

## GOVERNANCE 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 a Governance Committee (the “Committee”) to serve as the Governance Committee of the Board. Such Committee shall be in compliance with the guidelines for corporate governance of the Toronto Stock Exchange (“TSX”), the U.S. Securities and Exchange Commission (“SEC”) and any other regulatory or legal authority having jurisdiction over AltaGas.

The Committee shall assist the Board with oversight of the overall governance framework and standards for the Corporation and its affiliates and the Corporation’s approach to corporate social responsibility matters.

### 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.

- No Member shall be an officer or employee of the Corporation or any subsidiary or affiliate of AltaGas.
- Every Member must be independent (in accordance with National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators and, if AltaGas is at such time required to file reports under section 15(d) of the United States *Securities Exchange Act of 1934*, the rules of the SEC) and not a Director appointed by virtue of contractual right.

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. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Governance Committee, provided that the proposed Member meets the above criteria.

The Corporate Secretary of the Corporation 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 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. 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 if a majority 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 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:

1. duly convening Committee meetings and designating the times and places of those meetings;
2. working with management, the Chair of the Board and Lead Director on the development of agendas;
3. reviewing material for the Committee meetings prior to it being made available to Members;
4. ensuring Committee meetings are conducted in an efficient, effective and focused manner;
5. ensuring the Committee has sufficient information to permit it to properly make decisions when decisions are required;
6. providing leadership to the Committee and assisting the Committee in reviewing and monitoring its responsibilities;
7. working with the Chair of the Board in the recruitment of new directors, including participating in interviews of such persons;
8. 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;
9. advising the Committee of any matters brought to the Chair's attention;
10. advising other Committee Chairs or the Chair of the Board of any matters which may affect the organization and influence the Board or Committee's responsibilities; and
11. reporting to the Board on the activities, recommendations and decisions of the Committee after each meeting.

## V. DUTIES AND RESPONSIBILITIES – 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 legal or regulatory authority having jurisdiction, address, on behalf of the Board, all material matters of a governance nature, including, but not limited to,

1. review, approve, report on or make recommendations to the Board in relation to the following:
  - a) guidelines, policies, procedures and practices relating to matters of corporate governance;
  - b) the process for identifying, recruiting and appointing new Directors;
  - c) the identification and review with the Board of the appropriate competencies, skills and characteristics required of current and potential Board members and, as required, the development and approval of director eligibility criteria, including in particular as it relates to matters of diversity;
  - d) the appropriate size of the Board;
  - e) the process and practices for measuring and evaluating the performance of the Board, its committees and individual Directors;
  - f) 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;
  - g) 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);
  - h) 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);
  - i) the framework and 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;
  - j) the appropriate standard to adopt when determining the independence of a Director;
  - k) 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;

- l) the content of and compliance with the Code of Business Ethics;
  - m) developments and best practices relating to corporate governance; and
  - n) shareholder proposals received by the Corporation, including, in consultation with other committees impacted by such proposal, assessing the merits of such proposals and developing a response;
2. ensure that any issues of a corporate governance nature identified by Board members are raised to management of the Corporation;
  3. after consultation with the Chair of the Board, the Lead Director (if any) and the Chief Executive Officer, identify, evaluate and if appropriate, recommend:
    - a) 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;
    - b) 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;
    - c) for ratification by the Board, those persons believed to be qualified and suitable to be proposed for election as Directors at a meeting of the shareholders;
    - d) orientation and development programs and materials for Directors;
    - e) 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);
    - f) 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; and
    - g) for approval by the Board, the establishment of targets, aspirational or otherwise, with respect to diversity;
  4. evaluate and assess the effectiveness of the Board and its committees in meeting governance objectives and each member's contributions;
  5. 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;

6. 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;
7. meet separately with senior management, employees or independent advisors in respect of governance matters, as required; and
8. 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 – 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 legal or regulatory authority having jurisdiction, address, on behalf of the Board, all material matters relating to corporate social responsibility (“CSR”), including, but not limited to,

1. review, approve, report on or make recommendations to the Board in relation to the following:
  - a) strategies designed to manage social and environmental risks;
  - b) management policies, procedures and practices;
  - c) compliance with social and environmental responsibilities and commitments;
  - d) terms of any Impacts and Benefits Agreements, or other similar agreements, with a First Nation; and
  - e) 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;
2. review management’s periodic status and assessment reports with respect to compliance by the Corporation with CSR policies, procedures and practices, and with respect to applicable legislative, regulatory and other standards relating to CSR in order to review the effectiveness with which the Corporation meets its obligations and achieves its objective of being a responsible corporate citizen, including but not limited to:
  - a) ensuring policies, procedures and practices related to CSR matters actively address CSR issues relevant to the Corporation and that the same are consistently applied and align with the Corporation’s core values;
  - b) reviewing the effectiveness of management policies, procedures and processes;
  - c) overseeing management’s process for engagement with stakeholders and communities within which the Corporation operates;

- d) reviewing and considering stakeholder and community concerns and management's responses in relation thereto;
  - e) overseeing management's approach to monitoring the impact of proposed legislation and other emerging issues, trends and public opinion in CSR areas;
  - f) ensuring that relevant risk management guidelines are applied to CSR matters;
  - g) reviewing the appropriateness of practices and initiatives directed towards preserving and enhancing the Corporation's reputation, brand and related strategies;
  - h) reviewing and monitoring the adequacy of resources available for CSR matters;
  - i) reviewing and monitoring political and First Nations spending;
  - j) considering whether the Corporation's business is being conducted in a socially responsible, ethical, transparent and sustainable manner;
3. review appropriate benchmarks and reporting methodologies utilized by management for CSR matters;
  4. review any public disclosure by the Corporation of CSR matters;
  5. review the effectiveness of management's communication and engagement with employees and external stakeholders on CSR issues and priorities;
  6. request reports and examine such records as it deems necessary to ensure that reasonable measures are in place to manage CSR issues;
  7. meet separately with management, employees or independent advisors in respect of any CSR matters; and
  8. consider 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;

## **VII. COMMITTEE TIMETABLE**

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

## **VIII. OUTSIDE EXPERTS AND ADVISORS**

The Committee shall exercise authority and utilize resources as appropriate to discharge the duties and responsibilities of the Committee hereunder 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.