

## ALTAGAS LTD.

### Premium Dividend™, Dividend Reinvestment and Optional Cash Purchase Plan

#### QUESTIONS AND ANSWERS

The following series of questions and answers explains some of the key features of the Premium Dividend™, Dividend Reinvestment and Optional Cash Purchase Plan (the "*Plan*") of AltaGas Ltd. ("*AltaGas*") dated May 16, 2016.

**The answers are, however, of a summary nature only, and are expressly subject to the complete text of the Plan, a copy of which may be obtained from the Plan Agent (as defined below) or AltaGas at any time upon request or from AltaGas' website at [www.altagas.ca](http://www.altagas.ca). Shareholders of AltaGas should carefully read the complete text of the Plan before making any decisions regarding participation in the Plan.**

#### 1. What does the Plan offer?

If you are an eligible holder ("*Shareholder*") of common shares ("*Shares*") of AltaGas as described in the Plan and summarized under Question #4 below, the Plan provides an opportunity for you to receive, by reinvesting the cash dividends ("*Dividends*") declared payable by AltaGas on your Shares, either:

- (a) additional Shares at a discounted subscription price equal to the Dividend Reinvestment Purchase Percentage (as defined in the Plan) of the Average Market Price (as defined in the Plan), which new Shares will be issuable pursuant to the "*Dividend Reinvestment Component*" of the Plan; or
- (b) a premium cash payment (the "*Premium Dividend™*") equal to 101% of the amount of your reinvested Dividends, which payment will be made pursuant to the "*Premium Dividend™ Component*" of the Plan,

in either case upon and subject to the terms and conditions of the Plan.

Additionally, if you are enrolled in the Dividend Reinvestment Component, you may also purchase new Shares at the Average Market Price (with no discount) by directly investing additional amounts (the "*OCP Component*") within the limits and subject to the terms of the Plan.

The applicable discount under the Dividend Reinvestment Component is the Dividend Reinvestment Discount (as defined in the Plan). The Dividend Reinvestment Discount will be determined by the Board (as defined in the Plan) from time to time, at its sole discretion, during the term of the Plan, subject to a discount range of up to 5%. Currently, the Board has set the Dividend Reinvestment Discount at 3%.

Participation in either the Premium Dividend™ Component or the Dividend Reinvestment Component will involve the reinvestment of your Dividends in new Shares. New Shares acquired under the Premium Dividend™ Component will be disposed of through a designated broker (the "*Plan Broker*"), currently Canaccord Genuity Corp., in exchange for the Premium Dividend™ and new Shares acquired under the Dividend Reinvestment Component will be accumulated and held for your account under the Plan.

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™ denotes trademark of Canaccord Genuity Corp.

**Unless otherwise announced by AltaGas, only Shareholders who are resident in Canada may participate in the Premium Dividend™ Component.**

The amount of the Premium Dividend™ and/or the number of new Shares that may be acquired under the Plan is subject to proration in certain events.

*You are not required to participate in the Plan.* If you do not elect to participate, then you will continue to receive your regular Dividends in the usual manner.

In order to participate in either the Dividend Reinvestment Component or the Premium Dividend™ Component, you must enroll in the Plan directly or indirectly through the broker, investment dealer, financial institution or other nominee through which you hold your Shares ("*your broker*").

**2. How does participating in the Plan result in my receiving the Premium Dividend™ or additional Shares?**

Participation in either the Premium Dividend™ Component or the Dividend Reinvestment Component involves the reinvestment of your regular Dividends in new Shares purchased on your behalf from AltaGas.

If you are validly enrolled in the Premium Dividend™ Component, either directly or indirectly through your broker, then new Shares purchased through reinvestment of your Dividends will be disposed of through the Plan Broker in exchange for the Premium Dividend™, which will in turn be remitted to you by the plan agent (currently Computershare Trust Company of Canada) (the "*Plan Agent*") directly or through your broker, as applicable, in the same manner that regular Dividends are paid by AltaGas. If you are validly enrolled in the Dividend Reinvestment Component, then new Shares purchased through reinvestment of your Dividends will be credited to your account under the Plan or, if you are enrolled through your broker, with your broker.

The amount of the Premium Dividend™ or the number of additional Shares that may be purchased under the Plan is subject to proration in certain events, as more particularly described in the Plan. See also Question #8 below.

**3. What are the advantages of the Plan?**

The Dividend Reinvestment Component and the OCP Component provide a convenient and cost-effective way for you to increase your investment in AltaGas without incurring commissions, service charges or similar fees in connection with the purchase of new Shares (subject to any fees that may be charged by your broker). The new Shares purchased with reinvested Dividends will be bought at the Dividend Reinvestment Discount to the Average Market Price, with such discounts to be determined from time to time by the Board, in the case of the Dividend Reinvestment Component, and at a 3% discount to the Average Market Price, in the case of the Premium Dividend™ Component. Subject to the policies of your broker, full investment of reinvested funds is possible since fractions of Shares can be credited to accounts maintained under the Plan. The new Shares purchased through the OCP Component will be purchased at the Average Market Price, with no discount.

The Premium Dividend™ Component provides a means by which you can, in effect, increase your cash receipts by 1% through reinvestment of your regular Dividends in new Shares bought at a 3% discount to the Average Market Price and the disposition of such new Shares in exchange for the Premium Dividend™, being a cash amount equal to 101% of the reinvested Dividends.

#### 4. Is the Plan available to all Shareholders?

Your eligibility to participate in either the Premium Dividend™ Component or the Dividend Reinvestment Component will depend on whether you meet the residency and other criteria set forth in the Plan.

***Residents of Canada.*** Shareholders who are resident in Canada may participate in either the Dividend Reinvestment Component or the Premium Dividend™ Component. Shareholders who are resident in Canada and who are Participants in the Dividend Reinvestment Component may also participate in the OCP Component.

***Residents of the United States.*** 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.

***Residents of Other Foreign Jurisdictions.*** 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 Shareholders 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 taxes. See Question #16 below.

AltaGas and the Plan Agent also reserve the right to deny or cancel participation in the Plan in certain extraordinary circumstances described in the Plan. See "*Eligibility Requirements*" in the Plan.

If you are an eligible Shareholder with Shares registered in your own name, then you 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](http://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](http://www.altagas.ca). A duly completed Enrollment Form must be received by 5:00 p.m. (Toronto time) on the Business Day preceding a Dividend record date in order to be effective for the corresponding Dividend payment date.

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.

**5. How do I elect to enroll in and become a participant in the Plan?**

Only registered Shareholders may directly enroll in the Plan. Beneficial owners of Shares may, however, indirectly participate in the Plan through their broker. See "*Enrollment*" in the Plan.

If you are an eligible Shareholder with Shares registered in your own name you may directly enroll in the Dividend Reinvestment Component online through the Plan Agent's self-service web portal at [www.investorcentre.com](http://www.investorcentre.com) or by delivering to the Plan Agent a duly completed Enrollment Form (as defined in the Plan). If you are an eligible Shareholder with Shares registered in your own name you may directly enroll in the Premium Dividend™ Component by delivering to the Plan Agent a duly completed Enrollment Form (as defined in the Plan). A copy of the Enrollment Form is available from the Plan Agent's website at [www.computershare.com](http://www.computershare.com) or by calling the Plan Agent at 1-800-564-6253, or from AltaGas' website at [www.altagas.ca](http://www.altagas.ca). An Enrollment Form must be received by 5:00 p.m. (Toronto time) on the Business Day preceding a Dividend record date in order to be effective for that corresponding Dividend payment date.

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 (unless the Participant is enrolled in the Pre-Authorized Debit (PAD) service) accompanying cheque not later than 5:00 pm (Toronto time) on the Business Day preceding the record date for that corresponding Dividend payment date. 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 may also be made through Pre-Authorized Debit (PAD). See Question #15 below. 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.

**At what price will new Shares be purchased for my account under the Dividend Reinvestment Component?**

New Shares purchased with reinvested Dividends under the Dividend Reinvestment Component will be purchased from AltaGas at the then applicable Dividend Reinvestment Discount to the Average Market Price.

**6. How do I receive the Premium Dividend™?**

If you are an eligible Shareholder and are enrolled in the Premium Dividend™ Component, then your Dividends will, subject to proration as described in the Plan and illustrated under Question #8 below, be reinvested in new Shares under the Plan at a 3% discount to the Average Market Price, and such Shares will, without further action required from you, be disposed of through the Plan Broker in exchange for the Premium Dividend™, being a cash payment equal to 101% of the reinvested Dividends. The Plan Agent will in turn remit payment of the Premium Dividend™ to Participants in the Premium Dividend™ Component in the same manner that regular Dividends are paid by AltaGas.

**7. How am I able to receive an amount equal to 101% of my Dividend?**

New Shares of AltaGas on a Dividend payment date pursuant to the Premium Dividend™ Component will be issued at a 3% discount to the Average Market Price. If you are an eligible Shareholder and are enrolled to participate in the Premium Dividend™ Component, then such number of Shares as is approximately equal to the number of new Shares to be purchased on the Dividend payment date with your reinvested Dividends will be pre-sold through the Plan Broker at prevailing market prices. If the prevailing market prices realized are approximately the same as the Average Market Price, then the difference between the issue price of the Shares and the price realized on the pre-sales will be approximately 3%. Of this difference, 1% will be paid to you (the Premium Dividend™ being a cash payment equal to 101% of the reinvested Dividend) and the balance (which may be more or less than 2%), if any, will be retained by the Plan Broker as compensation for its services in connection with the Plan.

The Plan Broker will in any event be obligated to pay the full amount of the Premium Dividend™ (subject to proration as described in the Plan and illustrated under Question #8 below) against delivery of the corresponding number of new Shares, and bears the risk of unfavourable changes in market price with respect to the new Shares. If the Plan Agent for any reason does not receive sufficient funds from the Plan Broker to pay the Premium Dividend™ on all Shares of Participants enrolled in the Premium Dividend™ Component, then such Participants will be entitled to receive from AltaGas the full amount of the regular Dividend for each such Share in respect of which the Premium Dividend™ is not paid.

**8. What will I receive under the Plan if proration applies?**

The Plan is subject to the possibility of proration in certain events as described in the Plan. To the extent that your election to receive the Premium Dividend™ or additional Shares under the Dividend Reinvestment Component or OCP Component cannot be fulfilled, in whole or in part, as a result of such proration, or if AltaGas determines not to make any new equity available under the Plan on a particular Dividend payment date, or if the Plan Broker for any reason defaults on its obligation to deliver to the Plan Agent funds sufficient to satisfy the full amount of the Premium Dividend™, or if for any other reason a Dividend cannot be reinvested under the Plan, in whole or in part, then you will be entitled to receive from AltaGas the full amount of the regular Dividend for each Share in respect of which the Dividend is payable but cannot be reinvested under the Plan.

By way of example, suppose that AltaGas determines that the maximum value of equity available under the Premium Dividend™ Component (after satisfying all elections under the Dividend Reinvestment Component) on the relevant Dividend payment date is \$4,950,000, and that AltaGas declares a Dividend of \$0.165 per Share. In these circumstances, the maximum number of Shares in respect of which the Premium Dividend™ may be paid is 30,000,000 (being the

maximum amount of equity divided by the Dividend per Share). If Shareholders (including you) holding a total of 40,000,000 Shares have elected to receive the Premium Dividend™, then three-quarters or 75% proration would apply to all Participants enrolled in the Premium Dividend™ Component since, in this example, the Premium Dividend™ can only be paid on 30,000,000 Shares.

If you own 4,000 Shares, are an eligible Shareholder, and are enrolled to participate in the Premium Dividend™ Component, then, in this example, you would receive the Premium Dividend™ equal to 101% of your regular Dividend in respect of 3,000 of your Shares and 100% of your regular Dividend in respect of your remaining 1,000 Shares. That portion of your Dividend that is not eligible for reinvestment under the Premium Dividend™ Component and to which you would otherwise be entitled on a Dividend payment date will be paid to you in the ordinary manner.

**9. Will a Direct Registration System Advice or Share certificate be issued for new Shares purchased for me under the Plan?**

Neither a Share certificate nor a Direct Registration System Advice evidencing your registered ownership of Shares will be issued for Shares purchased under the Plan. If you are validly enrolled in the Dividend Reinvestment Component, then new Shares purchased for your account under the Dividend Reinvestment Component will be credited to your account under the Plan or, if you are enrolled indirectly through your broker, with your broker. You may, however, request a Direct Registration System Advice or certificate for any number of whole Shares held under the Plan by the Plan Agent for your account. See "*Withdrawal of Shares*" in the Plan. If you are validly enrolled in the Premium Dividend™ Component, then new Shares purchased for your account will be disposed of through the Plan Broker in exchange for the Premium Dividend™.

If you are a registered Shareholder participating directly in the Plan, then the Plan Agent will maintain an account for you with respect to purchases of Shares made under the Plan for your account and will issue an unaudited statement regarding purchases made under the Dividend Reinvestment Component and OCP Component on a monthly basis. These statements are your continuing record of purchases of Shares made for your account under the Plan and should be retained for income tax purposes. No statements will be provided to you in respect of purchases made under the Premium Dividend™ Component.

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

**10. Can I sell Shares held for my account under the Plan?**

Any Shares held under the Plan by the Plan Agent for your account cannot be sold, pledged or otherwise disposed of while so held. If you wish to sell any such Shares, then you must first withdraw them from under the Plan. See "*Withdrawal of Shares*" in the Plan.

**11. How can I change my election or terminate my participation under the Plan?**

If you are enrolled in the Plan directly and wish to change your election as between the Dividend Reinvestment Component and the Premium Dividend™ Component, you may do so by delivering to the Plan Agent a new, duly completed Enrollment Form reflecting the new election. If you are enrolled in the Plan directly and wish to voluntarily terminate your participation in the Plan, you 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. Alternatively, if you are enrolled directly in the Dividend Reinvestment Component and you wish to change your election as between the Dividend Reinvestment Component and the Premium Dividend™ Component or to voluntarily terminate your participation in the Plan, you may follow the instructions at the Plan Agent's self-service web portal at [www.investorcentre.com](http://www.investorcentre.com).

If you are enrolled in the Plan indirectly through your broker, then you may change your election or voluntarily terminate your participation under the Plan by providing appropriate instructions to your broker. You should consult with your broker to confirm what information or documentation may be required to give effect to your instructions, and to inquire about any applicable deadlines. See "*Termination of Participation*" and "*Change of Election*" in the Plan.

A new Enrollment Form or termination request (or notice of death of an individual participant's death) must be received by 5:00 p.m. (Toronto time) on the Business Day preceding a Dividend record date in order to take effect for that Dividend payment date. Enrollment Forms or termination requests received after that time will not be effective until the next Dividend payment date.

**12. Are there circumstances where I may not be able to acquire additional Shares or receive the Premium Dividend™, as the case may be, in accordance with my election?**

Yes. Your ability to acquire additional Shares under the Dividend Reinvestment Component or the OCP Component or receive the Premium Dividend™ under the Premium Dividend™ Component on any particular Dividend payment date depends on whether or not AltaGas, at its sole discretion and with or without notice to Participants, decides to issue or not issue new equity under the Plan for the given Dividend payment date.

If, in respect of any Dividend payment date, fulfilling the elections of all Plan Participants would result in the issuance of more than the maximum amount of new equity determined by AltaGas to be available under the Plan, then elections for the purchase of new Shares on that Dividend payment date will be accepted (i) first, from Participants electing to reinvest their Dividends under the Dividend Reinvestment Component, (ii) second, to the extent that new equity remains available under the Plan, from Participants electing to receive the Premium Dividend™ under the Premium Dividend™ Component; and (iii) third, to the extent that new equity remains available under the Plan, from Participants purchasing new Shares under the OCP Component.

If AltaGas is not able to accept all elections for a particular component of the Plan, then purchases of Shares under that component on the applicable Dividend payment date will be prorated among all Participants in that component. See Question #8 above.

The Premium Dividend™ Component is subject to the possibility of additional proration in certain events as described in the Plan.

If AltaGas determines not to issue any equity through the Plan on a particular Dividend payment date, or 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 be entitled to receive from AltaGas the full amount of the regular Dividend on each Share in respect of which the Dividend is payable but cannot be reinvested under the Plan.

**13. How will the Plan Agent purchase new Shares for me with reinvested Dividends?**

On each Dividend payment date, the Plan Agent will, on your behalf, reinvest the Dividends payable on your Shares that are validly enrolled in the Plan in new Shares purchased directly from AltaGas. Such new Shares will, depending on your election, either be credited to your account under the Dividend Reinvestment Component or disposed of on your behalf in exchange for the Premium Dividend™ under the Premium Dividend™ Component.

**14. How Can I make Optional Cash Payments?**

If you are a registered Shareholder enrolled in the Dividend Reinvestment Component you may purchase additional Shares pursuant to the OCP Component, by delivering to the Plan Agent a duly completed OCP Form (as defined in the Plan) and (unless the Participant is enrolled in the Pre-Authorized Debit (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 in the Plan.

Your initial optional cash payment does not give rise to any continuing obligation on you to make further optional cash payments, and subject to certain Plan limits, the amount of each optional cash payment may vary from time to time. A direction to purchase new Shares with an optional cash payment is, however, irrevocable once received by the Plan Agent.

Optional cash payments will be used to purchase new Shares on the applicable Dividend payment date. Optional cash payments must be received (together with a completed OCP Form) from you or your nominee no later than 5:00 p.m. (Toronto Time) on the Business Day immediately preceding the Dividend record date in order to be invested in new Shares on the Dividend payment date to which such record date relates. Optional cash payments received by the Plan Agent after that time will not be invested in new Shares until the next Dividend payment date.

**15. How Many Shares can I purchase with Optional Cash Payments?**

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 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 is terminated by AltaGas, or if participation in the Plan or the OCP Component is terminated by such Participant or by AltaGas.

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](http://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.

### **16. What are the Canadian income tax consequences for Canadian residents participating in the Plan?**

Participation in the Plan does not relieve you of any liability for Canadian taxes that may be payable in respect of the Dividends reinvested in new Shares under the Dividend Reinvestment Component or Shares sold on your behalf under the Premium Dividend™ Component. In determining taxes payable, it is important to recognize that multiple transactions occur under the

Plan even though you may only see the result of the final transaction. Participation in the Dividend Reinvestment Component involves two transactions:

- (i) first, you will receive a Dividend from AltaGas; and
- (ii) second, you will use the cash from the Dividend to purchase new Shares at a discount to the Average Market Price equal to the Dividend Reinvestment Discount.

Participation in the Premium Dividend™ Component involves three transactions:

- (i) first, you will receive a Dividend from AltaGas;
- (ii) second, you will use the cash from the Dividend to purchase new Shares at a 3% discount to the Average Market Price; and
- (iii) third, you will sell the new Shares purchased in exchange for the Premium Dividend™, being for a cash amount equal to 101% of the reinvested Dividend.

The first transaction under each component will result in the receipt of a taxable dividend on your existing Shares equal to the amount of the Dividend, and the new Shares purchased under the second transaction will have an initial cost for tax purposes equal to the amount of the Dividend used to purchase such Shares.

Assuming that you hold your Shares (including the new Shares purchased under the Plan with the cash from the Dividend) as capital property, you should generally realize a capital gain or loss on the sale of the new Shares under the third transaction under the Premium Dividend™ Component equal to the amount by which the proceeds of disposition are greater (or less) than your average adjusted cost base of the Shares sold. In this case, the average adjusted cost base of the Shares sold at any time that are held as capital property will be the average cost of all Shares owned by you at that time, including those purchased with the cash from Dividends under the Plan. Conversely, where you acquire and hold any such new Shares as inventory, you will generally be required to include in income the profit or net gain arising from the acquisition and disposition of such Shares under the third transaction under the Premium Dividend™ Component, such that you will generally be required to include in income the amount by which the Premium Dividend™ exceeds the reinvested Dividends.

The Plan provides a further description of certain Canadian federal income tax considerations relevant to participation in the Plan. The description is, however, a summary only and does not constitute legal or tax advice to any particular Shareholder. **You are urged to consult your own tax advisors concerning the implications of your participation in the Plan having regard to your particular circumstances.**

**17. Where can I get further information?**

If you have any questions regarding the Plan, please direct them to the Plan Agent or to AltaGas, as follows:

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](http://www.investorcentre.com/service)

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

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

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