6) The Series D Senior Unsecured Notes were fully repaid at maturity on November 18, 2019.
- (7) 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 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 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 Prior Notes were issued by Pembina on March 26, 2018 in the aggregate principal amount of \$400 million of senior unsecured medium term notes, have a fixed interest rate of 4.02% per annum that is paid semi-annually and will mature on March 27, 2028. The Medium Term Notes, Series 11 were issued by Pembina on March 26, 2018 in the aggregate principal amount of \$300 million 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 March 26, 2048. The Medium Term Notes, Series 12 ("**Prior Series 12 Notes**") were issued by Pembina on April 3, 2019 in the aggregate principal amount of \$400 million of senior unsecured medium term notes, have a fixed interest rate of 3.62% per annum that is paid semi-annually and will mature on April 3, 2029. The Medium Term Notes, Series 13 ("**Series 13 Notes**") were issued by Pembina on April 3, 2019 and September 12, 2019 in the aggregate principal amount of \$400 million and \$300 million, respectively, of senior unsecured medium term notes, have a fixed interest rate of 4.54% per annum that is paid semi-annually and will mature on April 3, 2049. The Medium Term Notes, Series 14 ("**Series 14 Notes**") were issued by Pembina

- on September 12, 2019 in the aggregate principal amount of \$600 million of senior unsecured medium term notes, have a fixed interest rate of 2.56% per annum that is paid semi-annually and will mature on June 1, 2023. The Medium Term Notes, Series 15 ("**Series 15 Notes**") were issued by Pembina on September 12, 2019 in the aggregate principal amount of \$600 million of senior unsecured medium term notes, have a fixed interest rate of 3.31% per annum that is paid semi-annually and will mature on February 1, 2030.
- (8) The Veresen Medium Term Notes, Series 3 were issued by Veresen Inc. ("**Veresen**") on March 14, 2012 in the aggregate principal amount of \$50 million of senior unsecured medium term notes, have a fixed interest rate of 5.05% per annum that is paid semi-annually and will mature on March 14, 2022. The Veresen Medium Term Notes, Series 5 were issued by Veresen on November 10, 2016 in the aggregate principal amount of \$350 million of senior unsecured medium term notes, have a fixed interest rate of 3.43% per annum that is paid semi-annually and will mature on November 10, 2021.
- (9) Pembina's credit facilities as at September 30, 2019 consisted of the Revolving Credit Facility, which includes a \$750 million accordion feature, due May 31, 2024, and an unsecured operating facility of \$20 million due May 31, 2020 (the "**Operating Credit Facility**", and together with the Revolving Credit Facility, the "**Credit Facilities**"). Borrowings on the Credit Facilities 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, 2019, Pembina had \$620 million of cash and \$2,520 million of unutilized debt available under the Credit Facilities. On September 19, 2019, Pembina fully repaid its unsecured \$1,000 million non-revolving term loan due March 9, 2021. Pembina also had an additional \$68 million in letters of credit issued pursuant to separate demand letter credit facilities as at September 30 2019.
- (10) In connection with completion of the Corporate Acquisition, Pembina assumed KML's obligations under the KML Credit Facility and converted such indebtedness into the Term Loan.
- (11) All debt amounts as at September 30, 2019 represent the outstanding principal balances of such debt obligations.

EARNINGS COVERAGE RATIOS

The following consolidated earnings coverage ratios of the Corporation have been prepared and included in this Pricing Supplement No. 4 in accordance with the disclosure requirements under Canadian securities legislation and have been calculated for the twelve month period ended December 31, 2018, based on audited financial information, and for the twelve month period ended September 30, 2019, 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 Corporation's earnings coverage ratio for the twelve month period ended December 31, 2018 has been adjusted to give effect to: (a) the issuance of the Prior Series 12 Notes, the Series 13 Notes, the Series 14 Notes, the Series 15 Notes and the use of proceeds therefrom as if such Prior Series 12 Notes, Series 13 Notes, Series 14 Notes and Series 15 Notes were issued and the proceeds used; and (b) the repayment of \$200 million aggregate principal amount of Veresen Medium Term Notes, Series 4 at maturity on June 13, 2019 and Pembina's unsecured \$1,000 million non-revolving term loan due March 9, 2021 on September 19, 2019, as if such repayments were made, in each case, as at January 1, 2018.

In addition, the Corporation's earnings coverage ratio for the twelve month periods ended December 31, 2018 and September 30, 2019 have been adjusted to give effect to: (a) the issuance of the Notes, the Series 12 Notes and the Series 11 Notes and the use of the net proceeds from such transactions as described under "*Use of Proceeds*" above, as if the Notes, the Series 12 Notes and the Series 11 Notes were issued and the proceeds used; (b) the repayment of \$267 million aggregate principal amount of Series D Senior Unsecured Notes at maturity on November 18, 2019, as if such repayment was made; (c) the issuance of the Series 23 Class A Preferred Shares to holders of KML Series 1 Preferred Shares and the Series 25 Class A Preferred Shares to holders of KML Series 3 Preferred Shares, as if such Series 23 Class A Preferred Shares and Series 25 Class A Preferred Shares were issued; (d) the incurrence of \$1,553 million of indebtedness under the Revolving Credit Facility to fund the Cochin U.S. Acquisition, as if such indebtedness was incurred; and (e) the incurrence of \$497 million of indebtedness under the KML Credit Facility in connection with the Corporate Acquisition and the subsequent conversion of such indebtedness into the Term Loan, as if such indebtedness was assumed and converted, in each case, as at January 1, 2018, for the twelve month period ended December 31, 2018, and as at October 1, 2018, for the twelve month period ended September 30, 2019.

	Twelve Months Ended December 31, 2018	Twelve Months Ended September 30, 2019
Earnings coverage ratio ⁽¹⁾	3.6x	4.2x

Note:

- (1) Earnings coverage is equal to profit or loss attributable to the Shareholders before borrowing costs and income taxes divided by borrowing costs (including capitalized costs) and dividend obligations on the Class A Preferred Shares.

Pembina's dividend requirements on all of its Class A Preferred Shares, adjusted to a before-tax equivalent, amounted to \$205 million for the twelve month period ended December 31, 2018, using an effective income tax rate of 27%, and \$168 million for the twelve month period ended September 30, 2019, using an effective income tax rate of 9%.

The Corporation's adjusted interest expense requirements amounted to approximately \$361 million for the twelve month period ended December 31, 2018 and approximately \$353 million for the twelve month period ended September 30, 2019 (adjusted as described above for the twelve month periods ended December 31, 2018 and September 30, 2019). Pembina's profit or loss attributable to the Shareholders before interest expense and income tax for the twelve month period ended December 31, 2018 was \$2,015 million and for the twelve month period ended September 30, 2019 was \$2,177 million, which are 3.6 times and 4.2 times Pembina's aggregate dividend and interest expense requirements (adjusted as described above for the twelve month periods ended December 31, 2018 and September 30, 2019) for such periods, respectively.

CREDIT RATINGS

The Notes have been granted a preliminary rating of "BBB" by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies and a preliminary rating of "BBB" by DBRS Limited. See "*Credit Ratings*" in the Prospectus.

FORWARD-LOOKING STATEMENTS

This Pricing Supplement No. 4 includes "forward-looking information" within the meaning of applicable Canadian securities laws and, in particular, contains forward-looking information respecting the Corporation's anticipated use of the net proceeds from the issue of the Notes and the anticipated use of the net proceeds from the issue of the Series 12 Notes and the Series 11 Notes. Actual results may differ materially from the results expressed or implied by forward-looking information and all of the forward-looking information included herein is based on a number of material factors and assumptions and is subject to a number of material risks and uncertainties, in each case, as outlined under the heading "*Note Regarding Forward-Looking Statements*" in the Prospectus and under the heading "*Forward-Looking Statements & Information*" in the Annual MD&A and the Interim MD&A. Readers are urged to consult such advisories for important information respecting Pembina's forward-looking information. Unless required by law, Pembina does not undertake any obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.