

## HUMAN RESOURCES AND COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF ALTAGAS LTD.

### I. PURPOSE

The Board of Directors (the “Board”) of AltaGas Ltd. (“AltaGas” or the “Corporation”) has established a Human Resources and Compensation Committee (the “Committee”) to serve as the Human Resources and Compensation Committee of the Board. The Committee is responsible for performing such duties as delegated by the Board to assist the Board in fulfilling its oversight role over AltaGas’ human resources and compensation matters. This oversight role includes reviewing executive compensation, evaluating performance of executive officers, succession planning and assessing the risks associated with the Corporation’s compensation policies and practices.

### 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.

Each Member shall hold office until the Member resigns or is replaced, whichever first occurs. 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. 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, or an officer of the Corporation. A minimum of twenty-four (24) hours’ notice of each meeting shall be given to each Member. Members may waive notice of the meeting in any manner, including

through attendance at a meeting. Members of management of the Corporation or any subsidiary or affiliate of the Corporation shall attend whenever requested to do so by a Member. The Committee shall have the right to determine who shall be present at any time during a meeting of the Committee.

A meeting of the Committee shall be duly convened if a majority of 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 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 designate of the Corporate Secretary, as approved by the Chair.

#### **IV. DUTIES AND RESPONSIBILITIES OF THE CHAIR**

The Chair's primary responsibilities include:

1. providing leadership to the Committee and assisting the Committee in reviewing and monitoring its responsibilities;
2. working with management on the development of agendas;
3. ensuring, to the extent possible, the Committee has sufficient information to properly discharge its duties and responsibilities;
4. presiding over meetings and ensuring such meetings are conducted in an efficient, effective and focused manner;
5. facilitating information sharing with other Board committees as required to address matters of mutual interest or concern; and
6. reporting to the Board on the activities, recommendations and decisions of the Committee after each meeting.

#### **V. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

The Board hereby delegates to the Committee, 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, the authority to perform the following functions:

### *Compensation Philosophy*

1. Approve the compensation philosophy and practices.
2. Annually review the compensation practices to monitor alignment with the compensation philosophy and ensure such practices do not encourage excessive or inappropriate risk taking among executive officers and other employees.
3. Approve the information contained in public disclosure documents relating to executive compensation and other matters relating to the Committee's mandate, including the information contained in the Corporation's management information circular.

### *Compensation and Compensation Related*

4. Review and recommend to the Board for approval the CEO's compensation level (including in relation to grants under short-term incentive (STI) and long-term incentive (LTI) programs) and, in conjunction with the Chair of the Board, review and recommend, the objectives of the CEO for the year and evaluate and report to the Board on the CEO's performance against objectives of prior year.
5. Review and recommend to the Board for approval the compensation level (including in relation to grants under STI and LTI programs) of the executive officers of the Corporation and review with the CEO the evaluation of their performance against their respective objectives and approve such performance and report to the Board.
6. Approve the compensation level (including in relation to grants under STI and LTI programs) of the other direct reports of the CEO.
7. Review the compensation level (including in relation to grants under STI and LTI programs) of all other officers of the Corporation and its subsidiaries.
8. Review and recommend to the Board for approval the material terms of, or amendments to, any employment agreement or severance agreement relating to the CEO or the CEO's direct reports and the application of any "change of control" provision in such agreements.
9. Approve the compensation peer group used in assessing compensation for the executive officers of the Corporation.
10. On an annual basis, review and recommend to the Board for approval, adjustments to employee salary pools and budgets.
11. Approve equity ownership requirements for officers and periodically review the progress made by officers in meeting equity ownership requirements.

### *Incentive Plans and Compensation*

12. Oversee the administration of the STI and LTI programs, and any incentive plans established by the Corporation and its subsidiaries for its employees relating to securities or cash based awards including, without limitation, any option plan or performance unit or restricted unit plan including:

- a. on an annual basis, review and recommend to the Board for approval, the STI plan framework, including scorecards established under the plan;
  - b. review STI plan performance prior to payout, as applicable, including reviewing scorecard results and the funding of STI pools in consultation with the Audit Committee, and recommend the funding of STI pools to the Board for approval;
  - c. review and recommend to the Board any grants to be made under the LTI programs, including any grant pools to be established or reservation of options, shares or other units and the eligibility, targets, performance unit measures and other material terms of such grants;
  - d. review LTI program performance unit measures prior to payout, and recommend the performance unit measures payout to the Board for approval; and
  - e. review and recommend to the Board for approval any amendments (other than those that are administrative in nature) to existing STI and LTI program plans and the adoption of any new plans.
13. Review and recommend to the Board for approval any other bonus pool or retention pool arrangement for employees.

#### *Succession Planning*

14. Recommend to the Board for approval, the appointment of corporate officers of the Corporation (including any changes in title of such officers).
15. On an annual basis, review matters relating to succession planning for the CEO and executive officer positions of the Corporation and its subsidiaries, including assessing risks relating to development, retaining, training and recruiting.

#### *Pension and Benefits*

16. Review and recommend to the Board for approval, in consultation with the Audit Committee, material amendments to pension and/or retirement plans.
17. Approve the delegation of certain duties and responsibilities relating to pensions and retirement plans to management level retirement and savings committee ("RSC"), and periodically review and approve any changes to the terms of reference and mandates of such committee.

#### *Other*

18. Review and approve strategies relating to unions and labour relations for the Corporation and its subsidiaries.
19. Review compliance with the Code of Business Ethics as it relates to matters covered by this mandate.
20. On an annual basis, review the Committee mandate and recommend any changes.

21. Consider and make recommendations to the Board on any action to be taken regarding feedback from shareholders or proxy advisors on human resources or executive compensation matters.
22. Review, approve or make recommendations to the Board, as required, in respect of any other matters considered necessary or appropriate in the context of the Committee's mandate or as may be specifically delegated to the Committee by the Board from time to time.

#### **VI. COMMITTEE TIMETABLE**

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

#### **VII. OUTSIDE EXPERTS AND ADVISORS**

The Committee is authorized to retain and oversee independent counsel, outside experts and other advisors to advise the Committee on any matter and to compensate such advisors.

*Approved by the Board on October 29, 2019.*