

MANDATE**AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF ALTAGAS LTD.****I. CONSTITUTION**

The Board of Directors (the “Board”) of AltaGas Ltd. (“AltaGas” or the “Corporation”) has established an Audit Committee (the “Committee”). The Committee shall be in compliance with the guidelines for corporate governance of The Toronto Stock Exchange (“TSX”) and any regulatory or legal authority having jurisdiction over AltaGas.

The Committee shall supervise the audit of AltaGas' financial records and will ensure the adequacy and effectiveness of its policies and procedures regarding AltaGas' financial reporting, internal accounting, financial controls, management information and risk management.

II. MEMBERSHIP

The Board shall elect from its members not less than three (3) Directors to serve on the Committee (the “Members”) and shall appoint one such Member as Chair of the Committee. Every Member must be:

- a Director of the Corporation,
- independent, and
- financially literate.

No Member shall be an officer or employee of the Corporation or any other subsidiary or affiliate of AltaGas. Any Member may be removed or replaced at any time by the Board and shall cease to be a Member upon ceasing to be a Director of the Corporation. Each Member shall hold office until the Member resigns or is replaced, whichever first occurs.

The Corporate Secretary of AltaGas shall be secretary to the Committee unless the Committee directs otherwise.

III. MEETINGS

The Committee shall convene no less than four times per year at such times and places designated by its Chair or whenever a meeting is requested by a Member, the Board, or an officer of the Corporation. A minimum of twenty-four (24) hours' notice of each meeting, plus a copy of the proposed agenda, shall be given to each Member. The Corporate Secretary and members of management shall attend whenever requested to do so by a Member.

A meeting of the Committee shall be duly convened if two Members are present. Where the Members consent, and proper notice has been given or waived, Members may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permits all persons participating in the meeting to communicate adequately with each other, and a Member participating in such a meeting by any such means is deemed to be present at that meeting.

In the absence of the Chair of the Committee, the Members may choose one (1) of the Members to be the chair of the meeting.

The external auditor will be given notice of and be provided the opportunity to attend every meeting of the Committee.

The Committee will hold *in camera* sessions with management, and the internal and external auditors, as may be deemed appropriate by the Members.

Minutes shall be kept of all meetings of the Committee by the Corporate Secretary or designate of the Corporate Secretary.

IV. DUTIES AND RESPONSIBILITIES OF THE CHAIR

The Chair is responsible for:

- a) convening Committee meetings and designating the times and places of those meetings;
- b) working with Management on the development of agendas and related materials for Committee meetings;
- c) ensuring Committee meetings are conducted in an efficient, effective and focused manner;
- d) providing leadership to the Committee and to assist the Committee in reviewing and monitoring its responsibilities; and
- e) reporting to the Board on the decisions and recommendations of the Committee.

V. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee shall, as permitted by and in accordance with the requirements of the *Canada Business Corporations Act*, the Articles and By-Laws of the Corporation and any legal or regulatory authority having jurisdiction, periodically assess the adequacy of procedures for the public disclosure of financial information and review on behalf of the Board and report to the Board the results of its review and its recommendation regarding all material matters of a financial reporting and audit nature including, but not limited to, the following main subject areas:

- a) oversight of external auditors, including:
 - appointment, compensation, retention and termination of external auditors, who shall report directly to the Committee, provided that the appointment of the auditor shall be subject to shareholder approval;
 - review and approval of the terms of the external auditors' annual engagement letter, including the proposed audit fee;
 - pre-approve non-audit work undertaken by the external audit firm;
 - determine external auditor independence;

- review and approval of AltaGas' hiring policies re: current and former partners and employees of the external auditor;

b) oversight of audits and financial reporting, including:

- review of the audit plan;
- financial statements, including management's discussion and analysis;
- annual and interim press releases regarding financial results;
- reports to shareholders and others;
- filings to securities regulators;
- public disclosure documents containing audited or unaudited financial information (for example, but not limited to, press releases, prospectuses, annual information form, management information circular);
- review of litigation, claims and contingencies;

c) oversight of financial reporting processes and internal controls, including:

- reviewing the adequacy and effectiveness of the accounting and internal control policies of the Corporation and procedures through inquiry and discussions with the external auditors, management and the internal auditor;
- review at least annually with the internal auditor the Corporation's internal procedures, and the scope and plans for the work of the internal audit group;

d) oversight of finance matters, including:

- review and, as required, approve or recommend for approval to the Board, prospectuses and documents, where practicable, which may be incorporated by reference into a prospectus;
- review the issuance of equity or debt securities by the Corporation;
- review and recommend for approval to the Board the management information circular with respect to matters related to the auditor or affecting the capital of the Corporation;
- review and recommend to the Human Resources and Compensation Committee, for further recommendation or approval, the calculations of financial metrics used in the determination of employee incentive compensation plans;

monitor finance integration and financial risk management programs associated with major acquisitions;

- e) oversight of risk management, including a review of the Corporation's major risks, a review of the method of risk analysis by the Corporation, review of the strategies, policies and practices in place for risk management, a review of the Corporation's cyber risk and data security, and a review of the Corporation's insurance program;
- f) policies applicable to the Committee's mandate, including:
 - Accounting and Auditing Irregularity Reporting Policy; and
 - commodity risk management and related policies;
- g) the following other duties:
 - review at least annually the staffing and succession planning in the accounting and finance groups;
 - report to the Board after each Committee meeting, as required during the year, with respect to the Committee's activities and recommendations;
 - meet separately with senior management, the internal auditors, the external auditors and, as is appropriate, internal and external legal counsel and independent advisors in respect of matters not elsewhere listed concerning any other audit, finance and risk matter.

The Committee shall ensure satisfactory procedures for receipt, retention and resolution of complaints and for the confidential, anonymous submission by employees regarding any accounting, internal accounting controls or auditing matters.

The full Board will be kept informed of the Committee's activities by a report at each regular meeting of the Board.

The Committee will review the relevance and adequacy of this Mandate on at least an annual basis and will provide recommendations to the Governance Committee of the Board.

VI. EXTERNAL AUDITOR

The Committee shall recommend the appointment of the external auditor annually. Once appointed by the Shareholders, the external auditor shall report directly to the Committee.

The Committee shall pre-approve all non-audit services provided by the external auditor, and shall have direct responsibility for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services, including the resolution of disagreements between the external auditor and management.

VII. RELATIONS WITH MANAGEMENT

The Committee will ensure that it coordinates its activities with the Chief Financial Officer on audit and financial matters and will:

- meet regularly with Management to discuss areas of concern;
- review and assess the quality of the executives involved in the financial reporting process; and

- ensure Management provides adequate funding to the Committee so that it may independently engage and remunerate the Auditor and any advisors.

VIII. COMMITTEE TIMETABLE

The major activities of the Committee will be outlined in an annual schedule.