

ADVANCE NOTICE BY-LAW

BY-LAW NO. 2

INTRODUCTION

The purpose of this By-law No. 2 (the “**By-law**”) is to provide shareholders, directors and management of AltaGas Ltd. (“**AltaGas**”) with a transparent, structured and fair process for nominating directors of AltaGas. This By-law fixes a deadline by which shareholders of AltaGas must submit director nominations to AltaGas prior to any annual or special meeting of the shareholders, and sets forth the information to be provided and other procedures to be followed, in respect of such nomination.

It is the position of AltaGas that this By-Law is beneficial to shareholders and other stakeholders and is in the best interests of AltaGas. This By-law will be subject to periodic review and, subject to applicable law, will reflect changes as required by securities regulatory agencies or stock exchanges and, at the discretion of the board of directors, amendments necessary to meet evolving industry standards.

ARTICLE 1

NOMINATION OF DIRECTORS

Section 1.1 Subject to applicable law, only persons who are nominated in accordance with the procedures set out in this By-law shall be eligible for election as directors to the board of directors (the “**Board**”) of AltaGas. Nominations of persons for election to the Board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose which includes the election of directors to the Board, as follows:

- (a) by or at the direction of the Board or an authorized officer of AltaGas, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Canada Business Corporations Act (the “**Act**”) or a requisition of shareholders made in accordance with the provisions of the Act; or
- (c) by any person entitled to vote at such meeting (a “**Nominating Shareholder**”), who: (A) is, at the close of business on the date of giving notice provided for in Section 1.3 below and on the record date for notice of such meeting, either entered in the securities register of AltaGas as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) has given timely notice in proper written form as set forth in this By-law.

Section 1.2 For the avoidance of doubt, the foregoing Section 1.1 shall be the exclusive means for any person to bring nominations for election to the Board before any annual or special meeting of shareholders of AltaGas.

Section 1.3 For a nomination made by a Nominating Shareholder to be timely notice (a “**Timely Notice**”), the Nominating Shareholder’s notice must be received by the Corporate Secretary of AltaGas at the principal executive offices of AltaGas:

- (a) in the case of an annual meeting of shareholders, not later than the close of business on the 30th day before the date of the meeting provided, however, if the first public announcement made by AltaGas of the date of the annual meeting is less than 50 days prior to the meeting date (the “**Notice Date**”), not later than the close of business on the 10th day following the Notice Date;
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close

of business on the 15th day following the day on which the first public announcement of the date of the special meeting is made by AltaGas.

Section 1.4 The time periods for giving of a Timely Notice shall in all cases be determined based on the original date of the annual meeting or the first public announcement of the annual or special meeting, as applicable. In no event shall an adjournment or postponement of an annual meeting or special meeting of shareholders or any announcement thereof commence a new time period for the giving of a Timely Notice.

Section 1.5 To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary must comply with this Section 1.5 and:

- (a) disclose or include, as applicable, as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "**Proposed Nominee**"):
 - (i) their name, age, business and residential address, principal occupation or employment for the past five years, status as a "resident Canadian" (as such term is defined in the Act);
 - (ii) their direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of AltaGas, including the number or principal amount and the date(s) on which such securities were acquired;
 - (iii) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Proposed Nominee or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee and the Nominating Shareholder;
 - (iv) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or applicable securities law; and
 - (v) a duly completed personal information form in respect of the Proposed Nominee in the form prescribed by the principal stock exchange on which the securities of AltaGas are then listed for trading; and
- (b) disclose or include, as applicable, as to each Nominating Shareholder giving the notice:
 - (i) their name, business and residential address and direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of AltaGas, including the number or principal amount and the date(s) on which such securities were acquired;
 - (ii) their interests in, or rights or obligations associated with, an agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of AltaGas or the person's economic exposure to AltaGas;
 - (iii) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;
 - (iv) any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of AltaGas or the nomination of directors to the board;

- (v) any direct or indirect interest of such person in any contract with AltaGas or with any of AltaGas' affiliates or principal competitors;
- (vi) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of AltaGas in connection with such nomination or otherwise solicit proxies or votes from shareholders of AltaGas in support of such nomination; and
- (vii) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or as required by applicable securities law.

Section 1.6 All information to be provided in a Timely Notice pursuant to Section 1.5 shall be provided as of the record date for determining shareholders entitled to vote at the meeting (if such date shall then have been publicly announced) and as of the date of such notice. The Nominating Shareholder shall update such information forthwith so that it is true and correct in all material respects at all times prior to the date of the meeting, or any adjournment or postponement thereof.

Section 1.7 Notwithstanding any other provision in the By-laws of AltaGas relating to the giving of notice, any notice, or other document or information required to be given to the Corporate Secretary pursuant to this By-law may only be given by personal delivery or facsimile transmission and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the principal executive offices of AltaGas, or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Mountain time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

Section 1.8 Additional Matters

- (a) The chair of any meeting of shareholders of AltaGas shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this By-law, and if any proposed nomination is not in compliance with such provisions, must declare that such defective nomination shall not be considered at any meeting of shareholders.
- (b) Despite any other provision of this By-law, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of shareholders of AltaGas to present the nomination of the Proposed Nominee, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by AltaGas.
- (c) The board may, in its sole discretion, waive any requirement of this By-law.
- (d) For the purposes of this By-law, "public announcement" means disclosure in a press release disseminated by AltaGas through a national news service in Canada, or in a document filed by AltaGas for public access under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.
- (e) This By-law is subject to, and should be read in conjunction with, the Act and the articles of AltaGas. If there is any conflict or inconsistency between any provision of the Act or the articles of AltaGas and any provision of this By-law, the provision of the Act or the articles of AltaGas will govern.
- (f) Despite any other provision of this By-law, this By-law shall not apply to the meeting of shareholders of AltaGas at which this By-law is confirmed by shareholders, any meeting prior to such meeting, or any adjournment or postponement thereof.

ARTICLE 2**ANNUAL OR SPECIAL MEETINGS OF SHAREHOLDERS**

Section 2.1 No business may be transacted at an annual or special meeting of shareholders other than business that is either (i) specified in AltaGas' notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the meeting by or at the direction of the Board, or (iii) otherwise properly brought before the meeting by any shareholder of AltaGas who complies with the proposal procedures set forth in Section 2.2 below.

Section 2.2 For business to be properly brought before a meeting by a shareholder of AltaGas, such shareholder must submit a proposal to AltaGas for inclusion in AltaGas' management proxy circular in accordance with the requirements of the Act; provided that any proposal that includes nominations for the election of directors shall also comply with the requirements of Article 1.