



ALTAGAS LTD.

Premium Dividend™, Dividend Reinvestment and Optional Cash Purchase Plan

Certain capitalized terms in this Premium Dividend™, Dividend Reinvestment and Optional Cash Purchase Plan have the meaning assigned to them under "Definitions" below.

Overview

This Premium Dividend™, Dividend Reinvestment and Optional Cash Purchase Plan (the "**Plan**") provides Eligible Shareholders of AltaGas Ltd. ("**AltaGas**") with the opportunity to, at the Participant's election, either (i) reinvest their Dividends in new Shares at a discount of up to 5% to the Average Market Price on the applicable Dividend payment date under the Dividend Reinvestment Component and have such new Shares credited to the Participant's account, or (ii) reinvest their Dividends in new Shares at a 3% discount to the Average Market Price on the applicable Dividend payment date under the Premium Dividend™ Component, which new Shares will be disposed of under the Premium Dividend™ Component in exchange for a cash payment equal to 101% of the reinvested Dividends. The Plan also provides Eligible Shareholders who are enrolled in the Dividend Reinvestment Component with the opportunity to purchase new Shares at the Average Market Price (with no discount) on the applicable Dividend payment date under the OCP Component.

Each component of the Plan, which is explained in greater detail below, is subject to eligibility restrictions, applicable withholding taxes, prorating as provided herein, and other limitations on the availability of new Shares in certain events.

Eligible Shareholders are not required to participate in the Plan. Eligible Shareholders who have not elected to participate in the Plan will continue to receive their regular Dividends in the usual manner.

Replacement of Previous Plan

This Plan replaces and supersedes the Dividend Reinvestment and Optional Common Share Purchase Plan of AltaGas dated July 1, 2010 (the "**Previous Plan**").

In order to participate in the Dividend Reinvestment Component, the Premium Dividend™ Component, or the OCP Component, an Eligible Shareholder must enroll in the Plan directly or indirectly through the broker, investment dealer, financial institution or other nominee who holds Shares on the Eligible Shareholder's behalf. See "**Enrollment**" below. In addition, in order to purchase Shares pursuant to the OCP Component, an Eligible Shareholder must be also enrolled in the Dividend Reinvestment Component.

A registered Eligible Shareholder who was enrolled in the Previous Plan will automatically be deemed to be a Participant in the Dividend Reinvestment Component, without any further action on their part. A beneficial owner of Shares (i.e., a holder of Shares that are not registered in the beneficial owner's name but are instead held through a broker, investment dealer, financial institution or other nominee) who was validly enrolled, through the nominee holder, in the Previous Plan should contact such nominee holder to confirm continued participation in the Dividend Reinvestment Component.

Definitions

In this Plan:

"**Average Market Price**", in respect of a particular Dividend payment date, refers to the arithmetic average (calculated by the Plan Broker to four decimal places) of the daily volume weighted average trading prices of the Shares on the TSX (after taking into account any trading reversals or adjustments, corrections or similar changes with respect to the Shares) for the trading days on which at least one board lot of Shares is traded on the TSX during the corresponding Pricing Period, subject to such adjustments as AltaGas may, in its sole discretion, determine to be appropriate to account for (i) a change in the aggregate number of Shares outstanding into a greater or lesser number of Shares, (ii) a reclassification of the Shares, or (iii) a merger, reorganization or other transaction affecting the Shares.

"**Board**" means the board of directors of AltaGas.

"**Business Day**" refers to any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario.

"**CDS**" refers to CDS Clearing and Depository Services Inc., which acts as a nominee for certain Canadian brokers, investment dealers, financial institutions and other nominees, or its nominee, as applicable.

"**CDS Participants**" refers to brokers, investment dealers, financial institutions or other nominees in their capacity as participants in the CDS depository service, who hold Shares registered in the name of CDS on behalf of eligible beneficial owners of Shares and who are acting on behalf of such beneficial owners in respect of the Plan.

"**Dividend**" refers to a cash dividend declared payable by AltaGas on the outstanding Shares.

"**Dividend Reinvestment Component**" refers to that component of the Plan, as more particularly described herein under the heading "*Plan Components – Dividend Reinvestment*", pursuant to which Shares are purchased on the reinvestment of Dividends under the Plan but are not disposed of in exchange for the Premium Dividend™.

"**Dividend Reinvestment Discount**" refers to the percentage discount to the Average Market Price at which Dividends may be reinvested under the Dividend Reinvestment Component, such discount to be not more than 5%, as set by the Board from time to time.

"**Dividend Reinvestment Purchase Percentage**" refers to, on a Dividend payment date, a percentage that is equal to 100% minus the Dividend Reinvestment Discount applicable in respect of such Dividend payment date.

"**DRS Advice**" means a direct registration system advice or similar document evidencing the electronic registration of ownership of Shares.

"**Eligible Shareholders**" refers to Shareholders who are permitted to participate in the Plan as described herein under the heading "*Eligibility Requirements*".

"**Enrollment Form**" refers to the Reinvestment Enrollment – Participant Declaration Form (or similar enrollment form) established by AltaGas and the Plan Agent from time to time for the purpose of enrolling eligible registered holders of Shares (other than CDS) in the Plan.

"OCP Component" refers to that component of the Plan, as more particularly described herein under the heading *"Plan Components – OCP Component"*, pursuant to which Participants (other than CDS) may purchase additional Shares at the then applicable Average Market Price.

"OCP Form" refers to the Optional Cash Purchase - Participant Declaration Form (or similar form) established by AltaGas and the Plan Agent from time to time for the purpose of enabling eligible Participants (other than CDS) to purchase additional Shares pursuant to the OCP Component.

"Pre-Authorized Debit (PAD)" means an agreement between a Participant and the Plan Agent to give the Plan Agent permission to withdraw money from their bank account as a one-time and/or recurring pre-authorized debit.

"Participants" refers to registered holders of Shares who, on the applicable record date for a Dividend, are Eligible Shareholders and are duly enrolled in the Plan; provided, however, that (i) CDS and brokers, investment dealers, financial institutions or other nominees, as the case may be, shall be Participants only to the extent that CDS or nominees, respectively, have enrolled in the Plan on behalf of Shareholders who are Eligible Shareholders; and (ii) in respect of the OCP Component only, also refers to CDS Participants and brokers, investment dealers, financial institutions or other nominees, as the case may be, who, on the applicable record date for a Dividend, purchase additional Shares pursuant to the OCP Component on behalf of Shareholders who are Eligible Shareholders.

"Plan Agent" refers to Computershare Trust Company of Canada, or such other party as is appointed by AltaGas from time to time to act as "Plan Agent" under the Plan.

"Plan Broker" refers to Canaccord Genuity Corp., or such other qualified investment dealer as is designated from time to time to act as "Plan Broker" under the Plan.

"Premium Dividend™" refers to a cash amount equal to 101% of a Dividend or, as the context may require, 101% of the aggregate Dividends payable by AltaGas on a particular Dividend payment date to Participants enrolled in the Premium Dividend™ Component, subject to proration in certain events as described herein.

"Premium Dividend™ Component" refers to that component of the Plan, as more particularly described herein under the heading *"Plan Components – Premium Dividend™"*, pursuant to which Shares are purchased on the reinvestment of Dividends under the Plan and disposed of in exchange for the Premium Dividend™.

"Pricing Period", in respect of a particular Dividend, refers to the period beginning on the later of the 21st Business Day preceding the Dividend payment date and the second Business Day following the record date applicable to that Dividend payment date, and ending on the second Business Day preceding the Dividend payment date.

"Shareholders" refers to holders of Shares.

"Shares" refers to common shares in the capital of AltaGas.

"TSX" refers to the Toronto Stock Exchange.

Plan Components

Dividend Reinvestment

Under the Dividend Reinvestment Component, the Plan Agent will, on each Dividend payment date, on behalf of Participants enrolled in the Dividend Reinvestment Component, apply the aggregate Dividends payable on the Shares of such Participants towards the purchase from treasury of AltaGas or, if AltaGas so determines, through the facilities of the TSX, of such number of new Shares (calculated to six decimal places) as is equal to the aggregate amount of such Dividends divided by the Dividend Reinvestment Purchase Percentage of the corresponding Average Market Price. The new Shares so purchased will be held under the Plan by the Plan Agent for the account of the applicable Participants or, in the case of Eligible Shareholders who are enrolled in the Plan indirectly through CDS, credited through CDS to the accounts of appropriate CDS Participants on behalf of such Eligible Shareholders. Any subsequent Dividends paid in respect of Shares purchased under the Dividend Reinvestment Component will be subject to reinvestment under the Plan (i) in the case of Shares held under the Plan for the account of a Participant other than CDS, pursuant to the current election of the Participant as between the Dividend Reinvestment Component and the Premium Dividend™ Component, or (ii) in the case of Shares enrolled in the Plan indirectly through CDS, pursuant to instructions provided to the Plan Agent by CDS in the manner described below under the heading "*Enrollment*" below.

Premium Dividend™

Under the Premium Dividend™ Component, the Plan Agent will, on each Dividend payment date, on behalf of Participants enrolled in the Premium Dividend™ Component, apply the aggregate Dividends payable on the Shares of such Participants towards the purchase from treasury of AltaGas of such number of new Shares (calculated to six decimal places) as is equal to the aggregate amount of such Dividends divided by 97% of the corresponding Average Market Price. Additionally, a number of Shares approximately equal to the number of new Shares to be purchased under the Premium Dividend™ Component will in turn be pre-sold, through the Plan Broker, in one or more transactions on the TSX and any other recognized Canadian marketplace upon which the Shares are listed or quoted or where the Shares are traded.

The new Shares purchased on the reinvestment of Dividends under the Premium Dividend™ Component on behalf of Participants enrolled in the Premium Dividend™ Component will not be held under the Plan by the Plan Agent or credited through CDS to the accounts of appropriate CDS Participants on behalf of Eligible Shareholders who are enrolled in the Premium Dividend™ Component, but will instead be delivered by the Plan Agent to the Plan Broker in exchange for the Premium Dividend™ in an amount equal to 101% of the reinvested amount. The Plan Agent will in turn remit payment of the Premium Dividend™ to Participants enrolled in the Premium Dividend™ Component in the same manner that regular Dividends are paid by AltaGas.

At the time Shares are delivered to the Plan Broker, each Shareholder for whom Dividends are reinvested under the Premium Dividend™ Component shall be deemed to represent and warrant to AltaGas, the Plan Agent and the Plan Broker that: (i) such Shareholder holds good and marketable title to such Shares, free and clear of all liens, restrictions, charges, encumbrances, claims and rights of others; (ii) such Shares are not subject to resale restrictions; and (iii) it is an Eligible Shareholder.

AltaGas and the Plan Agent have a commitment from the Plan Broker to pay the Premium Dividend™ to the Plan Agent against delivery of the corresponding Shares on the applicable Dividend payment date. Although AltaGas and the Plan Agent will, if necessary, make claims on this commitment, neither AltaGas nor the Plan Agent has any liability to Participants enrolled in the Premium Dividend™

Component (or to any Shareholder for which the Participant may be acting) for any failure of the Plan Broker to fulfil its obligation to pay the Premium Dividend™ when required. If the Plan Broker does not deliver sufficient funds to pay the Premium Dividend™ on all Shares of Participants enrolled in the Premium Dividend™ Component, AltaGas will deliver the full amount of the regular Dividend to the Plan Agent and such Participants will be entitled to receive the regular Dividend for each such Share in respect of which the Premium Dividend™ is not paid by the Plan Broker. For greater certainty, a Participant who receives the regular Dividend in these circumstances will not be entitled to receive the corresponding Premium Dividend™.

OCP Component

Under the OCP Component, the Plan Agent will, on each Dividend payment date, on behalf of Participants (other than CDS) who are duly enrolled in the Dividend Reinvestment Component and who have elected to purchase additional Shares pursuant to the OCP Component, subject to the limitations set forth herein, apply the aggregate of all optional cash payments received by such Participants towards the purchase from AltaGas of such number of Shares (calculated to six decimal places) as is equal to the aggregate amount of such payments divided by the then applicable Average Market Price. The Shares so purchased will be held under the Plan by the Plan Agent for the account of applicable Participants enrolled directly in the Plan with the Plan Agent or, in the case of Eligible Shareholders who are enrolled in the Plan indirectly through a CDS Participant, credited to the accounts of appropriate CDS Participants on behalf of such Eligible Shareholders. For Participants enrolled directly in the Plan with the Plan Agent, any subsequent Dividends paid in respect of Shares purchased under the OCP Component will be subject to reinvestment under the Plan pursuant to the current election of the Participant in the Dividend Reinvestment Component. For Eligible Shareholders who are enrolled in the Plan indirectly through a CDS Participant, any subsequent Dividends paid in respect of Shares purchased under the OCP Component will be credited to the accounts of the appropriate CDS Participants on behalf of such Eligible Shareholders (and the Eligible Shareholder will need to instruct their broker or nominee to have such additional Shares purchased pursuant to the OCP Component enrolled in the Plan).

Participants in the OCP Component may make optional cash payments subject to a minimum of \$1,000 per remittance and up to a maximum of up to \$100,000 per account per month, or such other amounts as may be determined by the Board, from time to time (the "**Maximum Contribution Amount**"). In addition, AltaGas may not issue or sell pursuant to the OCP Component more than the maximum number of Shares permitted by applicable laws and regulatory policies in any financial year. (As at the effective date of this Plan, this maximum was equal to 2% of the number of Shares outstanding at the start of the financial year.) AltaGas and the Plan Agent will not accept any optional cash payments beyond this limit.

There is no obligation to make an optional cash payment and the amount of optional cash payments (subject to the limits specified herein) made by a Participant may vary from time to time. However, a direction to purchase Shares with an optional cash payment is irrevocable once received by the Plan Agent, and funds will only be returned to a Participant if AltaGas determines not to accept such optional cash payment for the purchase of additional Shares on the applicable Dividend payment date, if the Plan or the OCP Component is terminated by AltaGas, or if participation in the Plan is terminated by such Participant or by AltaGas. See "*Termination of Participation*" below.

The Shares purchased from AltaGas pursuant to the OCP Component may be issued from treasury or may consist of previously issued Shares that have been either repurchased by AltaGas on the open market or by invitation for tenders, in each case as permitted by AltaGas' constating documents and applicable laws and stock exchange requirements.

No interest will be paid by AltaGas or by the Plan Agent on any funds received pursuant to the OCP Component prior to a Dividend payment date. Any interest earned on such funds will be applied by AltaGas to defray the costs of the Plan.

Pre-Authorized Debit (PAD)

To be eligible to participate in the Pre-Authorized Debit (PAD) service for the OCP Component, Participants must already be enrolled in the Plan and the Plan account must already be coded compliant with Canadian Anti-Money Laundering requirements. In addition, the bank account that is used must be held with a Canadian financial institution.

Participants have the option of selecting either a one-time and/or recurring PAD. Both options can be initiated online through the Plan Agent's self-service web portal, Investor Centre at www.investorcentre.com. In the case of recurring PAD service only, Participants may mail the PAD request to the Plan Agent. The Plan Agent must receive the PAD request no later than 10 Business Days prior to the Dividend payment date for which the Participant wishes to apply such debit. If the duly completed request is received after this date, such debit will be applied on the next Dividend payment date.

One-Time Pre-Authorized Debits

One-time PAD can only be initiated online. If a Participant authorizes a one-time debit, the bank account will be debited within five to ten Business Days from the time the request is received. Monies will be applied to purchase shares on the next available Dividend payment date after the funds have been withdrawn from the Participant's account. No interest will be paid for any funds held awaiting investment.

Recurring Pre-Authorized Debits

Recurring PAD can be initiated online through the Plan Agent self-service web portal or by duly completing and signing a PAD agreement. A PAD agreement will be enclosed with the Participant's Plan account statement once the Plan account has been coded compliant. The Participant must return a completed PAD agreement along with a VOID cheque indicating the name(s) on the bank account or a letter from a financial institution confirming the banking details and the names associated to the account. The bank account names must match the name(s) on the Plan account.

If a Participant authorizes monthly recurring PAD, then the Participant's account will be debited on the 6th of every month. If a Participant authorizes quarterly recurring PAD, then the Participant's account will be debited on the 6th of January, April, July and October. If the 6th is not a Business Day, then the debit will occur on the next Business Day.

Eligibility Requirements

Shareholders who are resident in Canada may participate in the Dividend Reinvestment Component or the Premium DividendTM Component. However, CDS may not directly invest under the OCP Component. Eligible Shareholders may also purchase additional Shares pursuant to the OCP Component provided they are also enrolled in the Dividend Reinvestment Component. See "*Enrollment*" below.

Unless otherwise announced by AltaGas, a Shareholder who is a resident of the United States or is otherwise a "U.S. person" as that term is defined in Regulation S under the United States Securities Act of 1933, as amended, may not participate in any component of the Plan. A "U.S. Person" includes, without limitation, any natural person resident in the United States, any partnership or

corporation organized or incorporated under the laws of the United States, any estate of which any executor or administrator is a U.S. person and any trust of which any trustee is a U.S. person.

Shareholders who are resident in any jurisdiction outside of Canada (other than the United States) may participate in the Dividend Reinvestment Component or the OCP Component only if their participation is permitted by the laws of the jurisdiction in which they reside and provided that AltaGas is satisfied, in its sole discretion, that such laws do not subject the Plan or AltaGas to additional legal or regulatory requirements. Any such Shareholder wishing to participate in the Dividend Reinvestment Component should consult legal counsel where they reside to determine their eligibility to participate. **Unless otherwise announced by AltaGas, Shareholders who are not resident in Canada may not participate in the Premium Dividend™ Component.**

The amount of any Dividends to be reinvested under the Plan, whether under the Dividend Reinvestment Component or the Premium Dividend™ Component, on behalf of Shareholders who are not residents of Canada will be reduced by the amount of any applicable non-resident withholding tax. See "*Withholding Taxes*" below.

AltaGas and the Plan Agent also reserve the right to deny participation in the Plan to, or cancel the participation of, any person or agent of any person who appears to be, or who AltaGas or the Plan Agent has reason to believe is, subject to the laws of any jurisdiction which do not permit participation in the Plan in the manner sought by such person or which will subject the Plan or AltaGas to requirements of the jurisdiction not otherwise applicable to the Plan or AltaGas, or whose participation in the Plan is suspected to be part of a scheme to avoid applicable legal requirements or otherwise engage in unlawful behaviour.

AltaGas also reserves the right to determine, from time to time, at its sole discretion, not to accept optional cash payments for the purchase of Shares under the OCP Component. AltaGas further reserves the right to determine, from time to time, a minimum number of Shares that a Shareholder must hold in order to be eligible for, or continue to be enrolled in, the Plan, subject to any applicable legal or regulatory requirements.

Enrollment

The following paragraphs outline the enrollment process for an Eligible Shareholder who wishes to become a new participant in the Plan or change its manner of participation in the Plan. As noted above under "*Replacement of Previous Plan*", registered Eligible Shareholders who were enrolled in the Previous Plan will automatically be deemed to be a Participant in the Dividend Reinvestment Component without any further action on their part.

Direct Enrollment

An Eligible Shareholder whose Shares are registered in its own name may enroll in either (i) the Dividend Reinvestment Component by using the internet or by delivering to the Plan Agent a duly completed Enrollment Form, or (ii) the Premium Dividend™ Component by delivering to the Plan Agent a duly completed Enrollment Form. For enrollment by using the internet or to obtain a copy of the Enrollment Form, see the Plan Agent's website at www.investorcentre.com. A copy of the Enrollment Form may also be obtained by calling the Plan Agent at 1-800-564-6253 or from AltaGas' website at www.altagas.ca.

A Participant who delivers a duly completed Enrollment Form to the Plan Agent will be deemed to thereby direct AltaGas to credit the Plan Agent with all Dividends payable in respect of all Shares registered in the name of the Participant or held under the Plan by the Plan Agent for the Participant's account as of the Dividend record date, and to direct the Plan Agent to reinvest such Dividends in new

Shares in accordance with the Dividend Reinvestment Component or the Premium Dividend™ Component, as applicable, and otherwise upon and subject to the terms and conditions described herein. See "*Deemed Representations, Directions and Authorizations*" below.

An Eligible Shareholder whose Shares are registered in its own name and who is directly enrolled in the Dividend Reinvestment Component may purchase additional Shares pursuant to the OCP Component, by delivering to the Plan Agent a duly completed OCP Form and (unless the Participant is enrolled in the PAD service) a cheque for the applicable payment payable to the Plan Agent. A Participant who delivers a duly completed OCP Form and (unless the Participant is enrolled in the PAD service) a cheque to the Plan Agent will be deemed to have directed AltaGas to purchase additional Shares in accordance with the OCP Component upon and subject to the terms and conditions described herein. See "*Deemed Representations, Directions and Authorizations*" below. An Eligible Shareholder who is enrolled in the Premium Dividend™ Component may not directly enrol in the OCP Component.

A copy of the Enrollment Form and OCP Form may be obtained from the Plan Agent at any time upon request or from AltaGas' website at www.altagas.ca.

Indirect Enrollment

An Eligible Shareholder whose Shares are not registered in its own name cannot enroll in the Plan directly but may instead do so indirectly through the broker, investment dealer, financial institution or other nominee who holds their Shares by providing appropriate enrollment instructions to such nominee. Where such nominee holds Shares in its own name (and not through CDS) on behalf of an Eligible Shareholder, the nominee may enroll in the Plan on behalf of the Eligible Shareholder by delivering to the Plan Agent a duly completed Enrollment Form. Where the Shares are held indirectly through CDS, enrollment instructions must be communicated to CDS by the applicable nominee and CDS Participant in accordance with the procedures of the CDS depository system, and CDS will in turn provide instructions to the Plan Agent regarding the extent of its participation, on behalf of Eligible Shareholders, in the Dividend Reinvestment Component and, in the case of CDS, the Premium Dividend™ Component. CDS instructions will advise the Plan Agent of the aggregate number of Shares held through CDS in respect of which Dividends are to be reinvested under the Dividend Reinvestment Component and the Premium Dividend™ Component.

An Eligible Shareholder who is indirectly enrolled in the Dividend Reinvestment Component whose Shares are held through a broker, investment dealer, financial institution or other nominee, may purchase additional Shares pursuant to the OCP Component indirectly through such nominee who holds their Shares by providing appropriate instructions to such nominee. Such nominee may make optional cash payments on behalf of the Eligible Shareholder by delivering to the Plan Agent the applicable payment and a duly completed OCP Form. Such nominee must make the declaration set forth in the OCP Form to the effect that: (i) it is making the optional cash payment on behalf of one or more beneficial owners of Shares that are registered in the nominee's name; (ii) it has applied to participate in the Dividend Reinvestment Component on behalf of each such beneficial owner of Shares; (iii) at least \$1,000 per remittance and not more than the Maximum Contribution Amount is being paid on behalf of each beneficial owner of Shares; and (iv) it has complied with the applicable provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the regulations thereunder.

Continued Participation

Once a Participant (other than CDS) has enrolled in either the Premium Dividend™ Component or the Dividend Reinvestment Component, participation in the manner elected by the Participant continues automatically with respect to all Shares registered in the name of the Participant or held under the Plan by

the Plan Agent for the Participant's account until the Plan or the Participant's participation therein is terminated or until the Participant changes its election.

Optional cash payments may be submitted at any time for investment in additional Shares pursuant to the OCP Component by or on behalf of an Eligible Shareholder provided that the Eligible Shareholder continues to be duly enrolled in the Dividend Reinvestment Component.

Eligible Shareholders who participate in the Plan indirectly through CDS or otherwise through their broker, investment dealer, financial institution or other nominee should consult such nominee to confirm the nominee's policies concerning continued participation following initial enrollment.

See "*Termination of Participation*" and "*Change of Election*" below.

Enrollment Deadlines

In order for a particular Dividend payable on Shares held by an Eligible Shareholder to be reinvested on the Dividend payment date, the Plan Agent must receive (i) a duly completed Enrollment Form that covers such Shares not later than 5:00 p.m. (Toronto time) on the Business Day preceding the record date for the Dividend, or (ii) in the case of Shares enrolled indirectly through CDS, appropriate instructions from CDS regarding the extent of its participation (on behalf of Eligible Shareholders) not later than such time on the record date for that Dividend as may be agreed from time to time between CDS and the Plan Agent in accordance with custom and practice relating to the CDS depository system. CDS must in turn receive appropriate instructions from the nominee holders that are CDS Participants not later than such deadline as may be established by CDS from time to time. Enrollment Forms or CDS instructions, as applicable, received by the Plan Agent after the stipulated deadline will not be effective in respect of the applicable Dividend payment date unless otherwise determined by AltaGas and the Plan Agent in their sole discretion.

In order for an optional cash payment to be invested in Shares on a particular Dividend Payment Date under the OCP Component, the Plan Agent must receive a duly completed OCP Form and accompanying cheque not later than 5:00 pm (Toronto time) on the Business Day preceding the record date for that Dividend. Cheques received by the Plan Agent in respect of optional cash payments will be cashed as soon as practicable by the Plan Agent to ensure that payment will not be denied for insufficient funds by the applicable Dividend payment date. No interest will be paid on any amounts held pending investment. Optional cash payments received by the Plan Agent after the applicable deadline and cheques that have not cleared by the applicable Dividend payment date will not be invested in Shares on such Dividend payment date and will be invested in Shares on the next following Dividend payment date.

Broker Requirements

A CDS Participant or other broker, investment dealer, financial institution or other nominee may require certain information or documentation from an Eligible Shareholder before it will act upon enrollment and/or optional cash payment instructions relating to the Plan. **Eligible Shareholders who wish to participate in the Plan and, if applicable, purchase additional Shares pursuant to the OCP Component should contact the broker, investment dealer, financial institution or other nominee who holds their Shares to provide instructions regarding their decision to enroll in and their election as between the Dividend Reinvestment Component and the Premium Dividend™ Component, and, if applicable, their instructions with respect to the OCP Component to confirm any information or documentation required to give effect to their instructions, to confirm the nominee's policies concerning continued participation following initial enrollment, and to inquire about any applicable deadlines that the nominee may impose or be subject to under the policies of that nominee or the CDS depository system.**

Administration

Computershare Trust Company of Canada has been appointed to act as Plan Agent for and on behalf of Participants. If Computershare Trust Company of Canada ceases to act as Plan Agent for any reason, another qualified party will be designated by AltaGas to act as Plan Agent and Participants will be notified of the change.

All funds credited to the Plan Agent under the Plan on account of the reinvestment of Dividends will be applied to the purchase of new Shares directly from AltaGas on behalf of Participants. In no event will interest be paid to Participants on any funds held for reinvestment under the Plan (including optional cash payments pending their investment in Shares).

In carrying out its obligations under the Plan on behalf of Participants, the Plan Agent shall only be required to act in accordance with the instructions duly received within the appropriate time periods.

Proration in Certain Events

AltaGas reserves the right to determine, promptly following each Dividend record date, the aggregate amount of new equity, if any, that will be made available under the Plan on the Dividend payment date to which such record date relates. No assurances can be given that new equity will be available under the Plan on a regular basis, or at all.

In addition, AltaGas may not issue, in any financial year, pursuant to the OCP Component, more than the maximum number of Shares permitted by applicable laws and regulatory policies. As at the effective date of the Plan, this maximum number of Shares was equal to 2% of the number of Common Shares outstanding at the beginning of AltaGas' financial year.

If, in respect of any Dividend payment date, fulfilling the elections of all Participants under the Plan would result in AltaGas exceeding the limit on new equity set by AltaGas, then elections for the purchase of new Shares on that Dividend payment date will be accepted (i) first, from Participants electing to reinvest Dividends under the Dividend Reinvestment Component, (ii) second, to the extent that new equity remains available under the Plan, from Participants electing to reinvest Dividends under the Premium Dividend™ Component, and (iii) third, to the extent that new equity remains available under the Plan, from Participants electing to make optional cash payments under the OCP Component.

If AltaGas is not able to accept all elections for a particular component of the Plan (including as a result of AltaGas exceeding the aggregate annual limit on new Shares issuable pursuant to the OCP Component), then participation and purchases of Shares in that component of the Plan on the applicable Dividend payment date will be prorated among all Participants in that component of the Plan according to the number of Shares participating in the particular component of the Plan or the amount of their optional cash payments under the Plan, as the case may be.

If trading of Shares on the TSX, or the trading thereof by the Plan Broker, is for any reason prohibited for an entire day, or if the Premium Dividend™ Component is terminated or suspended for any reason, in any such case during a Pricing Period, then purchases of new Shares under that component on the applicable Dividend payment date will be prorated among all Participants in that component according to the number of Shares enrolled therein.

If AltaGas determines not to issue any equity through the Plan on a particular Dividend payment date, or to the extent that the availability of new Shares is prorated in accordance with the terms of the Plan, or for

any other reason a Dividend cannot be reinvested under the Plan, in whole or in part, then Participants will receive from AltaGas their regular Dividends which they would otherwise be entitled to receive on such date and which are not reinvested as a result of such determination, proration or other reason.

Price of New Shares

The subscription price of new Shares purchased on a Dividend payment date under the Dividend Reinvestment Component will be the Average Market Price for that Dividend payment date less the Dividend Reinvestment Discount then in effect. The subscription price of new Shares purchased on a Dividend payment date under the Premium Dividend™ Component will be at a discount of 3% to the Average Market Price for that Dividend payment date. The subscription price of Shares purchased on a Dividend payment date under the OCP Component will be the Average Market Price in effect for that Dividend payment date.

Subject to the policies of a particular broker, investment dealer, financial institution or other nominee through which a beneficial Shareholder holds their Shares, full reinvestment is possible as fractions of Shares may be credited to Participants' accounts maintained under the Plan.

Costs

No commissions, service charges or similar fees are payable by Participants to AltaGas, the Plan Agent or the Plan Broker in connection with the purchase of new Shares from treasury of AltaGas or through the facilities of the TSX under the Dividend Reinvestment Component, the Premium Dividend™ Component or the OCP Component. All administrative costs of the Plan, including the fees and expenses of the Plan Agent, will be paid by AltaGas.

Eligible Shareholders whose Shares are not registered in their own name but who wish to participate in the Plan should consult the broker, investment dealer, financial institution or other nominee who holds their Shares to confirm whether the nominee charges any fees to enroll or participate in the Plan on their behalf.

Reports to Participants

The Plan Agent will maintain an account for each Participant with respect to purchases of Shares made under the Plan for that Participant's account and will issue an unaudited statement regarding purchases made under the Dividend Reinvestment Component and the OCP Component on a monthly basis. These statements are a Participant's continuing record of purchases of Shares made for its account under the Plan and should be retained for income tax purposes. No statements will be provided to Participants in respect of purchases made under the Premium Dividend™ Component.

Eligible Shareholders who participate in the Plan indirectly through their broker, investment dealer, financial institution or other nominee should consult such nominee to confirm what statements or reports, if any, will be provided by the nominee, whether for tax reporting purposes or otherwise.

Whether or not it receives detailed statements or reports concerning transactions made on its behalf under the Plan, each Shareholder is responsible for calculating and monitoring its own adjusted cost base in Shares for Canadian federal income tax purposes, as certain averaging and other rules may apply and such calculations may depend on the cost of other Shares held by the Shareholder and other factors.

Withdrawal of Shares

Shares purchased under the Dividend Reinvestment Component and the OCP Component and held under the Plan by the Plan Agent for the account of Participants other than CDS will be registered in the name of the Plan Agent or its nominee or in accounts designated by it for the account of Participants other than CDS. A DRS Advice evidencing book-entry registered ownership of such Shares, or a certificate for such Shares will only be issued to the Participant if the Plan or the Participant's participation therein is terminated or if the Participant withdraws Shares from its account.

A Participant may, without terminating participation in the Plan, withdraw from its account under the Plan, and have a DRS Advice or Share certificate issued and registered in the Participant's name for, any number of whole Shares held for its account under the Plan by delivering to the Plan Agent a duly completed withdrawal portion of the voucher located on the reverse of the statement of account issued by the Plan Agent. A withdrawal request form may also be obtained from the Plan Agent at the address below. Alternatively, Participants may follow the instructions at the Plan Agent's self-service web portal at www.investorcentre.com. The withdrawal of Shares and issuance of a DRS Advice or Share certificate will be completed within the Plan Agent's ordinary service standards, which is generally within three (3) weeks from the time the request is received. Any remaining Shares (including any residual fraction of a Share) will continue to be held by the Plan Agent for the Participant's account under the Plan.

Shares held under the Plan by the Plan Agent for the account of a Participant may not be sold, pledged or otherwise disposed of by the Participant while so held.

For Eligible Shareholders enrolled in the Dividend Reinvestment Component indirectly through CDS, any new Shares issued or purchased under the Dividend Reinvestment Component will not be held under the Plan but instead credited through the CDS depository system to the accounts of appropriate CDS Participants on behalf of such Eligible Shareholders.

Termination of Participation

An Eligible Shareholder who is enrolled in the Plan directly and wishes to voluntarily terminate its participation in the Plan may do so by delivering to the Plan Agent a duly completed termination portion of the voucher located on the reverse of the statement of account issued by the Plan Agent. A termination request form may also be obtained from the Plan Agent at the address below. Alternatively, an Eligible Shareholder who is enrolled directly in the Dividend Reinvestment Component and wishes to voluntarily terminate its participation in the Plan may follow the instructions at the Plan Agent's self-service web portal at www.investorcentre.com. In addition, participation in the Plan will be terminated automatically following receipt by the Plan Agent of written notice of an individual Participant's death. The termination request will be processed within the Plan Agent's ordinary service standard, which is generally within three (3) weeks from the time the request is received.

A duly completed termination request (or notice of an individual Participant's death) must be received by the Plan Agent before 5:00 p.m. (Toronto time) on the Business Day preceding a Dividend record date in order for the Participant's account to be closed and participation in the Plan by such Participant to be terminated prior to the Dividend payment date to which that record date relates. If a duly completed termination request (or notice of an individual Participant's death) is not received by the Plan Agent before 5:00 p.m. (Toronto time) on the Business Day preceding a Dividend record date, then the Participant's account will not be closed, and participation in the Plan by such Participant will not be terminated, until after the Dividend payment date to which that record date relates.

An Eligible Shareholder who is enrolled in the Plan indirectly through CDS or otherwise through its broker, investment dealer, financial institution or other nominee and wishes to terminate its participation

in the Plan must contact the nominee who holds its Shares and provide appropriate instructions to do so. The nominee should be consulted to confirm what information or documentation may be required to give effect to the termination instructions, and to inquire about any applicable deadlines that the nominee may impose or be subject to under the policies of that nominee or the CDS depository system.

In the event of termination of participation, a Participant (other than CDS) or a deceased Participant's estate or legal representative, as applicable, will be issued a DRS Advice or share certificate for the number of whole Shares held under the Plan by the Plan Agent in the Participant's account and payment for any residual fraction of a Share so held based on the prevailing market price obtained by the Plan Agent at the time of sale.

Change of Election

An Eligible Shareholder who is enrolled in the Plan directly and wishes to change its election as between the Dividend Reinvestment Component and the Premium Dividend™ Component may do so by delivering to the Plan Agent a new, duly completed Enrollment Form reflecting the new election. Alternatively, an Eligible Shareholder who is enrolled directly in the Dividend Reinvestment Component and wishes to change its election as between the Dividend Reinvestment Component and the Premium Dividend™ Component may follow the instructions at the Plan Agent's self-service web portal at www.investorcentre.com.

A new Enrollment Form must be received by the Plan Agent before 5:00 p.m. (Toronto time) on the Business Day preceding a Dividend record date in order for the new election to apply to the Dividend to which that record date relates. If a new Enrollment Form is not received by the Plan Agent before 5:00 p.m. (Toronto time) on the Business Day preceding a Dividend record date, then the previous election will apply to the Dividend to which that record date relates and the new election will only become effective for purposes of subsequent Dividends.

If a Participant currently enrolled in the Dividend Reinvestment Component chooses to switch their participation to the Premium Dividend™ Component, the participation in the Dividend Reinvestment Component will be terminated and a DRS Advice or share certificate for the number of whole Shares held under the Plan by the Plan Agent in the Participant's account will be issued and payment for any residual fraction of a Share so held based on the prevailing market price obtained by the Plan Agent at the time of sale. Then the account will be enrolled in the Premium Dividend™ Component.

An Eligible Shareholder who is enrolled in the Plan indirectly through CDS or otherwise through its broker, investment dealer, financial institution or other nominee and wishes to change its election as between the Dividend Reinvestment Component and the Premium Dividend™ Component must contact such nominee who holds its Shares and provide appropriate instructions to do so. The nominee should be consulted to confirm what information or documentation may be required to give effect to the change of election instructions, and to inquire about any applicable deadlines that the nominee may impose or be subject to under the policies of that nominee or the CDS depository system.

Subdivisions

If Shares are distributed pursuant to a subdivision of Shares, then the additional Shares received by the Plan Agent in respect of Shares held under the Plan by the Plan Agent for the account of Participants will be credited proportionately to the accounts of such Participants.

Shareholder Voting

Whole Shares held under the Plan by the Plan Agent for a Participant's account on the record date for a vote of Shareholders will be voted in accordance with the instructions of the Participant given on a form to be furnished by the Plan Agent to the Participant for this purpose. Shares for which instructions are not received will not be voted. No voting rights will attach to any fraction of a Share held for a Participant's account under the Plan.

Deemed Representations, Directions and Authorizations

Dividend Reinvestment Component

By enrolling in the Dividend Reinvestment Component, whether directly as a Participant or indirectly through CDS or otherwise through a broker, investment dealer, financial institution or other nominee, a Shareholder shall be deemed to have: (i) represented and warranted to AltaGas and the Plan Agent that it is an Eligible Shareholder with respect to participation in the Dividend Reinvestment Component; (ii) appointed the Plan Agent to receive from AltaGas, and directed AltaGas to credit the Plan Agent with, all Dividends (less any applicable withholding taxes) payable in respect of all Shares registered in the name of the Shareholder or held under the Plan for its account or, in the case of a Shareholder enrolled indirectly through CDS or otherwise through a broker, investment dealer, financial institution or other nominee, that are enrolled (through CDS or otherwise) on its behalf in the Dividend Reinvestment Component; and (iii) authorized and directed the Plan Agent to reinvest such Dividends (less any applicable withholding taxes) in new Shares, all in accordance with the provisions of the Dividend Reinvestment Component as set forth herein (which provisions include, without limitation, the purchase of new Shares at the Dividend Reinvestment Discount to the Average Market Price and the holding of such new Shares under the Plan or the crediting of such new Shares through CDS) and otherwise upon and subject to the terms and conditions described herein.

Premium Dividend™ Component

By enrolling in the Premium Dividend™ Component, whether directly as a Participant or indirectly through CDS or otherwise through a broker, investment dealer, financial institution or other nominee, a Shareholder shall be deemed to have: (i) represented and warranted to AltaGas, the Plan Agent and the Plan Broker that it is an Eligible Shareholder with respect to participation in the Premium Dividend™ Component; (ii) appointed the Plan Agent to receive from AltaGas, and directed AltaGas to credit the Plan Agent with, all Dividends (less any applicable withholding taxes) payable in respect of all Shares registered in the name of the Shareholder or held under the Plan for its account or, in the case of a Shareholder enrolled indirectly through CDS or otherwise through a broker, investment dealer, financial institution or other nominee, that are enrolled (through CDS or otherwise) on its behalf in the Premium Dividend™ Component; and (iii) authorized and directed the Plan Agent to reinvest such Dividends (less any applicable withholding taxes) in new Shares, all in accordance with the provisions of the Premium Dividend™ Component as set forth herein (which provisions include, without limitation, the purchase of new Shares at a 3% discount to the Average Market Price, the pre-sale of Shares through the Plan Broker and the delivery of new Shares to the Plan Broker in exchange for payment of the Premium Dividend™) and otherwise upon and subject to the terms and conditions described herein.

OCP Component

By purchasing additional Shares pursuant to the OCP Component, whether directly as a Participant or indirectly through a broker, investment dealer, financial institution or other nominee, a Shareholder shall be deemed to have: (i) represented and warranted to AltaGas and the Plan Agent that it is an Eligible Shareholder with respect to investing under the OCP Component; and (ii) authorized and directed the

Plan Agent to apply the payment received from such Shareholder (or, indirectly from a broker, investment dealer, financial institution or other nominee, on its behalf) to the purchase of Shares, all in accordance with the provisions of the OCP Component as set forth herein (which provisions include, without limitation, the purchase of Shares at the then-applicable Average Market Price and the holding of such Shares under the Plan or the crediting of such Shares through CDS) and otherwise upon and subject to the terms and conditions described herein.

Responsibilities of AltaGas, the Plan Agent and the Plan Broker

None of AltaGas, the Plan Agent or the Plan Broker will be liable to any Shareholder, CDS, any CDS Participant or any other nominee acting on behalf of a Shareholder in respect of the Plan for any act or for any omission to act in connection with the operation of the Plan including, without limitation, any claims or liability with respect to or arising out of:

- (a) any failure by CDS, a CDS Participant or any other nominee to enroll or not enroll or participate in the Plan on behalf of any Shareholder (or, as applicable, any Shares held on the Shareholder's behalf) in accordance with the Shareholder's instructions or to not otherwise act upon a Shareholder's instructions;
- (b) the continued enrollment in the Plan of any Shareholder (or, as applicable, any Shares held on the Shareholder's behalf) until receipt of all necessary documentation as provided herein required to terminate participation in the Plan;
- (c) the prices and times at which Shares are purchased under the Plan for the account of, or on behalf of, any Shareholder;
- (d) any decision by AltaGas to issue or not issue new equity through the Plan on any given Dividend payment date or the amount of equity issued (if any);
- (e) any decision to amend, suspend or terminate the Plan or a component of the Plan in accordance with the terms hereof;
- (f) any default by the Plan Broker in delivering the Premium Dividend™ to the Plan Agent on any Dividend payment date;
- (g) a prorating, for any reason, of the amount of equity available under the Plan in the circumstances described herein or otherwise;
- (h) any determination made by AltaGas or the Plan Agent regarding a Shareholder's eligibility to participate in the Plan or any component thereof, including the cancellation of a Shareholder's participation for failure to satisfy eligibility requirements;
- (i) any income or withholding taxes or other liabilities payable by a Shareholder in connection with their participation in the Plan;
- (j) any decision not to accept an optional cash payment for the purchase of Shares under the Plan; or
- (k) any failure by the Plan Agent to purchase Shares with an optional cash payment.

None of AltaGas, the Plan Agent or the Plan Broker can assure a Participant (or any beneficial owner of Shares for which a Participant may be acting) a profit or protect a Participant (or any such beneficial owner, as applicable) against loss on Shares purchased under the Plan.

The Plan Agent retains the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Plan Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist law, regulation or policy or any other law, regulation or policy to which the Plan Agent is now or hereafter becomes subject.

Canadian Federal Income Tax Considerations

The following is a summary of the principal Canadian federal income tax considerations generally applicable to Shareholders who participate in the Plan. **This summary is of a general nature only, is not exhaustive of all possible tax considerations and is not intended to be legal or tax advice to any particular Shareholder.**

This summary is provided by and on behalf of AltaGas and not the Plan Agent or the Plan Broker. Shareholders are urged to consult their own tax advisors as to their particular circumstances and tax position.

This summary is based on the provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act ("**Tax Proposals**") and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada), and the administrative and assessing practices of the Canada Revenue Agency (the "**CRA**"), all as of the effective date of the Plan. This summary does not otherwise take into account or anticipate any changes in law or the administrative or assessing practices of the CRA, nor does it take into account any provincial or territorial laws of Canada or the tax laws of any other country, including, without limitation, any changes which may occur after the effective date of the Plan.

This summary assumes that all Shares held by a Shareholder who participates in the Plan (a "**Participating Shareholder**"), including Shares purchased pursuant to the Dividend Reinvestment Component, OCP Component or Premium Dividend™ Component, are held by the Participating Shareholder as capital property for the purposes of the Tax Act. The Shares will generally constitute capital property to a Participating Shareholder provided that the Participating Shareholder does not hold or use such Shares in the course of carrying on business in which the Participating Shareholder buys or sells securities, and the Participating Shareholder did not acquire such Shares in one or more transactions considered to be an adventure in the nature of trade. Certain Participating Shareholders who might not otherwise be considered to hold their Shares as capital property may, in certain circumstances, be entitled to have their Shares and any other "Canadian security" (as defined in the Tax Act), treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. A Participating Shareholder contemplating making such an election should first consult its own tax advisors.

This summary is not applicable to: (i) a Participating Shareholder that is a "financial institution" (as defined in the Tax Act) for the purposes of the "mark-to-market" rules; (ii) a Participating Shareholder an interest in which would be a "tax shelter investment" (as defined in the Tax Act); (iii) a Participating Shareholder that is a "specified financial institution" (as defined in the Tax Act); (iv) a Participating Shareholder that has made a "functional currency" election under the Tax Act to determine its Canadian tax results in a currency other than Canadian currency; or (v) a Participating Shareholder that has entered or will enter into a "derivative forward agreement" (as defined in the Tax Act) with respect to the Shares.

This summary is only applicable to Participating Shareholders who, at all relevant times and for the purposes of the Tax Act, are or are deemed to be residents of Canada.

Dividends

The reinvestment of Dividends, or the receipt of Premium Dividends™, under the terms of the Plan does not, however, relieve a Participating Shareholder from any liability for income taxes that may otherwise be payable on such Dividends. In this regard, a Participating Shareholder who participates in the Dividend Reinvestment Component or Premium Dividend™ Component will be treated, for tax purposes, as having received, on each Dividend payment date, a taxable dividend equal to the amount of the Dividend payable on such date, which Dividend will be subject to the same tax treatment accorded to taxable dividends received by the Participating Shareholder from a taxable Canadian corporation. For example, if the Participating Shareholder is an individual, Dividends will be subject to the gross-up and dividend tax credit rules contained in the Tax Act and, if appropriate designations are made at or prior to the time a Dividend is paid to qualify the Dividend as an "eligible dividend", then the fact that the Dividend is reinvested pursuant to the Plan will not affect the status of any Dividend as an eligible dividend for purposes of the enhanced gross-up and dividend tax credit available to individuals. Taxable dividends received by an individual or trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. If the Participating Shareholder is a corporation, then Dividends received by the Participating Shareholder are generally deductible in computing the Participating Shareholder's taxable income. In certain circumstances, subsection 55(2) of the Tax Act (including as proposed to be amended by Tax Proposals released on July 31, 2015) will treat a taxable dividend received by a Participating Shareholder that is a corporation as proceeds of disposition or a capital gain. Furthermore, if the Participating Shareholder is a "private corporation" or "subject corporation" (both defined in the Tax Act), then a refundable tax at a rate of 38⅓% under current Tax Proposals (subject to proration for taxation years that end after 2015 and begin before 2016) under Part IV of the Tax Act will generally apply to the Dividend to the extent the Dividend is deductible in computing the Participating Shareholder's taxable income.

A Participating Shareholder's reinvestment of Dividends pursuant to the Dividend Reinvestment Component or Premium Dividend™ Component, in such number of newly-issued Shares as is equal to the aggregate amount of the Dividend payable on each Dividend payment date divided by the Dividend Reinvestment Purchase Percentage of the corresponding Average Market Price, in the case of the Dividend Reinvestment Component, or by 97% of the corresponding Average Market Price, in the case of the Premium Dividend™ Component, should not result in the Participating Shareholder realizing a taxable benefit under the Tax Act. Further, a Participating Shareholder's purchase of Shares through the OCP Component for the Average Market Price should not result in the Participating Shareholder realizing a taxable benefit under the Tax Act.

A Participating Shareholder will generally recognize a capital gain (or loss) on the sale of any Shares, whether sold pursuant to the Premium Dividend™ Component or otherwise outside the Plan (other than a sale to AltaGas that is not a sale in the open market in the manner in which Shares would normally be purchased by any member of the public in the open market), equal to the amount by which the proceeds of disposition is greater (or less) than the Participating Shareholder's adjusted cost base of such Shares and any reasonable costs incurred by the Participating Shareholder in connection with the sale.

For the purposes of determining the amount of any capital gain (or loss) which may result from the disposition of Shares held as capital property, the adjusted cost base of the Shares owned by a Participating Shareholder at a particular time will be the average cost of all Shares owned by the Participating Shareholder at that time, whether purchased through the Dividend Reinvestment Component, the Premium Dividend™ Component or the OCP Component or otherwise purchased outside the Plan. Generally, a Participating Shareholder's cost of a Share purchased pursuant to the Dividend Reinvestment Component will be equal to the Dividend Reinvestment Purchase Percentage of the Average Market Price of the Share for that Dividend payment date, a Participating Shareholder's cost of a Share purchased pursuant to the Premium Dividend™ Component will be equal to 97% of the

Average Market Price of the Share for that Dividend payment date, and a Participating Shareholder's cost of a Share purchased pursuant to the OCP Component will be equal to the Average Market Price for that Dividend payment date.

Generally, one-half of any capital gain realized by a Participating Shareholder on a disposition of Shares purchased pursuant to the Dividend Reinvestment Component, Premium Dividend™ Component or OCP Component must be included in the Participating Shareholder's income for the year as a taxable capital gain. Subject to certain specific rules in the Tax Act, one-half of any capital loss realized by a Participating Shareholder on a disposition of Shares in a taxation year will be an allowable capital loss which must be deducted from any taxable capital gains realized by the Participating Shareholder in the year of disposition. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three (3) preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances set out in by the Tax Act.

A Participating Shareholder that is throughout the relevant taxation year a "Canadian controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of $6\frac{2}{3}\%$ on its "aggregate investment income" (as defined in the Tax Act) for the year, which will include an amount in respect of taxable capital gains. Tax Proposals announced by the Department of Finance on December 7, 2015 would increase the rate of such tax to $10\frac{2}{3}\%$ for taxation years that end after 2015. For taxation years that begin before 2016, the rate increase is prorated according to the number of days in the taxation year that are after 2015.

If the Participating Shareholder is a corporation, the amount of any capital loss arising from a disposition or deemed disposition of such Shares may be reduced by the amount of dividends received or deemed to have been received by it on such shares to the extent and under circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Shares. **Participating Shareholders to whom these rules may be relevant should consult their own tax advisors.**

When a Participating Shareholder's participation in the Plan is terminated by the Participating Shareholder or AltaGas or when the Plan is terminated by AltaGas, the Participating Shareholder may be entitled to receive a cash payment for any residual fraction of a Share held based on the prevailing market price per Share at which Dividends were reinvested under the Plan as described above under "*Termination of Participation*" and below under "*Amendment, Suspension or Termination of the Plan*". A deemed dividend may arise if the cash payment for a fractional Share exceeds the paid-up capital in respect of such fractional Share and a capital gain (or capital loss) may also be realized in certain circumstances. A deemed dividend is treated in the manner described above in respect of dividends.

For the purpose of calculating the alternative minimum tax of a Participating Shareholder who is an individual, the actual amount of dividends received (exclusive of the gross-up) and 80% of capital gains should generally be included in the "adjusted taxable income" (as defined in the Tax Act) of that Participating Shareholder.

Where a Participating Shareholder has not made the irrevocable election permitted under subsection 39(4) of the Tax Act to treat their Shares and any other "Canadian security" (as defined in the Tax Act) as capital property, the CRA may take the position that any Shares purchased and sold by the Participating Shareholder pursuant to the Premium Dividend™ Component are not capital property to the Participating Shareholder, such that the tax consequences of the Participating Shareholder's sale of Shares pursuant to the Premium Dividend™ Component may differ from the consequences described above.

Amendment, Suspension or Termination of the Plan

AltaGas reserves the right to amend, suspend or terminate the Plan or any component of the Plan at any time, provided that no such action shall have retroactive effect prejudicial to Participants. If the effective date of any such suspension or termination would be a date falling within the period from and including the Business Day immediately preceding the first day of a Pricing Period to and including the Dividend payment date immediately following the last day of such Pricing Period, then the effective date of such suspension or termination will be deemed to be the Business Day following such Dividend payment date. AltaGas will publicly announce any material amendments to or suspension or termination of the Plan or any component of the Plan. Generally, no notice will be given to Participants regarding any amendments to the Plan intended to cure, correct or rectify any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions. Amendments to the Plan will be subject to the prior approval of the TSX, as necessary. **For greater certainty, a decision by the Board to change the Dividend Reinvestment Discount from time to time, so long as the applicable discount does not exceed 5%, shall not be considered an amendment to the Plan.** Any change to the Dividend Reinvestment Discount that does not constitute an amendment to the Plan will be disclosed to the public by AltaGas issuing a press release announcing such change.

In the event of termination of the Plan, Participants will be issued a DRS Advice or a Share certificate for the number of whole Shares held under the Plan by the Plan Agent in the Participant's account and payment for any remaining fraction of a Share so held based on the prevailing market price obtained by the Plan Agent at the time of sale as well as for any optional cash payments received from such Participant prior to such termination and not yet invested in Shares. In the event that AltaGas terminates the Plan or any component of the Plan, no investment will be made by the Plan Agent on the Dividend payment date immediately following the effective date of such termination with respect to the Plan or that terminated component of the Plan, as the case may be, and any Dividends paid after the effective date of such termination that would, but for the termination, be reinvested under the Plan or that terminated component of the Plan, as the case may be, will be remitted to the Participants.

Withholding Taxes

The Plan is subject to any withholding obligations that AltaGas may have with respect to taxes or other charges under applicable laws, and any amounts to be reinvested hereunder shall be net of any amounts required to be withheld.

Interpretation

Any issues of interpretation arising in connection with the Plan or its application shall be conclusively determined by AltaGas.

Governing Law

The Plan shall be governed by, and administered and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Notices and Inquiries

Any notices, documents (including a DRS Advice or a Share certificate) or payments required under the Plan to be given or delivered to Participants by AltaGas or the Plan Agent shall be validly given or delivered if mailed to Participants at their respective addresses as recorded in the register of Shareholders maintained by or on behalf of AltaGas or, in the case of CDS, if given in accordance with custom and practice relating to the CDS depository system.

Inquiries to the Plan Agent may be directed to:

Computershare Trust Company of Canada
100 University Avenue, 8th Floor, North Tower
Toronto, Ontario M5J 2Y1

Or the National Contact Center at
North America: 1-800-564-6253
Outside of North America: 514-982-7555
Or by visiting www.investorcentre.com/service

Inquiries to AltaGas may be directed to:

AltaGas Ltd.
1700, 355 - 4th Avenue S.W.
Calgary, Alberta T2P 0J1

Attention: Treasurer
Fax: (403) 691-7576
E-mail: investor.relations@altagas.ca

Effective Date

The effective date of the Plan is May 16, 2016.