

GOVERNANCE GUIDELINES

Plains All American Pipeline, L.P.

(Plains All American GP LLC)

[With recommended revisions - February 18, 2010]

Plains All American Pipeline, L.P. (the “Partnership”) is a master limited partnership. As such, it is governed by a limited partnership agreement, created under Delaware state law. The Third Amended and Restated Agreement of Limited Partnership of Plains All American Pipeline, L.P., as amended (the “Partnership Agreement”), to which all limited partners (unitholders) are parties, sets forth the rights of the unitholders.¹ By contract, the unitholders do not participate in the management of the Partnership,² nor in the selection or election of any board of directors of the Partnership. Under the Partnership Agreement, management of the Partnership is vested in Plains All American GP LLC (“GP LLC”), as the general partner of Plains AAP, L.P. (“AAP, L.P.”), which is the sole member of PAA GP LLC, which is the general partner of the Partnership.³ References to the Board of Directors in the Partnership Agreement are defined to mean the board of directors of GP LLC. Accordingly, this Board of Directors (the Board of Directors of GP LLC and, by definition, the Board of Directors of the Partnership) is selected by the owners of GP LLC, and not by the unitholders of the Partnership. Thus, the corporate governance of GP LLC is, in effect, the corporate governance of the Partnership. The Partnership’s common units are traded on the New York Stock Exchange (“NYSE”). The NYSE has recognized the distinctive characteristics of partnerships in the application of NYSE listing standards regarding “corporate” governance. In light of all of the foregoing, the Board of Directors has adopted the governance guidelines set forth below.

1. Board Composition and Director Qualifications

The basic charter document for GP LLC is an agreement among the owners of GP LLC: the Third Amended and Restated Limited Liability Company Agreement of Plains All American GP LLC (the “LLC Agreement”). The LLC Agreement describes the composition of the Board of Directors. The Board consists of up to eight directors, who can be categorized into four groups: the CEO, two designated directors, two “at large” directors and three independent directors. The CEO is, by virtue of the office, a director pursuant to the LLC Agreement. Two of the owners of GP LLC each have the right to designate one director (each a “Designated Director”). Each of the other owners has agreed to vote in favor of such designees. The qualifications of any Designated Director are subject to the discretion of the designating owner,

¹ Such rights are generally limited to: access to information; voting rights on removal of the general partner (66 2/3%); voting rights on merger or sale of substantially all of the Partnership’s assets; and voting rights on certain types of amendments to the Partnership Agreement.

² Section 3.2 of the Partnership Agreement states “No Limited Partner...shall participate in the operation, management or control (within the meaning of the Delaware Act) of the Partnership’s business...”

³ Section 7.1(a) of the Partnership Agreement states “The General Partner shall conduct, direct and manage all activities of the Partnership. Except as otherwise expressly provided in this Agreement [*see footnote 1 above*], all management powers over the business and affairs of the Partnership shall be exclusively vested in the General Partner, and no Limited Partner or Assignee shall have any management power over the business and affairs of the Partnership.”

and such director may or may not be "independent" as defined by the NYSE. The 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 chooses to consider.⁴ The "at large" directors (if the owners of GP LLC choose to fill the seats) are elected by a majority in interest, and may or may not be deemed "independent" under NYSE rules. The remaining three directors must (i) be "independent" under the criteria established by the NYSE and (ii) satisfy the requirements to be a member of the "Conflicts Committee" as defined in the Partnership Agreement (each an "Independent Director"). 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, the Governance Committee is responsible for identifying, screening and recommending 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. In making such a nomination, the committee will follow these guidelines and the Governance Committee charter. The election of an Independent Director requires the affirmative vote of a majority in ownership interest in GP LLC. The invitation to join the Board should be extended by the Board itself, by the Chairman of the Governance Committee and the Chairman of the Board.

2. Director Responsibilities and Conditions of Service

The function of the Board is to provide guidance to and controls on the activities of the Partnership, in the exercise of the business judgment of each individual director. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Partnership's senior management and its outside advisors and auditors. The directors are entitled to have the Partnership purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law, the Partnership Agreement and the LLC Agreement, and to exculpation as provided by state law, the Partnership Agreement and the LLC Agreement.

Management rather than the Board should speak for the Partnership. GP LLC's Policy for Informal Disclosure outlines the appropriate procedures for dealing with various constituencies that are involved with the Partnership.

⁴ Section 8.1 of the LLC Agreement states: "To the fullest extent permitted by Section 18-1101(c) of the [Delaware Limited Liability Company] Act, a Director (other than Independent Directors), in performing his or her obligations under this Agreement, shall be entitled to act or omit to act at the direction of the Member who designated such Director, considering only such factors, including the separate interests of the designating Member, as such Director or the designating Member chooses to consider, and any action of a Director or failure to act, taken or omitted in good faith reliance on the foregoing provisions of this Section 8.1 shall not constitute a breach of any duty including any fiduciary duty on the part of the Director or designating Member to the Company or any other Member or Director."

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. 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 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 the Partnership's strategic plan and related issues during at least one Board meeting each year.

The non-employee directors will meet in executive session without the CEO or any other officer of GP LLC after each regular meeting. Unless otherwise determined at any such executive session, the chairmanship of such sessions will rotate among the non-employee directors in alphabetical order of last name.

The Partnership will disclose in its Annual Report on Form 10-K a method by which interested parties may make their concerns known to the non-employee directors or to the Audit Committee.

4. Board Committees

Board committees will at all times include an Audit Committee, a Compensation Committee and a Governance 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 will be independent directors under the criteria established by the New York Stock Exchange. The members of all other committees will be selected based on the experience and skills of the potential members.

Each of the Audit Committee, the Compensation Committee and the Governance Committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees.

The Chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. 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 the senior management of GP LLC. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Partnership and will, as appropriate under the circumstances, advise the CEO or Secretary of such contact.

The Board welcomes regular attendance at each Board meeting of executive officers and other members of senior management of GP LLC. The CEO may invite additional personnel to attend a meeting. The attendance of such additional personnel is 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 the Partnership, without consulting or obtaining the approval of any officer of 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

The Compensation Committee will conduct regular reviews of director compensation. The Compensation Committee will make recommendations to the Board with respect to the form and amount of director compensation. The Partnership will not extend or arrange for the extension of credit in the form of a personal loan to any director or executive officer of the Company. The Partnership will pay no 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. Fees may include grants of equity interests in the Partnership. The Board will regularly examine all commercial relationships between the Partnership and any independent director (or any business organization with which the director is affiliated). The Board may, within the parameters of the NYSE listing requirements, 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. The Partnership will make no 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 CEO or the Board any conflict or potential conflict of interest that may arise between the director or any affiliate of the director, on the one hand, and the Partnership or GP LLC 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 the Partnership and GP LLC, the resolution of any such conflict or potential conflict should be addressed by the Board in accordance with the provisions of the Partnership Agreement. At the discretion of the Board in light of the circumstances, the resolution may be determined by the Board in its entirety by a standing committee, by a special committee or by a "Conflicts Committee" meeting the

definitional requirements for such a committee under the Partnership Agreement. Such resolution may include resolution of any derivative conflicts created by an executive officer's ownership of interests in the Company or a director's designation by an owner of the Company.

8. Relationship to Code of Business Conduct

GP LLC has a Code of Business Conduct (the "Code") that sets the standards by which employees and officers conduct the business of the Partnership. The Code applies to the directors as well, except to the extent it conflicts or is inconsistent with any provision of these governance guidelines or the LLC Agreement. For example, 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 Partnership Agreement and these governance guidelines is consistent with the requirements of the Code.

The LLC Agreement contains specific provisions⁵ addressing director conduct, including provisions with respect to (i) the right of a director who is designated to the Board by an owner of the Company to act on behalf of such owner's best interest, (ii) corporate opportunities and non-solicitation of Company employees and (iii) non-disclosure of confidential information. 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 must participate in an orientation process regarding the Partnership. This orientation will include presentations by senior management to familiarize new directors (to the extent not already familiar with such items) with the Partnership's strategic plans, its significant financial, accounting and risk management issues and policies, its compliance programs, its Code of Business Conduct, its principal officers, and its internal and independent auditors. In addition, the orientation process will include visits to Partnership headquarters and, to the extent practical, certain of the Partnership'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 the Partnership's business, as well as ongoing developments with respect to specific, relevant issues such as corporate governance principles. The Company will reimburse directors for costs associated with attending professionally sponsored director education programs.

10. CEO Evaluation and Management Succession

The Board has no policy with respect to the separation of the offices of Chairman and the CEO. That relationship is currently governed by the employment agreement with the CEO, which requires the two offices to be coincident. The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Partnership for the Board to review the conditions and circumstances and to make an appropriate determination in the event it elects a new CEO.

⁵ See, for example, Sections 8.1, 12.6 and 13.1 of the LLC Agreement.

The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board of Directors will review the Compensation Committee's report in order to ensure that the CEO is providing the best leadership for the Partnership, 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 evaluation of potential CEO successors identified within and outside the organization and his recommendations with respect to specific scenarios posed by the Board.

11. Periodic Performance Evaluation

The Board of Directors will conduct a periodic self-evaluation to determine whether it and its committees are functioning effectively. The Governance Committee will coordinate such evaluation. This evaluation will focus on the Board's contribution to the governance of the Partnership and its assessment of how the performance of the Board as a unit might be improved.

12. Change of Position/Service on other Boards

The Board does not believe that Independent Directors who change the position of professional responsibility or primary corporate affiliation they held when they were elected to the Board should necessarily resign from the Board. The Board believes that there should, however, be an opportunity for the Board through the Governance Committee to review the continued appropriateness of Board membership under the circumstances. Any Independent Director who changes his position of professional responsibility or primary corporate affiliation will be expected to act in accordance with the committee's recommendation.

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.

13. Review of Guidelines

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