

## GOVERNANCE GUIDELINES

Plains GP Holdings, L.P.

Plains All American Pipeline, L.P.

(PAA GP Holdings LLC)

### Background

Plains GP Holdings, L.P. (“PAGP”) and Plains All American Pipeline, L.P. (“PAA”) are affiliated master limited partnerships created under Delaware state law and governed by their respective limited partnership agreements (and applicable Delaware law), pursuant to which the limited partners of each entity do not participate in the management of either entity. Instead, management of each entity is vested in its general partner, and, by virtue of the fact that PAGP is the indirect owner of the general partner of PAA, management of both PAGP and PAA is ultimately vested in PAA GP Holdings LLC (the “Company”) as the general partner of PAGP. The governing document for the Company provides that its business and affairs shall be managed by its Board of Directors.

Neither PAA nor PAGP has a board of directors, but their respective partnership agreements define “Board of Directors” to mean the Board of Directors of the Company (as used herein, references to the “Board” or to the “Board of Directors” are to the Board of Directors of the Company). Thus, the corporate governance of the Company is, in effect, the corporate governance of both PAGP and PAA. The Class A Shares of PAGP and the common units of PAA are currently separately listed and traded on the Nasdaq Global Select Market (“Nasdaq”).

Nasdaq has recognized the distinctive characteristics of limited partnerships in the application of its listing standards regarding “corporate” governance and exempts limited partnerships from many governance requirements and constructs normally associated with corporations. The Board of Directors has adopted these governance guidelines, which include several governance provisions applicable to corporations that are not otherwise required by the Nasdaq governance requirements for limited partnerships.<sup>1</sup>

#### 1. Board Composition and Director Qualifications

The Company LLC Agreement provides that, based on current ownership levels and subject to limited exceptions, the Board of Directors will consist of up to thirteen directors, including the Chief Executive Officer (the “CEO”) and up to two Designated Directors (as defined below).<sup>2</sup>

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<sup>1</sup> In the event that any provision of these governance guidelines conflicts with provisions in the PAA or PAGP partnership agreements or the Company LLC Agreement, the applicable partnership agreement or the Company LLC Agreement, as applicable, shall control.

<sup>2</sup> The Company LLC Agreement provides that certain owners of at least a 10% qualifying ownership interest in the outstanding units of Plains AAP, L.P. (“AAP”) will have the right to designate one director to the Board (a “Designated Director”). The qualifications of any Designated Director are subject to the discretion of the designating owner, and such director may or may not be “independent” as defined by the national securities

One member of the Board will be designated to serve as Chairman of the Board and will have the duties described in Section 10 below. In the event that the roles of CEO of the Company and Chairman of the Board are held by the same person, the Non-Management Directors (the Independent Directors and any director who is not currently serving as an officer of the Company or of Plains All American GP LLC (“GP LLC”)) will also designate an Independent Director to serve as Lead Director (the “Lead Director”), who will have the duties described in Section 10 below, as applicable. The Company LLC Agreement also requires that at least a majority of Directors must meet the independence requirements established by the Applicable Exchange (each an “Independent Director”). At least two of the Independent Directors must also satisfy the requirements to be a member of the “Conflicts Committee” as defined in the PAGP Partnership Agreement.

In the event of a vacancy in the office of the CEO, the board seat would be filled in connection with the succession of the new CEO. A designating owner can replace its Designated Director at any time. In the event of a vacancy among the Independent Directors, and subject to the terms of the PAGP partnership agreement that provide for the election of directors by the shareholders of PAGP, the Board with assistance from the Governance Committee, is responsible for identifying, screening and, acting by majority vote, designating a replacement based on an assessment of the skills, experience and characteristics of such replacement, including the individual’s qualification as independent, in the context of the needs of the Board. It is the Board’s policy to consider diversity, especially with respect to gender, race and ethnicity, in connection with the identification and assessment of potential director nominees. The invitation to join the Board of Directors should be extended by the Chairman of the Board, the CEO or the Board as circumstances warrant.

Notwithstanding the foregoing, PAGP will hold an annual meeting of its Class A, Class B and Class C shareholders for the election of “eligible directors”, which will include all directors with expiring terms other than (i) any Designated Director, and (ii) any director subject to appointment by the holders of PAA’s Series A Preferred Units. The presence in person or by proxy of the holders of a majority of PAGP’s outstanding Class A shares, Class B shares, and Class C shares, together as a single class, will constitute a quorum. The eligible directors will be elected by a plurality of the votes cast.

PAA, as the sole holder of PAGP’s Class C shares, will hold an annual meeting of its limited partners in advance of PAGP’s annual meeting. The purpose of PAA’s annual meeting will be to allow its limited partners, other than AAP, to cast a “pass-through vote” instructing PAA how to vote its Class C Shares at PAGP’s annual meeting. PAA will vote (or refrain from voting) its Class C shares for the election of eligible directors pursuant to the instructions received from PAA’s eligible unitholders. At PAA’s annual meeting, common units held by AAP will not be voted and will not be counted for purposes of determining whether a quorum exists. The presence in person or by proxy of the holders of a majority of PAA’s outstanding common units (other than AAP) and Series A Preferred Units, together as a single class, will constitute a quorum.

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exchange on which the securities of PAGP and PAA are listed (the “Applicable Exchange”). The Company LLC Agreement entitles a Designated Director to act or omit to act considering only such factors (including separate interests of the designating owner) as such Designated Director or the designating owner chooses to consider.

## **2. Director Responsibilities and Conditions of Service**

The function of the Board is to provide guidance to and oversight of the activities of PAGP and PAA, in the exercise of the business judgment of each individual director. In discharging that obligation, directors are entitled to rely on the honesty and integrity of management, outside advisors and the independent auditors of PAGP and PAA. The directors are entitled to (i) have PAGP purchase reasonable directors' and officers' liability insurance on their behalf, (ii) the benefits of indemnification to the fullest extent permitted by law, the PAA and PAGP partnership agreements and the Company LLC Agreement, and (iii) exculpation as provided by state law, the PAA and PAGP partnership agreements and the Company LLC Agreement.

Management, rather than the Board, should speak for PAGP and PAA. The Policy for Informal Disclosure outlines the appropriate procedures for dealing with various constituencies that are involved with PAGP and PAA. If a situation appears to require comments from the Board, they should, in most circumstances, come from the Chairman of the Board or, if appropriate, the Lead Director, if any.

## **3. Meetings**

The Board will have regular meetings once every quarter, and will have special meetings as circumstances dictate. All directors are expected to attend each meeting of the Board and of the committees on which they serve, absent compelling circumstances, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Non-directors may attend Board and committee meetings by prior arrangement or at the invitation of the Chairman of the Board, the CEO or Chairman of the relevant committee. Pertinent information should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

The Chairman of the Board, in consultation with the CEO (and the Lead Director, if any), will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise, at any Board meeting, issues or recommendations that are not on the agenda for that meeting. The Board will review PAA's annual plan and related issues during at least one Board meeting each year.

The Non-Management directors will meet in executive session without the CEO or any other officer of the Company or GP LLC present after each regular meeting. Unless otherwise determined at any such executive session, the Chairman of the Board (or the Lead Director, if any) will preside over such sessions.

PAGP and PAA will disclose in its Annual Report on Form 10-K or annual proxy statement a method by which interested parties may make their concerns known to the Non-Management directors or to the Audit Committee.

Board members are encouraged, but not required, to attend the PAGP and PAA annual meetings.

#### **4. Board Committees**

Board committees will at all times include an Audit Committee, a Compensation Committee, a Governance Committee and a Health, Safety, Environmental and Sustainability Committee. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate. The Audit Committee will consist of at least three members. All of the members of the Audit Committee must satisfy the independence requirements of the Applicable Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules and regulations of the Securities and Exchange Commission (“SEC”), in each case subject to any applicable exemptions and exceptions thereunder, and must be financially literate, as determined by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment. In addition, at least one member of the Audit Committee must meet the definition of “audit committee financial expert” as defined by the SEC and as determined by the Board in its business judgment. The members of all other committees must also be Independent Directors and will be selected based on the experience and skills of the potential members.

Each committee will have its own charter that has been approved by the Board and may be modified or amended by the Board at any time. The charters will set forth the purposes, goals and responsibilities of the committees. Committee charters will be posted on PAA’s and PAGP’s websites.

The Chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee’s agenda and determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee’s charter. Each committee will keep the full Board apprised of its work, unless the circumstances otherwise warrant.

#### **5. Director Access to Officers and Independent Advisors**

Directors have full and free access to management. The directors are expected to exercise their judgment in ensuring that any such contact does not become disruptive to the business operations of PAGP and PAA. Directors will, as appropriate under the circumstances, advise the CEO or Secretary of such contact.

Subject to such limitations as may be dictated by health and safety concerns, the Board welcomes regular attendance at each Board meeting of executive officers and other members of management. The CEO may invite additional personnel to attend a meeting. The attendance of such additional personnel shall be recorded in the relevant meeting minutes.

The Board and each committee have the power to engage independent legal, financial or other advisors as they may deem necessary, at the expense of PAGP or PAA, as applicable, without consulting or obtaining the approval of any officer of the Company or GP LLC in advance. It is contemplated, however, that in most circumstances the Board or such committee would consult with the CEO or General Counsel in connection with such engagement.

## **6. Director Compensation and Independence**

The Compensation Committee will conduct periodic reviews of director compensation. The Compensation Committee will make recommendations to the Board with respect to the form and amount of director compensation. Neither PAGP nor PAA will extend or arrange for the extension of credit in the form of a personal loan to any director or executive officer of the Company or GP LLC. Neither PAGP nor PAA will pay any fees (including any direct or indirect consulting, advisory or other compensatory fee) to any Independent Director other than the fees associated with Board or committee membership and meeting attendance (including reimbursement for reasonable travel expenses). Fees may include grants of equity interests in PAGP or PAA.

The Board will regularly examine all commercial relationships between or among PAA, AAP, the Company, PAGP and any of their affiliates on the one hand, and any Independent Director (or any business organization with which the director is affiliated), on the other hand. The Board may, within the parameters of the listing requirements of the Applicable Exchange, establish categorical standards for such relationships pursuant to which, if a relationship falls within such standards, the relationship will be presumed not to affect the independence of the director involved. Neither PAGP nor PAA will make any charitable contributions in excess of \$51,000 per annum to any organization with which a director is affiliated, unless approved by the Board.

## **7. Conflicts of Interest**

A director is expected to bring to the attention of the Chairman of the Board, the CEO or the Board any conflict or potential conflict of interest that may arise between the director, his or her family members, or any affiliate of the director, on the one hand, and the Company, PAGP, PAA or their respective affiliates, on the other. The resolution of any such conflict or potential conflict should, at the discretion of the Board in light of the circumstances, be determined by a majority of the disinterested directors.

If a conflict or potential conflict of interest arises between PAA, on the one hand, and the Company and/or PAGP, on the other, the resolution of any such conflict or potential conflict should be addressed by the Board in accordance with the provisions of the PAA and PAGP partnership agreements.

## **8. Relationship to Code of Business Conduct**

The Code of Business Conduct (the “Code”) sets the standards by which employees and officers conduct the business of PAGP and PAA. The Code applies to the directors as well, except to the extent it conflicts or is inconsistent with any provision of these governance guidelines, the PAA and PAGP partnership agreements or the Company LLC Agreement. These guidelines address certain potential conflicts of interest. Proper resolution of conflicts of interest or potential conflicts of interest in accordance with the process described in the PAA and PAGP partnership agreements and these guidelines is consistent with the requirements of the Code.

The Company LLC Agreement contains specific provisions addressing director conduct, including provisions with respect to (i) the rights of the Designated Directors to act on behalf of the party designating such director, (ii) non-disclosure of confidential information and (iii)

corporate opportunities and non-solicitation of Company employees. Conduct by a director in conformity with such provisions is consistent with the requirements of the Code.

## **9. Director Orientation and Continuing Education**

All new directors participate in an orientation process regarding PAGP and PAA. This orientation typically will include presentations by management to familiarize new directors (to the extent not already familiar with such items) with the strategic plans of PAGP and PAA, their significant financial, accounting and risk management issues and policies, internal and independent auditors, compliance programs, the Code and principal officers acting on their behalf. In addition, the orientation process may include visits to PAA's headquarters and, to the extent practical, certain of PAA's significant facilities. All directors are invited to attend any aspect of the orientation process. Management will, as circumstances warrant, present to the Board educational materials regarding PAA's business, as well as ongoing developments with respect to specific, relevant issues such as applicable corporate governance principles. PAGP will reimburse directors for reasonable costs associated with attending professionally sponsored director education programs.

## **10. Board Leadership**

The Chairman of the Board may, but is not required to, be the same individual serving as the CEO. The Board has no set policy with respect to the separation of these offices. The Board believes that it is in the best interests of PAGP and PAA for the Board to review ongoing conditions and circumstances and to make an appropriate determination to combine or separate these offices at the time that a new CEO succeeds the current CEO, or upon a significant change in circumstances. As noted in Section 1 above, in the event that the roles of CEO of the Company and Chairman of the Board are held by the same person, the Non-Management Directors will designate an Independent Director to serve as Lead Director.

The primary functions of the Chairman of the Board are to provide leadership to the Board and to coordinate the activities of the Board. Specific responsibilities of the Chairman of the Board will vary as follows, depending on whether the roles of CEO and Chairman of the Board are held by the same person:

- If and for so long as the roles of CEO and Chairman of the Board are held by the same person, the responsibilities of the Chairman of the Board will include the following:
  - presiding at regular and special meetings of the Board, and at annual and special meetings of equity holders;
  - working with the Governance Committee to ensure the perpetuation of a strong Board and effective governance structure;
  - in consultation with the Lead Director, developing and communicating Board meeting schedules and agendas;
  - working with the Lead Director to establish parameters for the quality, amount and timeliness of the information flow between management and the Board (it

being understood that management is responsible for the preparations of materials for the Board consistent with these parameters);

- conferring with the Lead Director regarding the development, implementation and monitoring of near- and long-term strategic plans and major activities of the Company and confirming with the Lead Director that Board decisions and policies have been implemented; and
  - working cooperatively and collaboratively with the Lead Director as necessary to support and facilitate the discharge by the Lead Director of his or her duties as outlined below.
- If and for so long as the roles of CEO and Chairman of the Board are not held by the same person, the responsibilities of the Chairman of the Board will include the following:
    - presiding at regular and special meetings of the Board, meetings of the Non-Management Directors, and at annual and special meetings of equity holders;
    - working with the Governance Committee to ensure the perpetuation of a strong Board and effective governance structure;
    - in consultation with the CEO, developing and communicating Board meeting schedules and agendas;
    - acting as a liaison between management and the Board;
    - providing advice and counsel to the CEO on various corporate issues;
    - establishing parameters for the quality, amount and timeliness of the information flow between management and the Board (it being understood that management is responsible for the preparations of materials for the Board consistent with these parameters);
    - conferring with the CEO regarding the development, implementation and monitoring of near- and long-term strategic plans and major activities of the Company and confirming with the CEO that Board decisions and policies have been implemented;
    - assuring that the Board provides resources to both the CEO and management to achieve the Company's stated goals;
    - guiding the Board in discharging its responsibilities (including with respect to the retention of outside advisors where needed) and directing the Board toward Board matters and away from management matters that are clearly the responsibility of the CEO; and
    - supporting and promoting business relationships as appropriately requested by management.

If and for so long as a Lead Director is serving, his or her responsibilities will include the following:

- presiding at regular and special meetings of the Board when the Chairman of the Board is not present or able to do so, and calling and/or presiding at meetings of the Non-Management Directors (and briefing the Chairman of the Board on discussions);
- developing and communicating the agenda for executive sessions of the Board and meetings of the Non-Management Directors;
- collaborating with the Chairman of the Board on Board meeting schedules and agendas;
- working with the Chairman of the Board to establish parameters for the quality, amount and timeliness of the information flow between management and the Board (it being understood that management is responsible for the preparations of materials for the Board consistent with these parameters);
- ensuring that the Non-Management Directors have proper input into meeting agendas and materials sent to the Board;
- acting as a liaison between the Non-Management Directors and the Chairman of the Board;
- providing advice and counsel to the CEO on various corporate issues;
- conferring with the Chairman of the Board regarding the development, implementation and monitoring of near- and long-term strategic plans and major activities of the Company and confirming with the Chairman of the Board that Board decisions and policies have been implemented;
- together with the chairman of the Governance Committee (if separate), guiding the annual board self-assessment process;
- guiding the CEO succession planning process and the Board's consideration of CEO compensation; and
- performing any other function as the Board may direct or request, to the extent consistent with the foregoing.

## **11. CEO Evaluation and Management Succession**

The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board will review the Compensation Committee's report in order to ensure that the CEO is providing the best leadership for PAGP and PAA, from both a short-term and long-term perspective.

At least once each year, the Board will devote a portion of an executive session to discuss succession planning and to identify plausible succession needs and scenarios. The CEO shall

present his or her assessment of the strength and depth of the organization as well as succession considerations of senior management positions deemed critical. In addition, the CEO will share his or her evaluation of potential CEO successors identified within and outside the organization and his or her recommendations with respect to specific succession scenarios posed by the Board.

## **12. Annual Performance Evaluation**

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Governance Committee (in collaboration with the Lead Director, if any) will coordinate and oversee such evaluation. This evaluation will focus on the Board's contribution to the governance of PAGP and PAA and its assessment of how the performance of the committees and of the Board as a unit might be improved.

## **13. Change of Position/Service on other Boards**

Each director other than a Designated Director shall submit to the Governance Committee for its consideration a letter of resignation upon resignation or retirement from, or termination of, such director's principal current employment, or other similarly material changes in professional occupation or association. Following receipt of a recommendation from the Governance Committee, the Board shall be free to accept or reject the letter of resignation. The Board shall act promptly with respect to each such letter of resignation and shall promptly notify the director concerned of its decision.

Although the Board has not established a formal limit on the number of other public company boards on which directors may serve, it is understood that a director will consult with the Chairman of the Board before accepting a new board position for another public entity.

## **14. Review of Guidelines**

The Governance Committee will review these guidelines periodically, in light of the self-evaluation of the Board as well as any regulatory developments.

## **15. Posting Requirement**

PAGP and PAA will post these guidelines on their respective websites. In addition, each of PAGP and PAA shall disclose in its annual proxy statement or, if neither PAGP nor PAA file an annual proxy statement, its Annual Report on Form 10-K, that a copy of these guidelines is available on or through such entity's website and provide such website address.

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