

Corporate Governance



David W. Cornhill
Chairman and Chief
Executive Officer
Member of the EOHSC



Allan L. Edgeworth
Director
Independent director;
Member of the AC
and EOHSC



Myron F. Kanik
Lead Director
Independent director;
Chair of the GC and
Member of the HRCC



Hugh A. Fergusson
Director
Independent director;
Member of the AC
and EOHSC



Denis C. Fonteyne
Director
Independent director;
Chair of the EOHSC and
Member of the HRCC



Daryl H. Gilbert
Director
Independent director;
Member of the AC and
Chair of the HRCC



Robert B. Hodgins
Director
Independent director;
Chair of the AC and
Member of the GC



David F. Mackie
Director
Independent director;
Member of the GC
and HRCC



Neil McCrank
Director
Independent director;
Member of the GC
and EOHSC

The members of the Board of Directors of AltaGas General Partner Inc. are elected by the Trust at the direction of the unitholders to manage or supervise the management, business and affairs of the Trust. It is our responsibility to ensure that the interests of unitholders and other stakeholders are properly represented. To that end, the Board of Directors has assumed responsibility for stewardship of the Trust and has developed standards and procedures for its operations that meet a high standard of governance. We regularly review the activities of the Trust with a view to ensuring its business affairs are conducted appropriately, with the honesty, integrity, transparency and accountability that unitholders expect. We are committed to continuing to direct the activities of the Trust to those high standards.

The annual meeting provides AltaGas' executives with the opportunity to communicate the Trust's goals and strategy to unitholders. The meeting offers unitholders the chance to hear first-hand from management and to understand AltaGas' strategy for seeking to continually increase unitholder value and grow the Trust. The Board of Directors and AltaGas' management team encourage you to attend the annual meeting either in person in Calgary or through the live Webcast, which can be viewed at www.altagas.ca.

The annual meeting will be held at 3:00 p.m. MDT on Thursday, June 3, 2010 at The Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta.

On behalf of the Board of Directors,

Myron F. Kanik
Lead Director

AltaGas believes that good governance improves performance and benefits all unitholders and is therefore committed to a high standard of governance. The following is a summary of the Trust's Governance Practices. A more detailed description of the Trust's practices can be found in the Trust's Information Circular filed on the SEDAR system at www.sedar.com.

Statement of Governance Practices

Mandate of the Board

The Board of Directors of the General Partner exercises overall responsibility for the management and supervision of the affairs of the Trust. This includes the appointment of the Chief Executive Officer and other senior officers of AltaGas Ltd. and AltaGas General Partner Inc., approval of their compensation and monitoring of the Chief Executive Officer's performance.

The Board of Directors also reviews and approves the annual strategic plan. Key objectives, as well as quantifiable operational and financial targets and processes for the identification, monitoring and mitigation of principal business risks are incorporated into the annual strategy review.

The Board of Directors ensures that a process is established that adequately provides for succession planning, including the appointment, training and monitoring of senior management.

Board Composition

The Board currently comprises nine Directors, eight of whom are independent. David W. Cornhill, Chairman and Chief Executive Officer of AltaGas, is the only member of the Board of Directors who is also a member of management.

Board Committees

The Board has four standing committees: Governance (GC); Audit (AC); Environment, Occupational Health and Safety (EOHSC); and Human Resources and Compensation (HRCC). The GC, AC and HRCC are composed exclusively of non-management, independent Directors. The EOHSC includes a majority of independent, non-management Directors, as well as the Chairman and Chief Executive Officer of AltaGas. Each of the committees has a Board of Directors-approved mandate that prescribes its composition and responsibilities.

Governance Committee

The GC reviews Board performance and provides recommendations for improvement to the Board with respect to all aspects of governance. The GC identifies individuals qualified to become members of the Board of Directors and recommends them for election, as well as reviewing and

recommending Director compensation and formally assessing the effectiveness of the committees and the Board on an annual basis. The GC is also responsible for the orientation and education of new members and continuing development of existing members.

Audit Committee

The AC consists of four independent and financially literate Directors who oversee the Trust's financial reporting process on behalf of the Board of Directors. The AC reviews and provides recommendations to the Board of Directors on the annual and interim financial statements, as well as examining the completeness and accuracy of the Trust's financial reporting and the adequacy of its risk management processes and internal controls for financial reporting and disclosure.

The AC approves the appointment, terms of engagement, provision of non-audit services and proposed fees of the independent auditor. At every meeting, the AC has the opportunity to meet with the external and internal auditors without management present.

The Chair of the AC is Robert B. Hodgins, previously Chief Financial Officer of Pengrowth Energy Trust, Treasurer of Canadian Pacific Limited and Chief Financial Officer of TransCanada Pipelines Limited. Mr. Hodgins has the strong financial background crucial to this role.

Environment, Occupational Health and Safety Committee

The Trust is committed to being a steward of the environment and to the health and safety of its employees.

The EOHSC is responsible for reviewing, reporting and making recommendations to the Board of Directors on the Trust's policies and procedures with respect to the environment and occupational health and safety.

Human Resources and Compensation Committee

The HRCC reviews, reports and provides recommendations to the Board of Directors on the compensation of the Chief Executive Officer, the appointment and compensation of senior corporate officers, succession plans, the compensation policy for all other employees and the approval of all grants of trust unit options.

AltaGas is committed to operating its businesses in an ethical manner. In 2006, AltaGas adopted a Code of Business Ethics, a copy of which can be viewed on our Website.