

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

The Board of Directors (the “Board”) of AltaGas Ltd. (the “Corporation”) has established a Governance Committee (the “Committee”). The Committee shall: (i) supervise the development of the overall governance of the Corporation and its affiliates and shall be responsible for a continuing assessment of corporate governance matters and for making recommendations to the Board regarding the Corporation’s and its affiliates’ approach to corporate governance, and (ii) review, approve or make recommendations to the Board in respect of corporate social responsibility (“CSR”) matters.

**II. MEMBERSHIP**

The Board shall elect from its members not less than three (3) Directors to serve on the Committee (the “Members”). The Members and the Chair of the Committee are elected by the Board.

No member of the Committee shall be an officer or employee of the Corporation or any subsidiary or affiliate of the Corporation. The Committee shall be comprised entirely of independent Directors. A Director is independent if the Director has no direct or indirect relationship with the Corporation that could, in the view of the Board, be reasonably expected to interfere with the exercise of a Director’s independent judgment.

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 the Corporation shall be secretary to the Committee unless the Committee directs otherwise.

**III. MEETINGS**

The Committee shall convene at such times and places as designated by its Chair or whenever a meeting is requested by a Member, the Board, the Chair of the Board or an officer of the Corporation. A minimum of twenty-four (24) hours’ notice of each meeting shall be given to each Member. The Corporate Secretary of the Corporation and members of management of the Corporation or any subsidiary or affiliate of the Corporation shall attend whenever requested to do so by a Member.

A meeting of the Committee shall be duly convened and quorum achieved if one-half of the Members are present. Members may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permit 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 Committee will hold *in camera* sessions as may be deemed appropriate by the Members.

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

#### **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. ensuring Committee meetings are duly convened and that quorum is present when required;
- C. working with management on the development of agendas and related materials for the Committee meetings;
- D. ensuring Committee meetings are conducted in an efficient, effective and focused manner;
- E. ensuring the Committee has sufficient information to permit it to properly make decisions when decisions are required;
- F. providing leadership to the Committee and assisting the Committee in reviewing and monitoring its responsibilities;
- G. reporting to the Board on the recommendations and decisions of the Committee;
- H. working with the Chair of the Board in the recruitment of new directors, including participating in interviews of such persons; and
- I. working with the Chair of the Board in assuring an orderly succession for the Chair of the Board in the event of the retirement or resignation of the Chair of the Board.

#### **V. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE – CORPORATE GOVERNANCE**

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 other applicable laws and regulations, review, on behalf of the Board, and make recommendations to the Board with respect to, all matters of a governance nature, including, but not limited to, the following main subject areas:

- A. Review, approve or make recommendations to the Board in respect of guidelines, policies, procedures and practices relating to matters of corporate governance including, but not limited to:
1. The establishment of a process for identifying, recruiting and appointing new Directors;
  2. The identification and review with the Board of the appropriate competencies, skills and characteristics required of current and potential Board members;
  3. The appropriate size of the Board;
  4. Practices for measuring and evaluation of the performance of the Board, its committees and individual Directors;
  5. The indemnification by the Corporation or its subsidiaries and affiliates, pursuant to their By-laws or pursuant to contract, of any Director or officer of the Corporation, its subsidiaries or affiliates;
  6. The amount and terms of any insurance to be obtained or maintained with respect to potential liabilities incurred by Directors or officers in the discharge of their duties and responsibilities (the Committee will recommend to the Audit Committee for consideration as part of the Corporation's overall risk management);
  7. The appropriate resolution of any conflict of interest between or among an officer, Director or shareholder, which is properly directed to the Committee by the Chair of the Board, a Director, a shareholder, the Board, the internal auditors, the external auditors, or an officer of the Corporation (in respect of conflicts of interest relating to audit, finance or risk matters, the Committee will liaise with the Audit Committee);
  8. The appropriate practices for determining and establishing compensation of Directors for their duties and activities, and a periodic review of the share ownership guidelines for Directors;
  9. Review and make recommendations to the Board with respect to the appropriate standard to adopt when determining the independence of a Director;
  10. The description of Directors' duties or services, including the division of duties between and among Directors, the Chair of the Board, the Lead Director (if any), the Chief Executive Officer and management, and review of the Corporation's structures and procedures to ensure that the Board is functioning independently of management;
  11. The content of and compliance with the Code of Business Ethics;
  12. Monitoring developments and best practices relating to corporate governance; and
  13. Ensuring that any issues of corporate governance identified by Board members are raised to management of the Corporation;

- B. After consultation with the Chair of the Board, the Lead Director (if any) and the Chief Executive Officer, identify, evaluate and if appropriate, recommend:
1. For approval by the Board, the appropriate committees to be established, including the mandate, duties, responsibilities and terms of reference of each committee, and those Directors recommended for election to serve on each committee, including the Chair of each committee;
  2. For election by the Board, any person or persons to fill vacancies arising from an increase in the size of the Board within the maximum permitted by the Articles or By-laws, or arising from the death, disability or retirement of a Director or from any other cause;
  3. For ratification by the Board of those persons believed to be qualified and suitable to be proposed for election as Directors at a meeting of the shareholders;
  4. Orientation and development programs and materials for Directors;
  5. The criteria that warrant a request by the Board for the retirement of a Director or which should act to disqualify a Director from re-election (including, but not limited to, the level of attendance at, or participation in, meetings of the Board or a committee thereof, or a change in the affiliation or employment of a Director); and
  6. The criteria that entitle a committee, a Director, or any group of Directors, to engage, at the expense of the Corporation, any legal, financial, accounting or other services to assist a committee, a Director, or such group of Directors in the discharge of their duties as Directors;
- C. Require and review management's periodic status and assessment reports, not less than annually, with respect to compliance by the Corporation with corporate governance policies and with respect to applicable legislative, regulatory and stock exchange standards regarding matters of corporate governance;
- D. Recommend for approval by the Board and, where appropriate, its subsidiaries and affiliates, the descriptions contained in the required public disclosure documents concerning the governance standards of the Corporation in respect of compliance with applicable legislative, regulatory and stock exchange requirements or standards;
- E. Exercise authority and utilize resources as are appropriate to discharge the corporate governance duties and responsibilities of the Committee including, as deemed necessary by the Committee, authority to select, retain, terminate and approve terms of engagement, including fees, for special counsel, experts or consultants, without seeking approval of the Board or management;
- F. Meet separately with senior management, employees or independent advisors in respect of governance matters; and

- G. Consider any other governance matter properly referred to the Committee by the Chair of the Board, the Lead Director (if any), the Board, a Director, the Chief Executive Officer or the management of the Corporation for review, recommendation or decision.

## **VI. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE – CORPORATE SOCIAL RESPONSIBILITY**

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 other applicable laws and regulations: (i) assist the Board in overseeing strategies designed to manage social and environmental risks, overseeing management processes and standards, and achieving compliance with social and environmental responsibilities and commitments; (ii) review, approve or make recommendations to the Board in respect of CSR matters and future sustainability of the Corporation, including but not limited to human rights, public awareness and consultation, issues management, environmental stewardship, external communications, government relations, regulatory relations, stakeholder relations, First Nations and Aboriginal relations, community investment and sustainability, and (iii) provide oversight on performance in these areas in order to review the effectiveness with which the Corporation meets its obligations and achieves its objectives with respect to being a responsible corporate citizen; including, but not limited to, the following main subject areas:

- A. Ensure policies, procedures and practices related to CSR matters are relevant and consistently applied and align with the Corporation's core values;
- B. Review the effectiveness of management policies and procedures relating to relationships with neighbouring communities, environment, human rights, land access, all levels of government and sustainable development;
- C. Verify that management proactively identifies and monitors the impact of proposed legislation and other emerging issues, trends and public opinion impacts in CSR areas and recommends, where material, appropriate responses to the Board;
- D. Confirm that relevant risk management guidelines are applied to CSR matters;
- E. Confirm the appropriateness of practices and initiatives directed towards preserving and enhancing the Corporation's reputation, brand and related strategies;
- F. Review and monitor the adequacy of resources available for CSR matters;
- G. Confirm that the Corporation's business is conducted in a socially responsible, ethical, transparent and sustainable manner;
- H. Review appropriate benchmarks, procedures, practices and reporting methodologies utilized by management for CSR matters;
- I. Review any public disclosure by the Corporation of CSR matters;

- J. Review the effectiveness of management's communication and engagement with employees and external stakeholders on CSR issues and priorities;
- K. Review the effectiveness of management's issues management process and ensure that management actively addresses CSR issues relevant to the Corporation;
- L. Ensure that management listens and considers community and stakeholder concerns on CSR issues;
- M. Ensure that management engages, learns from, respects and supports the communities and cultures with which the Corporation works;
- N. The Committee has the right, from time to time, to:
  - 1. Request reports and examine such records as it deems necessary to ensure that reasonable measures are in place to manage CSR issues;
  - 2. Retain independent advice;
  - 3. Meet separately with management, employees or independent advisors in respect of any CSR matters; and
  - 4. Address any other matter properly referred to the Committee by the Chair of the Board, the Lead Director (if any), a Director, the Chief Executive Officer, or the management of the Corporation for review, recommendation or decision;
- O. Review and recommend to the Board the terms of any Impacts and Benefits Agreements, or other similar agreements, with a First Nation.

## **VII. COMMITTEE TIMETABLE**

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