THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the proposals referred to in this document or what action you should take, you are recommended to seek your own personal financial advice from a stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial advisor.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

to be held on December 19, 2019

and

NOTICE OF ORIGINATING APPLICATION TO THE COURT OF QUEEN'S BENCH OF ALBERTA

and

MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

with respect to a

PLAN OF ARRANGEMENT

involving

ALTAGAS CANADA INC.

and

PSPIB CYCLE INVESTMENTS INC.

November 19, 2019

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ARRANGEMENT

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LETTER TO SHAREHOLDERS

November 19, 2019

Dear Shareholders:

You are invited to attend a special meeting (the "**Company Shareholders' Meeting**") of holders (the "**Company Shareholders**") of common shares ("**Company Common Shares**") of AltaGas Canada Inc. (the "**Company**") to be held in the Grand Lecture Theatre at the Metropolitan Conference Centre located at 333 – 4th Avenue S.W., Calgary, Alberta, Canada, on December 19, 2019 at 9:00 a.m. (Calgary time).

At the Company Shareholders' Meeting, the Company Shareholders will be asked to consider and, if deemed advisable, to pass a special resolution (the "**Arrangement Resolution**") approving a plan of arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act* involving the Company and PSPIB Cycle Investments Inc. (the "**Purchaser**"), to be carried out pursuant to an arrangement agreement dated October 20, 2019 between the Company and the Purchaser (the "**Arrangement Agreement**"). At the completion of the Arrangement, the Public Sector Pension Investment Board will hold a majority indirect economic interest in the Purchaser and the Alberta Teachers' Retirement Fund Board will hold a minority indirect economic interest in the Purchaser.

Under the Arrangement, Company Shareholders (other than dissenting holders of Company Common Shares) will receive, for each Company Common Share held, $33.50 in cash (the "**Company Common Share Consideration**"). Under the Arrangement, all share options to purchase Company Common Shares ("**Company Share Options**"), whether vested or unvested, will be deemed to be assigned and transferred to the Company and the holders thereof will receive for each Company Share Option a cash payment equal to the product of: (a) the amount by which the Company Common Share Consideration exceeds the exercise price per Company Common Share of such Company Share Option; and (b) the number of Company Common Shares into which such Company Share Option is exercisable; provided that in the event the foregoing calculation would result in a product less than $0.01, the consideration to be received in respect of such Company Share Option shall be $0.01. In addition, each deferred share unit, restricted share unit and performance share unit of the Company will be similarly deemed to be assigned and transferred to the Company and the holder thereof will receive a cash payment for each such unit equal to the Company Common Share Consideration.

Full details of the Arrangement are set out in the Notice of Special Meeting of Shareholders and Management Information Circular and Proxy Statement (the "**Circular**") which accompany this letter.

The requisite approval for the Arrangement Resolution is not less than 66 ⅔% of the votes cast on the Arrangement Resolution by the Company Shareholders, present in person or represented by proxy, at the Company Shareholders' Meeting. Completion of the Arrangement is also subject to customary closing conditions for a transaction of this nature, including court approval, approval under the *Competition Act* (Canada), approval from the Alberta Utilities Commission and approval from the British Columbia Utilities Commission, each of which are described in greater detail in the Circular.

TD Securities Inc. ("**TD Securities**") has provided the board of directors of the Company (the "**Company Board**") with an opinion that, as of October 20, 2019 and subject to the assumptions and limitations on which the opinion is

based, the Company Common Share Consideration to be received by Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Company Shareholders. In addition, Beacon Securities Limited ("**Beacon Securities**") has provided the Company Board with an opinion that, as of October 20, 2019 and subject to the assumptions and limitations on which the opinion is based, the Company Common Share Consideration to be received by Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Company Shareholders.

The Company Board, after consulting with its financial and legal advisors, and after careful consideration of, among other things, the fairness opinion of TD Securities, the fairness opinion of Beacon Securities and the unanimous recommendation of an independent committee of the Company Board, has unanimously determined that the Arrangement is in the best interests of the Company and fair to Company Shareholders. Accordingly, the Company Board unanimously recommends that the Company Shareholders approve the Arrangement by voting IN FAVOUR of the Arrangement Resolution at the Company Shareholders' Meeting.

On October 20, 2019, all of the directors and certain executive officers of the Company (who as at October 20, 2019 owned 261,167 Company Common Shares, representing an aggregate of approximately 0.87% of the issued and outstanding Company Common Shares) entered into voting support agreements with the Purchaser pursuant to which they agreed, among other things and subject to the terms thereof, to vote the Company Common Shares owned by them in favour of the Arrangement Resolution.

The accompanying Notice of Special Meeting of Shareholders and Circular describe the Arrangement and include certain additional information to assist you in considering how to vote in respect of the Arrangement Resolution. **You are urged to read this information carefully and, if you require assistance, to consult your financial, legal, tax or other professional advisors.**

If you are a registered holder of Company Common Shares (i.e., you hold a physical share certificate representing your Company Common Shares in your name), to be represented at the Company Shareholders' Meeting you must either attend the Company Shareholders' Meeting in person or complete and sign the enclosed form of proxy. If you are a registered Company Shareholder and are unable to attend the Company Shareholders' Meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Trust Company of Canada, the Company's transfer agent. To be valid, completed forms of proxy must be dated, completed, signed and deposited with the Company's transfer agent, Computershare Trust Company of Canada, (a) by mail to Proxy Department, 135 West Beaver Creek Road, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5, (b) by hand delivery to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or (c) by facsimile to 416-263-9524 or 1-866-269-7775. A registered Company Shareholder may also vote using the Internet at www.investorvote.com or telephone at 1-866-732-VOTE (8683). In order to be valid and acted upon at the Company Shareholders' Meeting, the form of proxy must be received not less than 48 hours (excluding weekends and holidays) before the Company Shareholders' Meeting or any adjournment(s) or postponement(s) thereof. If you are unable to attend the Company Shareholders' Meeting, we encourage you to complete the enclosed form of proxy as soon as possible.

If you are a non-registered holder of Company Common Shares and have received these materials from your broker or another intermediary, please complete and return the form of proxy or other authorization form provided to you by your broker or intermediary in accordance with the instructions provided. Failure to do so may result in your Company Common Shares not being eligible to be voted at the Company Shareholders' Meeting. See "*General Proxy Information – Notice to Beneficial Holders*" in the Circular.

Company Shareholders of record at the close of business on November 12, 2019 are entitled to notice of the Company Shareholders' Meeting and to attend and vote thereat or at any adjournment(s) or postponement(s) thereof on the basis of one vote for each Company Common Share held.

In order to receive the Company Common Share Consideration, registered Company Shareholders must complete and sign the Letter of Transmittal enclosed with the Circular and return it to Computershare Investor Services Inc. (or such other entity as may be appointed as depositary, from time to time, the "**Depositary**"), together with their share certificate(s) or direct registration system advice(s) and any other documents or instruments reasonably required by the Depositary in accordance with the procedures set out in the Letter of Transmittal. If the Arrangement is not completed, the share certificates will be returned.

Holders of Company Common Shares in a nominee (bank, trust company, securities broker or other nominee) account in the system of CDS Clearing and Depositary Services Inc. should follow the instructions provided to them by their intermediary to arrange for their intermediary to complete the necessary transmittal documents and to ensure payment of the Company Common Share Consideration if the Arrangement is completed.

On behalf of the Company Board, I would like to express our gratitude for the support our shareholders have demonstrated with respect to our decision to move forward with the proposed Arrangement. We look forward to seeing you at the Company Shareholders' Meeting.

Yours very truly,

(signed) "*Jared Green*"
Jared Green
President and Chief Executive Officer
AltaGas Canada Inc.

ALTAGAS CANADA INC.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON DECEMBER 19, 2019

NOTICE IS HEREBY GIVEN that, pursuant to an order (the "**Interim Order**") of the Court of Queen's Bench of Alberta dated November 19, 2019, a special meeting (the "**Company Shareholders' Meeting**") of the holders (the "**Company Shareholders**") of common shares ("**Company Common Shares**") of AltaGas Canada Inc. (the "**Company**") will be held in the Grand Lecture Theatre at the Metropolitan Conference Centre located at 333 – 4th Avenue S.W., Calgary, Alberta, Canada, on December 19, 2019 at 9:00 a.m. (Calgary time) for the following purposes:

(a) to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix A to the accompanying management information circular and proxy statement dated November 19, 2019 (the "**Circular**"), to approve a plan of arrangement (the "**Plan of Arrangement**") under section 192 of the *Canada Business Corporations Act* ("**CBCA**"), all as more particularly described in the Circular; and

(b) to transact such further or other business, as may properly be brought before the Company Shareholders' Meeting or any adjournment or postponement thereof.

The full text of the arrangement agreement dated October 20, 2019 between the Company and PSPIB Cycle Investments Inc. (the "**Arrangement Agreement**"), the Plan of Arrangement and the Interim Order are attached as Appendix B, Appendix C and Appendix D, respectively, to the Circular. This Notice of Special Meeting of Shareholders is accompanied by the Circular and form of proxy. The Circular contains additional information relating to matters to be dealt with at the Company Shareholders' Meeting.

Company Shareholders of record at the close of business on November 12, 2019 are entitled to notice of the Company Shareholders' Meeting and to attend and vote thereat or at any adjournment(s) or postponement(s) thereof on the basis of one vote for each Company Common Share held.

If you are a registered Company Shareholder who is unable to attend the Company Shareholders' Meeting in person, please complete and sign the enclosed form of proxy and deliver it to Computershare Trust Company of Canada (a) by mail to Proxy Department, 135 West Beaver Creek Road, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5, (b) by hand delivery to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or (c) by facsimile to 416-263-9524 or 1-866-269-7775. A registered Company Shareholder may also vote using the Internet at www.investorvote.com or telephone at 1-866-732-VOTE (8683). In order to be valid and acted upon at the Company Shareholders' Meeting, the form of proxy must be received not less than 48 hours (excluding weekends and holidays) before the Company Shareholders' Meeting or any adjournment(s) or postponement(s) thereof.

If you are not a registered Company Shareholder and have received these materials through your broker or through another intermediary, please complete and return the form of proxy or other authorization form in accordance with the instructions provided to you by your broker or by the other intermediary. Non-registered Company Shareholders who hold their Company Common Shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary, should carefully follow the instructions of their intermediary to ensure that their Company Common Shares are voted at the Company Shareholders' Meeting in accordance with such Company Shareholder's instructions, to arrange for their intermediary to complete the necessary transmittal documents and to ensure that they receive payment for their Company Common Shares if the Arrangement is completed.

Pursuant to the Interim Order and the provisions of section 190 of the CBCA (as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court of Queen's Bench of Alberta) registered Company Shareholders have a right to dissent in respect of the Arrangement Resolution and, if the Arrangement Resolution is passed and the Plan of Arrangement is implemented, to be paid the fair value of their Company Common Shares in accordance with the provisions of section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. A registered Company Shareholder's right to dissent is more particularly described in the

accompanying Circular. **The dissent procedures require that a registered Company Shareholder who wishes to dissent must send to the Company a written objection to the Arrangement Resolution, which written objection must be received by the Company's registered office, Suite 2100, 444 – 5th Avenue S.W., Calgary, Alberta T2P 2T8 attention: Autumn Howell, not later than 5:00 p.m. (Calgary time) on December 17, 2019. Failure to strictly comply with the requirements set forth in section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may result in the loss of any right of dissent. Persons who do not hold Company Common Shares in their own name ("Beneficial Holders") with interests registered in the name of a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary who wish to dissent should be aware that only registered holders of Company Common Shares are entitled to dissent. Accordingly, a Beneficial Holder desiring to exercise the right of dissent must make arrangements for the Company Common Shares beneficially owned by such holder to be registered in the Beneficial Holders' name prior to the time the written objection to the Arrangement Resolution is required to be received by the Company or, alternatively, make arrangements for the registered Company Shareholder of such Company Common Shares to dissent on the Beneficial Holder's behalf. It is strongly suggested that any Company Shareholders wishing to dissent seek independent legal advice, as the failure to comply strictly with the provisions in section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may prejudice such Company Shareholder's right to dissent.**

In order to receive the payment for their Company Common Shares, registered Company Shareholders must complete and sign the Letter of Transmittal enclosed with the Circular and return it to Computershare Investor Services Inc. (or such other entity as may be appointed as depositary, from time to time, the "**Depositary**"), together with their share certificate(s) or direct registration system advice(s) and any other documents or instruments reasonably required by the Depositary in accordance with the procedures set out in the Letter of Transmittal. If the Plan of Arrangement is not completed, the share certificates will be returned.

Holders of Company Common Shares in a nominee account in the system of CDS Clearing and Depositary Services Inc. should follow the instructions provided to them by their intermediary to arrange for their intermediary to complete the necessary transmittal documents and to ensure payment for their Company Common Shares if the Arrangement is completed.

Dated at the City of Calgary, in the Province of Alberta, this 19th day of November, 2019.

BY ORDER OF THE BOARD OF DIRECTORS OF ALTAGAS CANADA INC.

(Signed) "*Jared Green*"
Jared Green
President and Chief Executive Officer
AltaGas Canada Inc.

IN THE COURT OF QUEEN'S BENCH OF ALBERTA JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF SECTION 192 OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985, c. C-44, AS AMENDED AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ALTAGAS CANADA INC., PSPIB CYCLE INVESTMENTS INC. AND THE COMMON SHAREHOLDERS OF ALTAGAS CANADA INC.

NOTICE OF ORIGINATING APPLICATION

NOTICE IS HEREBY GIVEN that an originating application (the "**Application**") has been filed with the Court of Queen's Bench of Alberta, Judicial Centre of Calgary (the "**Court**") on behalf of AltaGas Canada Inc. (the "**Company**") with respect to a proposed arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**"), involving the Company, PSPIB Cycle Investments Inc. (the "**Purchaser**") and the holders of common shares of the Company (the "**Company Shareholders**"). The Arrangement is described in greater detail in the management information circular and proxy statement of the Company dated November 19, 2019 (the "**Circular**") accompanying this Notice of Originating Application.

At the hearing of the Application, the Company intends to seek:

(a) an order approving the Arrangement pursuant to the provisions of section 192 of the CBCA;

(b) a declaration that the terms and conditions of the Arrangement, and its procedures, are fair to the persons affected, including the Company Shareholders, both from a substantive and procedural perspective;

(c) a declaration that the Arrangement will, upon the filing of the Articles of Arrangement with the Director appointed under section 260 of the CBCA and the issuance of the Certificate of Arrangement by the Director pursuant to the provisions of section 192 of the CBCA, be effective in accordance with its terms and be binding on and after the Effective Time, as defined in the plan of arrangement attached as Appendix C to the Circular; and

(d) such other and further orders, declarations and directions as the Court may deem just.

AND NOTICE IS FURTHER GIVEN that the said Application was directed to be heard before a Justice of the Court at the Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta, on the 20th day of December, 2019 at 10:00 a.m. (Calgary time), or as soon thereafter as counsel may be heard. Any Company Shareholder or any other interested party desiring to support or oppose the Application may appear at the time of hearing in person or by counsel for that purpose. **Any Company Shareholder or any other interested party desiring to appear and make submissions at the application for the final order is required to file with the Court, and serve upon the Company on or before 5:00 p.m. (Calgary time) on December 17, 2019, a notice of intention to appear, including an address for service, indicating whether such Company Shareholder or other interested party intends to support or oppose the application or make submissions at the Application, together with a summary of the position such Company Shareholder or other interested party intends to advocate before the Court and any evidence or materials which are to be presented to the Court by such Company Shareholder or other interested party.** Service on the Company shall be effected by delivery to the solicitors for the Company at the address below. If any Company Shareholder or any other interested party does not attend, either in person or by counsel, at that time, the Court may approve the Arrangement as presented, subject to such terms and conditions as the Court shall deem fit, without any further notice.

AND NOTICE IS FURTHER GIVEN that no further notice of the Application will be given by the Company and that, in the event the hearing of the Application is adjourned or postponed, only those persons who have appeared before the Court for the application at the hearing, or who have filed a notice of intention to appear as described above, shall be served with notice of the adjourned or postponed date.

AND NOTICE IS FURTHER GIVEN that the Court, by the Interim Order, has provided directions as to the calling, giving of notice and holding of a special meeting of the Company Shareholders for the purpose of Company Shareholders voting upon a special resolution to approve the Arrangement and, in particular, has directed that registered Company Shareholders shall have the right to dissent from the Arrangement pursuant to the provisions of section 190 of the CBCA, as modified by such Interim Order and the Plan of Arrangement.

AND NOTICE IS FURTHER GIVEN that a copy of the said Application and other documents in the proceedings will be furnished to any Company Shareholder or other interested party requesting the same by the under-mentioned solicitors for the Company upon written request delivered to such solicitors as follows:

Stikeman Elliott LLP
Suite 4300, Bankers Hall West Tower
888 – 3rd Street S.W.
Calgary, Alberta T2P 5C5
Attention: Geoffrey D. Holub

DATED at the City of Calgary, in the Province of Alberta, this 19th day of November, 2019.

BY ORDER OF THE BOARD OF DIRECTORS OF ALTAGAS CANADA INC.

(Signed) "*Jared Green*"
Jared Green
President and Chief Executive Officer
AltaGas Canada Inc.

MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

Introduction

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of the Company for use at the Company Shareholders' Meeting and any adjournment(s) or postponement(s) thereof. No person has been authorized to give any information or make any representation in connection with the Arrangement or any other matters to be considered at the Company Shareholders' Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized and should not be relied upon in making a decision as to how to vote on the Arrangement Resolution.

This Circular does not constitute an offer to sell or a solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or a proxy solicitation. The delivery of this Circular will not, under any circumstances, create an implication that there has been no change in the information set forth herein since the date as of which such information is given in this Circular.

The information concerning the Purchaser and the Sponsors contained in the "*Summary Information – The Purchaser and the Sponsors*" and "*Information Concerning the Purchaser and the Sponsors"* sections of this Circular have been provided by the Purchaser and the Sponsors. Although the Company has no knowledge that would indicate that any of such information is untrue or incomplete, save as required by applicable law or regulation, the Company does not assume any responsibility for the accuracy or completeness of such information or the failure by the Purchaser and the Sponsors to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to the Company.

All summaries of, and references to, the Arrangement in this Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached as Appendix C to this Circular. **You are urged to carefully read the full text of the Plan of Arrangement.**

This Circular and the accompanying Notice of Meeting and Notice of Originating Application are being sent to both registered and non-registered Company Shareholders. If you are a non-registered Company Shareholder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Company Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding such Company Common Shares on your behalf.

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*". Information contained in this Circular is given as of November 19, 2019, unless otherwise specifically stated. Details of the Arrangement are set forth under the heading "*The Arrangement*". For details of the matters to be considered by the Company Shareholders at the Company Shareholders' Meeting, see "*Matters to be Considered at the Company Shareholders' Meeting*".

Forward-Looking Information and Statements

This Circular contains forward-looking statements and forward-looking information within the meaning of applicable securities laws and which are based on the expectations, estimates and projections of management of the Company as of the date hereof unless otherwise stated. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking statements or information. More particularly and without limitation, this Circular contains forward-looking statements and information concerning: the anticipated benefits of the Arrangement to the Company, the Company Shareholders and other stakeholders in the Company; the ability of the Company and the Purchaser to obtain and the timing of anticipated receipt of required regulatory, court and Company Shareholder approvals of the Arrangement; the ability of the Company and the Purchaser to satisfy the other conditions to, and to complete, the Arrangement; the anticipated purchase of run-off liability insurance; the anticipated timing for the completion of the Arrangement; and the delisting of the Company Common Shares from the TSX.

In respect of the forward-looking statements and information concerning the anticipated benefits of the Arrangement and the anticipated timing for completion of the Arrangement, the Company has provided such information in reliance on certain assumptions that it believes are reasonable at this time, including: assumptions as to the ability of the Parties to receive, in a timely manner and on satisfactory terms, the necessary regulatory, court, Company Shareholder and other third party approvals, including but not limited to the Key Regulatory Approvals; the ability of the Parties to satisfy, in a timely manner, the other conditions to the closing of the Arrangement; and other expectations and assumptions concerning the Arrangement. The anticipated dates provided may change for a number of reasons, such as the inability to secure the necessary Company Shareholder, regulatory, court or other third-party approvals on a satisfactory basis in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Arrangement. Accordingly, Company Shareholders should not place undue reliance on the forward-looking statements and information contained in this Circular.

Although the management of the Company considers these assumptions to be reasonable based on information currently available, they may prove to be incorrect. See "*Forward-Looking Information and Statements*" in the Company AIF and "*Cautionary Statement Regarding Forward-Looking Information*" in the Company Annual MD&A and the Company Interim MD&A.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Risks and uncertainties inherent in the nature of the Arrangement include the failure of the Company and the Purchaser to obtain the necessary Company Shareholder, regulatory, court and other third party approvals, including those noted above, or to otherwise satisfy the conditions to the completion of the Arrangement, in a timely manner, or at all. Failure to obtain such approvals, or the failure of the Parties to otherwise satisfy the conditions to or complete the Arrangement, may result in the Arrangement not being completed on the proposed terms, or at all. In addition, if the Arrangement is not completed, and the Company continues as an independent entity, there are risks that the announcement of the Arrangement and the dedication of substantial resources of the Company to the completion of the Arrangement could have an impact on the Company's current business relationships (including with future and prospective employees, customers, distributors, suppliers and partners) and could have a material adverse effect on the current and future operations, financial condition and prospects of the Company. Furthermore, the failure of the Company to comply with the terms of the Arrangement Agreement may, in certain circumstances, result in the Company being required to pay the Company Termination Fee, the result of which could have a material adverse effect on the Company's financial position and results of operations and its ability to fund growth prospects and current operations.

Company Shareholders are cautioned that the foregoing list of factors is not exhaustive. Readers should also carefully consider the matters discussed under "*Risk Factors*".

The forward-looking statements and information contained in this Circular are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Currency

Unless otherwise indicated, all references in this Circular to "Canadian dollars" or "$" are to the lawful currency of Canada.

SUMMARY INFORMATION

The following is a summary of certain information contained elsewhere in this Circular, including the Appendices hereto, is provided for convenience only and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Circular or in the Appendices hereto. All capitalized terms used in this summary have the meanings set forth under "Glossary of Terms".

The Company Shareholders' Meeting

The Company Shareholders' Meeting will be held in the Grand Lecture Theatre at the Metropolitan Conference Centre located at 333 – 4th Avenue S.W., Calgary, Alberta, Canada, on December 19, 2019 at 9:00 a.m. (Calgary time) for the purposes set forth in the accompanying Notice of Meeting. The business of the Company Shareholders' Meeting will be for the Company Shareholders to consider and, if deemed advisable, to pass, with or without variation, the Arrangement Resolution. The full text of the Arrangement Resolution is set forth as Appendix A to this Circular. See "*The Arrangement*" and "*Matters to be Considered at the Company Shareholders' Meeting*".

The Record Date

The Record Date for determining Company Shareholders entitled to receive notice of and to vote at the Company Shareholders' Meeting is November 12, 2019. See "*General Proxy Information*" for additional information.

Summary of the Arrangement

The Company entered into the Arrangement Agreement on October 20, 2019 providing for the implementation of the Plan of Arrangement. A copy of the Arrangement Agreement is attached as Appendix B to this Circular. Under the Arrangement, Company Shareholders (other than Dissenting Holders) will receive the Company Common Share Consideration, being $33.50 in cash, for each Company Common Share held.

Under the Arrangement, all Company Share Options, whether vested or unvested, will be deemed to be assigned and transferred to the Company and the holders thereof will receive for each Company Share Option a cash payment equal to the product of: (a) the amount by which the Company Common Share Consideration exceeds the exercise price per Company Common Share of such Company Share Option; and (b) the number of Company Common Shares into which such Company Share Option is exercisable; provided that in the event the foregoing calculation would result in a product less than $0.01, the consideration to be received in respect of such Company Share Option shall be $0.01. In addition, each Company DSU and Company Award will be similarly deemed to be assigned and transferred to the Company and the holder thereof will receive a cash payment for each such unit equal to the Company Common Share Consideration.

If the Arrangement is completed as contemplated by the Arrangement Agreement, the Company will become a wholly-owned Subsidiary of the Purchaser. See "*The Arrangement*".

The Company

The Company was incorporated under the CBCA on October 27, 2011 as AltaGas Utility Holdings (Pacific) Inc. and was a wholly-owned subsidiary of AltaGas Ltd. until it completed the IPO on October 25, 2018. The Company is a Canadian corporation with diversified rate-regulated natural gas distribution and transmission utilities assets and long-term contracted renewable power generation assets. The Company has two business segments:

- Utilities – The Company owns and operates utility assets that deliver natural gas to end-users in Alberta, British Columbia and Nova Scotia. The Company also owns a one-third equity interest in the utility that delivers natural gas to end-users in Inuvik, Northwest Territories. In aggregate, the utilities have approximately $922 million of rate base as at September 30, 2019 and serve approximately 130,000 customers across Canada.

- Renewable Energy – This segment includes the Bear Mountain Wind Park and an approximately 10% indirect interest in the entities that own the Northwest Hydro Facilities.

The Company Common Shares trade on the TSX under the symbol "ACI".

The Company's head, principal and registered offices are located at Suite 2100, 444 – 5th Avenue S.W., Calgary, Alberta, T2P 2T8. The Company's fiscal year-end is December 31. See "*Information Concerning the Company*".

The Purchaser and the Sponsors

See "*Information Concerning the Purchaser and the Sponsors*".

The Purchaser

The Purchaser, a corporation incorporated under the CBCA, was formed by PSP Investments on September 20, 2019 solely in anticipation of engaging in the transactions contemplated by the Arrangement Agreement, and has not engaged in any business activities other than in connection with the transactions contemplated by the Arrangement Agreement. At the completion of the Arrangement, PSP Investments will hold a majority indirect economic interest in the Purchaser and ATRF will hold a minority indirect economic interest in the Purchaser.

The Sponsors

Public Sector Pension Investment Board

PSP Investments is one of Canada's largest pension investment managers with approximately $168 billion of net assets as of March 31, 2019. It manages a diversified global portfolio of investments in public financial markets, private equity, real estate, infrastructure, natural resources and private debt. Established in 1999, PSP Investments manages net contributions to the pension funds of the federal Public Service, the Canadian Forces, the Royal Canadian Mounted Police and the Reserve Force. Headquartered in Ottawa, PSP Investments has its principal business office in Montreal and offices in New York, London and Hong Kong.

ATRF INF (DB) Ltd.

ATRF INF (DB) Ltd. is a wholly-owned subsidiary of ATRF. ATRF is one of Canada's fastest growing pension plans with approximately $18 billion of net assets under management. ATRF manages a diversified global portfolio composed of investments in public financial markets, infrastructure, private equity, real estate and absolute return strategies. Based in Edmonton, ATRF also manages and administers pension plans for more than 83,000 teachers in Alberta.

Fairness Opinions

The Company engaged TD Securities as its financial advisor to assist the Company in considering a range of strategic and financial options. TD Securities provided the Company Board with advice in respect of the Arrangement and delivered an opinion that, as of October 20, 2019 and subject to the assumptions and limitations on which the opinion is based, the Company Common Share Consideration to be received by Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Company Shareholders.

In addition, Beacon Securities delivered an opinion that, as of October 20, 2019 and subject to the assumptions and limitations on which the opinion is based, the Company Common Share Consideration to be received by Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Company Shareholders.

The summaries of the Fairness Opinions in this Circular are qualified in their entirety by reference to the full text of each of the Fairness Opinions. The full text of the TD Fairness Opinion and the Beacon Fairness Opinion are attached as Appendix E and Appendix F, respectively, to this Circular and should be read carefully and in their entirety. The Fairness Opinions address only the fairness of the consideration to be received by the Company Shareholders under

the Arrangement from a financial point of view and do not and should not be construed as a valuation of the Company or its assets and do not constitute a recommendation as to how any Company Shareholder should vote with respect to the Arrangement or any other matter. See "*Fairness Opinions*".

Recommendation of the Company Independent Committee

The Company Independent Committee, having considered, among other things, the terms of the Arrangement Agreement, the Fairness Opinions and other advice from TD Securities and Beacon Securities, advice from Stikeman and the advice of management, unanimously determined: (a) that the Arrangement is in the best interests of the Company and fair to Company Shareholders; (b) to recommend that the Company Board approve the Arrangement and the entering into by the Company of the Arrangement Agreement; and (c) to recommend that the Company Board recommend to Company Shareholders that they vote in favour of the Arrangement Resolution. See "*Recommendation of the Company Independent Committee*".

Recommendation of the Company Board

The Company Board, after consulting with its financial and legal advisors, and after careful consideration of, among other things, the TD Fairness Opinion and the Beacon Fairness Opinion and the unanimous recommendation of the Company Independent Committee, has unanimously determined that the Arrangement is in the best interests of the Company and fair to Company Shareholders. Accordingly, the Company Board unanimously recommends that the Company Shareholders approve the Arrangement by voting IN FAVOUR of the Arrangement Resolution at the Company Shareholders' Meeting. See "*Recommendation of the Company Board*".

Reasons for the Arrangement

In making their recommendations, the Company Independent Committee and Company Board considered various factors, including:

- *Significant Premium*. The value of the Company Common Share Consideration offered to Company Shareholders under the Arrangement represents a premium of approximately 31% to the closing price of the Company Common Shares on the TSX on October 18, 2019, the last trading day prior to the announcement of the Arrangement, and a premium of approximately 33% to the 20-day volume weighted average trading price on the TSX.

- *Superior Alternative*. The Company Independent Committee and the Company Board concluded that the value of the Company Common Share Consideration offered to Company Shareholders under the Arrangement is more favourable than the value that might have been realized by pursuing the Company's current business plan, as well as any alternatives to the sale of the Company, given the Company Independent Committee's and the Company Board's assessment of the current and anticipated future opportunities and risks associated with the business, operations, assets, financial condition and prospects of the Company should it continue as a stand-alone entity.

- *Cash Consideration*. For Company Shareholders, the Company Common Share Consideration to be paid pursuant to the Arrangement will be entirely in cash, which provides immediate liquidity and certainty of value at a significant premium, as described above.

- *Bid Process*. The Arrangement is the result of the Bid Process conducted under the supervision of the Company Independent Committee and the Company Board, which received advice from TD Securities and Stikeman during the course of the process. The price of $33.50 in cash per Company Common Share was the best offer available to the Company Shareholders pursuant to the Bid Process.

- *TD Fairness Opinion*. TD Securities provided an opinion that, as of October 20, 2019 and subject to the assumptions and limitations on which the opinion is based, the Company Common Share Consideration to

be received by the Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Company Shareholders.

- *Beacon Fairness Opinion*. Beacon Securities provided an opinion that, as of October 20, 2019 and subject to the assumptions and limitations on which the opinion is based, the Company Common Share Consideration to be received by the Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Company Shareholders.

- *Shareholder Approval Required*. The Arrangement must be approved by not less than 66 ⅔% of the votes cast at the Company Shareholders' Meeting by the Company Shareholders present in person or represented by proxy at the Company Shareholders' Meeting.

- *Determination of Fairness by the Court*. The Arrangement will only become effective if, after hearing from all interested Persons who choose to appear before it, the Court determines that the Arrangement is fair to Company Shareholders and other affected parties, from both a substantive and procedural perspective.

- *Dissent Rights*. Registered Company Shareholders will have been granted the right to dissent with respect to the Arrangement and be paid the fair value of their Company Common Shares.

- *Arrangement Agreement Terms*. The terms and conditions of the Arrangement Agreement, in the judgment of the Company Independent Committee and the Company Board, following consultations with their advisors, limit material transaction risk and delay and are reasonable and were the result of extensive negotiations between the Company and the Consortium and their respective advisors.

- *Limited Conditions to Closing*. The Purchaser's obligation to complete the Arrangement is subject to a limited number of conditions that the Company Board believes are reasonable in the circumstances and the completion of the Arrangement is not subject to any financing condition.

- *Likelihood of Satisfying Conditions*. The likelihood, after consultation with its legal and other advisors, that the conditions to complete the Arrangement will be satisfied, including the nature of the Key Regulatory Approvals required to be obtained under applicable Laws to consummate the Arrangement.

- *Ability to Accept a Superior Proposal*. Under the terms of the Arrangement Agreement, the Company Board retains the ability to consider and respond to Superior Proposals prior to the Company Shareholders' Meeting on the specific terms and conditions set forth in the Arrangement Agreement, including the payment of the Company Termination Fee by the Company to the Purchaser if such a proposal is accepted.

- *Company Termination Fee*. The Company Termination Fee of $38 million is payable by the Company to the Purchaser if the Arrangement is not completed under certain circumstances and is appropriate in the circumstances as an inducement for the Purchaser to enter into the Arrangement Agreement. In the view of the Company Independent Committee and the Company Board, the Company Termination Fee would not preclude a third party from potentially making a Superior Proposal.

- *Purchaser Termination Fee*. The Purchaser Termination Fee of $38 million is payable by the Purchaser to the Company if the Arrangement is not completed under certain circumstances.

- *Financing Availability*. The current and anticipated future state of the credit, debt and equity markets that could be available to the Company to provide the Company with the full amount of funding it may require to finance its business and operations, including the risk that such funding may not be obtained in a reasonable time or in full or on terms satisfactory to the Company, as well as the Company Independent Committee's and the Company Board's assessment of current and anticipated market conditions.

- *Credibility of Sponsors*. The Sponsors' provided separate financial commitments by way of the Equity Commitment Letters, and their credit worthiness, committed financing and anticipated ability to complete the transactions contemplated by the Arrangement.

- *Fair Treatment*. In the Company Independent Committee's and the Company Board's respective views, the terms of the Arrangement Agreement treat stakeholders of the Company equitably and fairly and the Arrangement is expected to benefit the Company and stakeholders.

- *Company Independent Committee Recommendation*. In respect of the Company Board only, the Company Independent Committee recommendation as described under "*Recommendation of the Company Independent Committee*".

The Company Independent Committee and the Company Board also considered a variety of risks and other potentially negative aspects in its deliberations concerning the Arrangement, including:

- *Risks to the Business of Non-Completion*. There are risks to the Company if the Arrangement is not completed, including the costs incurred in proceeding towards completion of the Arrangement and the diversion of management's attention away from the conduct of the Company's business in the ordinary course and the potential impact on the Company's current business relationships (including with future and prospective employees, customers, distributors, suppliers and partners).

- *No Continuing Interest of Company Shareholders*. The fact that, following the Arrangement, the Company Common Shares will be de-listed from the TSX and Company Shareholders will forego any future increases in value that might result from future growth and potential achievement of the Company's long-term strategic plans.

- *Risks of Non-Completion*. The conditions to the obligation of the Purchaser to complete the Arrangement and the right of the Purchaser to terminate the Arrangement Agreement under limited circumstances. See "*The Arrangement Agreement – Conditions to the Obligations of the Purchaser*".

- *Non-Solicitation and Company Termination Fee*. The limitations contained in the Arrangement Agreement on the Company's ability to solicit additional interest from third parties, as well as the fact that if the Arrangement Agreement is terminated under certain circumstances, the Company must pay the Company Termination Fee.

See "*Background to the Arrangement*" and "*Reasons for the Arrangement*".

The Arrangement Agreement

The Arrangement will be implemented pursuant to the Arrangement Agreement. The Arrangement Agreement contains covenants, representations and warranties of, and from each of, the Purchaser and the Company and various conditions precedent, both mutual and in favour of the Purchaser and the Company, respectively.

The Arrangement Agreement provides that, upon the occurrence of certain termination events, the Company is required to pay the Purchaser the Company Termination Fee and, upon the occurrence of certain other termination events, the Purchaser is required to pay the Company the Purchaser Termination Fee. See "*The Arrangement Agreement – Termination*".

This Circular contains a summary of certain provisions of the Arrangement Agreement and is qualified in its entirety by the full text of the Arrangement Agreement, a copy of which is attached as Appendix B to this Circular. See "*The Arrangement Agreement*".

Voting Agreements

On October 20, 2019, each of the directors of the Company and each of the Executive Officers entered into the Voting Agreements with the Purchaser pursuant to which they agreed, among other things and subject to the terms thereof, to vote the Company Common Shares of which they are the registered or beneficial owner, at the Company Shareholders' Meeting in favour of the Arrangement Resolution and all matters related thereto. See "*The Arrangement Agreement – Voting Agreements*".

Procedure for the Arrangement to Become Effective

Procedural Steps

The Arrangement is proposed to be carried out pursuant to section 192 of the CBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

(a) the Court must grant the Interim Order (which was granted on November 19, 2019);

(b) the Arrangement Resolution must be approved by the Company Shareholders at the Company Shareholders' Meeting in the manner set forth in the Interim Order;

(c) the Court must grant the Final Order approving the Arrangement;

(d) all conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate Party; and

(e) the Articles of Arrangement must be sent to the Director and the Director must have issued the Certificate.

Company Shareholder Approval

At the Company Shareholders' Meeting, pursuant to the Interim Order, the Company Shareholders will be asked to approve the Arrangement Resolution. Each Company Shareholder as of the Record Date shall be entitled to vote on the Arrangement Resolution. The Company Shareholders are entitled to one vote per Company Common Share. The requisite approval for the Arrangement Resolution is not less than 66 ⅔% of the votes cast on the Arrangement Resolution by the Company Shareholders present in person or represented by proxy at the Company Shareholders' Meeting. The Arrangement Resolution must receive the Required Approval in order for the Company to seek the Final Order and implement the Arrangement on the Effective Date in accordance with the terms of the Final Order. See "*The Arrangement – Procedure for the Arrangement to Become Effective – Company Shareholder Approval*" and "*Matters to be Considered at the Company Shareholders' Meeting*".

For information with respect to the procedures for Company Shareholders to follow to receive the Company Common Share Consideration pursuant to the Arrangement, see "*Procedures for the Surrender of Company Common Shares and Receipt of Company Common Share Consideration*". See also "*Summary of the Arrangement*" above.

Court Approval

Prior to the mailing of this Circular, the Company obtained the Interim Order authorizing and directing the Company to call, hold and conduct the Company Shareholders' Meeting and to submit the Arrangement to the Company Shareholders for approval. A copy of the Interim Order is attached as Appendix D to this Circular. Completion of the Arrangement is conditional on the Court granting the Final Order. Subject to the terms of the Arrangement Agreement and receipt of the Required Approval, the Company will make an application to the Court for the Final Order. The hearing in respect of the Final Order is expected to take place on December 20, 2019 at 10:00 a.m. (Calgary time) or as soon thereafter as counsel may be heard at the Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta. See "*The Arrangement – Procedure for the Arrangement Becoming Effective – Court Approval*".

Conditions Precedent

The completion of the Arrangement is also subject to the receipt of the Key Regulatory Approvals, being the Competition Act Approval, the AUC Approval and the BCUC Approval, which approvals are described in more detail under "*Principal Legal Matters – Key Regulatory Approvals*".

The implementation of the Arrangement is subject to a number of other conditions being satisfied or waived by the Company and the Purchaser, as applicable. See "*The Arrangement Agreement – Mutual Conditions*", "*The*

Arrangement Agreement – Conditions to the Obligations of the Purchaser" and "*The Arrangement Agreement – Conditions to the Obligations of the Company*".

Timing

If the Company Shareholders' Meeting is held as scheduled and is not adjourned or postponed and the Required Approval is obtained, the Company will apply for the Final Order approving the Arrangement. Subject to receipt of the Final Order in form and substance satisfactory to the Company and the Purchaser, and satisfaction or waiver of all other conditions set forth in the Arrangement Agreement, including the receipt of all required Regulatory Approvals, the Company expects the Effective Date to occur in the first half of 2020. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could be delayed for a number of reasons, including the failure to obtain all required Regulatory Approvals in the anticipated time frames.

The Arrangement will become effective upon the Articles of Arrangement being sent to the Director and the Director issuing the Certificate. See "*The Arrangement – Timing*".

Dissent Rights

Pursuant to and in accordance with the Plan of Arrangement, the Interim Order and the provisions of section 190 of the CBCA (as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court), registered Company Shareholders have a right to dissent in respect of the Arrangement Resolution and, if the Arrangement is implemented, to be paid the fair value of their Company Common Shares, in accordance with the provisions of section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. **The dissent procedures require that a registered Company Shareholder who wishes to dissent must send to the Company a written objection to the Arrangement Resolution which written objection must be received by the Company's registered office, Suite 2100, 444 – 5th Avenue S.W., Calgary, Alberta T2P 2T8 attention: Autumn Howell, not later than 5:00 p.m. (Calgary time) on December 17, 2019.**

It is a condition to the Purchaser's obligation to complete the Arrangement that, as at the Effective Date, Dissent Rights validly exercised and not withdrawn shall not represent more than 5% of the outstanding Company Common Shares.

The statutory provisions as modified by the Interim Order and the Plan of Arrangement covering the right to dissent are technical and complex. **Failure to strictly comply with the requirements set forth in section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may result in the loss of any right to dissent. Persons who are Beneficial Holders (i.e., whose Company Common Shares are registered in the name of a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who wish to dissent should be aware that only registered holders of Company Common Shares are entitled to dissent.** Accordingly, a Beneficial Holder desiring to exercise the right of dissent must make arrangements for the Company Common Shares beneficially owned by such holder to be registered in the holder's name prior to the time the written objection to the Arrangement Resolution is required to be received by the Company or, alternatively, make arrangements for the registered Company Shareholder of such Company Common Shares to dissent on behalf of the Beneficial Holder. It is strongly suggested that any Company Shareholders wishing to dissent seek independent legal advice, as the failure to comply strictly with the provisions in section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may prejudice such Company Shareholder's right to dissent. See "*Rights of Dissent*".

Stock Exchange Delisting

It is intended that the Company Common Shares will be delisted from the TSX shortly after the Effective Date.

Canadian Federal Income Tax Considerations

For a summary of certain of the material Canadian federal income tax consequences of the Arrangement applicable to a Company Shareholder, see "*Certain Canadian Federal Income Tax Considerations*". Such summary is not intended

to be legal or tax advice. Company Shareholders should consult their own tax advisors as to the tax consequences of the Arrangement to them with respect to their particular circumstances.

Other Tax Considerations

This Circular does not address any tax considerations of the Arrangement other than certain Canadian federal income tax considerations for Resident Shareholders and Non-Resident Shareholders. Company Shareholders who are resident in jurisdictions other than Canada should consult their tax advisors with respect to the relevant tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions. All Company Shareholders should also consult their own tax advisors regarding relevant provincial, state, territorial, or other tax considerations of the Arrangement.

Risk Factors

There is a risk that the Arrangement may not be completed. If the Arrangement is not completed, the Company will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. In addition, if the Arrangement is not completed, and the Company continues as an independent entity, there are risks that the announcement of the Arrangement and the dedication of substantial resources of the Company to the completion of the Arrangement could have an impact on the Company's current business relationships (including with future and prospective employees, customers, distributors, suppliers and partners) and could have a material adverse effect on the current and future operations, financial condition and prospects of the Company. Furthermore, the failure of the Company to comply with the terms of the Arrangement Agreement may, in certain circumstances, result in the Company being required to pay the Company Termination Fee to the Purchaser, the result of which could have a material adverse effect on the Company's financial position and results of operations and its ability to fund growth prospects and current operations.

You should carefully consider the risk factors described in the section "*Risk Factors*" in evaluating how you should vote your Company Common Shares.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Circular, including the summary hereof:

"**Acquisition Proposal**" means any inquiry or the making of any proposal, whether or not in writing, to the Company, any of its Subsidiaries or the Company Shareholders from any Person or group of Persons "acting jointly or in concert" (within the meaning of NI 62-104), other than the Purchaser or any of its affiliates, and other than any transaction involving only the Company and/or one or more of its Subsidiaries, which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (a) any direct or indirect sale, issuance or acquisition of shares or other securities (or securities convertible or exercisable for such shares or interests) in the Company that, when taken together with the securities of the Company held by the proposed acquiror and any Person acting jointly or in concert with such acquiror, represent 20% or more of the voting securities of the Company, or rights or interests therein and thereto; (b) any direct or indirect acquisition of assets (or any lease, joint venture or other arrangement having the same economic effect as a purchase or sale of assets) of the Company or its Subsidiaries (including, for greater certainty, securities of any Subsidiary thereof) to which 20% or more of the Company's revenues or earnings on a consolidated basis are attributable (in each case, based on the consolidated financial statements of the Company most recently filed on SEDAR by the Company); (c) an amalgamation, arrangement, merger, business combination, or consolidation involving the Company or one or more of its Subsidiaries that collectively own assets to which 20% or more of the Company's revenues or earnings on a consolidated basis are attributable (in each case, based on the consolidated financial statements of the Company most recently filed on SEDAR by the Company); (d) any take-over bid, issuer bid, exchange offer, liquidation, dissolution, reorganization, recapitalization, treasury issuance or similar transaction involving the Company or its Subsidiaries that, if consummated, would result in any Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of the Company or assets to which 20% or more of the Company's revenues or earnings on a consolidated basis are attributable (in each case, based on the consolidated financial statements of the Company most recently filed on SEDAR by the Company); or (e) any other similar transaction or series of transactions involving the Company or any of its Subsidiaries.

"**affiliate**" has the meaning set forth in the *Securities Act* (Alberta).

"**allowable capital loss**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Company Shareholders Resident in Canada – Disposition of Company Common Shares*".

"**ARC**" has the meaning ascribed thereto under "*Principal Legal Matters – Key Regulatory Approvals – Competition Act Approval*".

"**Arrangement**" means the arrangement pursuant to section 192 of the CBCA, on the terms and conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of the Arrangement Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement dated as of October 20, 2019 between the Company and the Purchaser pursuant to which the Company and the Purchaser have proposed to implement the Arrangement, a copy of which is attached as Appendix B to this Circular, as such agreement may be amended or restated in accordance with its terms.

"**Arrangement Resolution**" means a special resolution of the Company Shareholders in respect of the Arrangement to be considered at the Company Shareholders' Meeting, the full text of which is set forth as Appendix A to this Circular.

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement required under section 192(6) of the CBCA to be sent to the Director after the Final Order has been granted, giving effect to the Arrangement, which shall include the Plan of Arrangement and otherwise be in a form satisfactory to the Company and the Purchaser, each acting reasonably.

"**ATRF**" means the Alberta Teachers' Retirement Fund Board.

"**AUC**" means the Alberta Utilities Commission and any successor organization or replacement body, with jurisdiction to oversee the GUA.

"**AUC Approval**" means the occurrence of any of the following: (a) the Company or the Purchaser shall have received an approval from the AUC for the Purchaser to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement; or (b) the AUC shall have issued an exemption or declaratory order whereby the Arrangement is deemed to be exempt from requiring the approval of the AUC, in each case pursuant to the GUA and the Designation Regulation.

"**BCUC**" means the British Columbia Utilities Commission and any successor organization or replacement body, with jurisdiction over the UCA.

"**BCUC Approval**" means the occurrence of any of the following: (a) the Company or the Purchaser shall have received an approval from the BCUC for the Purchaser to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement; or (b) the BCUC shall have issued an exemption or declaratory order whereby the Arrangement is deemed to be exempt from requiring the approval of the BCUC, in each case pursuant to the UCA.

"**Beacon Fairness Opinion**" means the opinion of Beacon Securities, a copy of which is attached as Appendix F to this Circular, to the effect that as of the date of such opinion, and subject to the assumptions and limitations on which the opinion is based, the consideration to be received by Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Company Shareholders.

"**Beacon Securities**" means Beacon Securities Limited, engaged by the Company under the supervision of the Company Independent Committee to prepare the Beacon Fairness Opinion.

"**Bear Mountain Wind Park**" means the 102 megawatt generating wind facility located near Dawson Creek, British Columbia.

"**Beneficial Holders**" means Company Shareholders who do not hold their Company Common Shares in their own name.

"**Bid Process**" has the meaning ascribed thereto under "*Background to the Arrangement*".

"**Broadridge**" has the meaning ascribed thereto under "*General Proxy Information – Notice to Beneficial Holders*".

"**business day**" means a day other than a Saturday, a Sunday or a statutory holiday or other day when banks in the Cities of Calgary, Alberta or Montréal, Québec are not open for business.

"**Canadian Securities Administrators**" means the securities commission or other securities regulatory authority of each province and territory of Canada.

"**Canadian Securities Laws**" means the securities legislation or ordinance and regulations thereunder of each province and territory of Canada and the rules, instruments, policies and orders of each Canadian Securities Administrator made thereunder.

"**CBCA**" means the *Canada Business Corporations Act*.

"**CDS**" means CDS Clearing and Depositary Services Inc.

"**Certificate**" means the certificate of arrangement to be issued by the Director pursuant to section 192(7) of the CBCA in respect of the Articles of Arrangement giving effect to the Arrangement.

"**Change in Recommendation**" has the meaning ascribed to it in the Arrangement Agreement.

"**Circular**" means this management information circular and proxy statement of the Company dated November 19, 2019, together with all Appendices hereto, distributed by the Company to Company Shareholders in connection with the Company Shareholders' Meeting.

"**Commissioner**" means the Commissioner of Competition appointed pursuant to subsection 7(1) of the Competition Act, or his designee.

"**Company**" means AltaGas Canada Inc.

"**Company AIF**" means the annual information form of the Company dated March 6, 2019 for the year ended December 31, 2018.

"**Company Annual Financial Statements**" means the audited consolidated financial statements of the Company, together with the notes thereto and the report of the independent registered public accounting firm thereon as at and for the year ended December 31, 2018 and 2017.

"**Company Annual MD&A**" means management's discussion and analysis of the financial and operating results of the Company for the year ended December 31, 2018.

"**Company Awards**" means Company RSUs and Company PSUs each granted pursuant to the Company MTIP.

"**Company Board**" means the board of directors of the Company.

"**Company Common Share Consideration**" means $33.50 in cash per Company Common Share.

"**Company Common Shares**" means the common shares in the capital of the Company.

"**Company DSUP**" means the Company's Deferred Share Unit Plan.

"**Company DSUs**" means deferred share units granted pursuant to the Company DSUP.

"**Company Independent Committee**" means the independent committee of the Company Board comprised of independent directors (within the meaning of applicable Canadian Securities Laws) of the Company.

"**Company Interim MD&A**" means the management discussion and analysis of results of operations and financial conditions of the Company for the three and nine months ended September 30, 2019.

"**Company Interim Financial Statements**" means the unaudited condensed interim consolidated financial statements of the Company and the notes thereto as at and for the three and nine months ended September 30, 2019.

"**Company MCR**" means the material change report of the Company dated October 23, 2019 regarding the Arrangement.

"**Company MTIP**" means the Company's Mid-Term Incentive Plan.

"**Company PSUs**" means performance share units granted pursuant to the Company MTIP.

"**Company RSUs**" means restricted share units granted pursuant to the Company MTIP.

"**Company Share Option Plan**" means the Company's Share Option Plan.

"**Company Share Options**" means share options to purchase Company Common Shares granted pursuant to the Company Share Option Plan.

"**Company Shareholders**" means the holders of the Company Common Shares.

"**Company Shareholders' Meeting**" means the special meeting of the Company Shareholders, including any adjournment or postponement thereof, that is convened as provided by the Interim Order to consider, and if deemed advisable approve, the Arrangement Resolution.

"**Company Termination Fee**" has the meaning ascribed thereto under "*The Arrangement Agreement – Termination*".

"**Company Termination Fee Event**" has the meaning ascribed thereto under "*The Arrangement Agreement – Termination*".

"**Competition Act**" means the *Competition Act* (Canada).

"**Competition Act Approval**" means, in respect of the Arrangement, the occurrence of one of the following: (a) the receipt of an advance ruling certificate under subsection 102(1) of the Competition Act; or (b) (i) the applicable waiting period under subsection 123(1) of the Competition Act, and any extension thereof, shall have expired or shall have been terminated under subsection 123(2) of the Competition Act, or the obligation to submit a notification under Part IX of the Competition Act shall have been waived by the Commissioner pursuant to paragraph 113(c) of the Competition Act, and (ii) the Commissioner shall have advised the Parties in writing that the Commissioner does not, at that time, intend to make an application under section 92 of the Competition Act, and such advice shall remain in full force and effect.

"**Competition Tribunal**" means the Competition Tribunal established under subsection 3(1) of the *Competition Tribunal Act*.

"**Confidentiality Agreement**" means the Confidentiality Agreement dated August 17, 2019 between PSP Investments and the Company.

"**Consortium**" means PSP Investments and ATRF.

"**Court**" means the Court of Queen's Bench of Alberta.

"**Depositary**" means Computershare Investor Services Inc. (or such other entity as may be appointed as depositary for the Arrangement from time to time).

"**Designation Regulation**" means, collectively, the *Public Utilities Designation Regulation* (Alberta) and the *Gas Utilities Designation Regulation* (Alberta).

"**Director**" means the Director appointed pursuant to section 260 of the CBCA.

"**Dissent Rights**" means the rights of dissent provided for in Article 3 of the Plan of Arrangement.

"**Dissenting Holders**" means registered Company Shareholders who have validly exercised their Dissent Rights and have not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Company Common Shares in respect of which Dissent Rights are validly exercised by such registered Company Shareholder.

"**DRS Advice**" means a Direct Registration System (DRS) advice.

"**Effective Date**" means the date shown on the Certificate giving effect to the Arrangement.

"**Effective Time**" means 12:01 a.m. (Calgary time) on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

"**Encumbrance**" includes any mortgage, pledge, collateral assignment, charge, lien, security interest, adverse interest in property, other third party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

"**Environmental Laws**" means, with respect to any Person or its business, activities, property, assets or undertakings, all Laws, including the common law, relating to environmental or health and safety matters in the jurisdictions applicable to such Person or its business, activities, property, assets or undertakings, including legislation governing the reduction of greenhouse gas emissions and the use, transportation, storage and release of Hazardous Substances.

"**Equity Commitment Letters**" means the equity commitment letters dated October 20, 2019 between the Purchaser and PSP Investments and the Purchaser and ATRF INF (DB) Ltd., in which each Sponsor agrees to provide, among other things, equity financing in favour of the Purchaser that when aggregated commit an aggregate amount sufficient for the Purchaser to pay the Company Common Share Consideration in respect of all of the currently outstanding Company Common Shares.

"**Exclusivity Agreement**" has the meaning ascribed thereto under "*Background to the Arrangement*".

"**Executive Officers**" means the Company's President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, General Counsel and Corporate Secretary and Executive Vice President Utility Operations and President of PNG.

"**Fairness Opinions**" means, collectively, the TD Fairness Opinion and the Beacon Fairness Opinion.

"**Final Order**" means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal.

"**Governmental Entity**" means any: (a) multinational, federal, provincial, territory, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency, including the AUC and the BCUC; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body (including any securities commission or similar regulatory authority) exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) the TSX.

"**GUA**" means the *Gas Utilities Act* (Alberta).

"**Hazardous Substances**" means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws.

"**Initial Outreach**" has the meaning ascribed thereto under "*Background to the Arrangement*".

"**Interim Order**" means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Shareholders' Meeting, a copy of which order is attached as Appendix D to this Circular, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably).

"**Investment Canada Act**" means the *Investment Canada Act* (Canada).

"**IPO**" has the meaning ascribed thereto under "*Information Concerning the Company – Prior Sales*".

"**Key Regulatory Approvals**" means, collectively, the Competition Act Approval, the AUC Approval and the BCUC Approval.

"**Laws**" means all laws, by-laws, statutes, rules, regulations, principles of law, decisions, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity (including the TSX) or self-regulatory authority; and the term "applicable" with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Persons or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities; and "**Laws**" includes Environmental Laws and Canadian Securities Laws.

"**Letter of Transmittal**" means the letter of transmittal enclosed with this Circular which a registered Company Shareholder is required to complete and deliver with the Company Shareholder's certificate(s) or DRS Advice(s) representing Company Common Shares in order to receive the Company Common Share Consideration payable in respect of such Company Common Shares under the Arrangement.

"**Material Adverse Change**" or "**Material Adverse Effect**" has the meaning ascribed to it in the Arrangement Agreement.

"**NI 62-104**" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*.

"**No Action Letter**" has the meaning ascribed thereto under "*Principal Legal Matters – Key Regulatory Approvals – Competition Act Approval*".

"**Non-Resident Dissenting Holder**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Company Shareholders Not Resident in Canada – Dissenting Holders*".

"**Non-Resident Shareholder**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Company Shareholders Not Resident in Canada*".

"**Northwest Hydro Facilities**" means the three run-of-river hydroelectric facilities located in northwest British Columbia, being Forrest Kerr, McLymont Creek and Volcano Creek, approximately 10% of which are indirectly owned by the Company.

"**Notice of Meeting**" means the Notice of Special Meeting of Shareholders that accompanies this Circular.

"**Notifiable Transactions**" has the meaning ascribed thereto under "*Principal Legal Matters – Key Regulatory Approvals – Competition Act Approval*".

"**Notification**" has the meaning ascribed thereto under "*Principal Legal Matters – Key Regulatory Approvals – Competition Act Approval*".

"**Other Final Bidder**" has the meaning ascribed thereto under "*Background to the Arrangement*".

"**Outside Date**" means July 21, 2020, subject to the right of either Party to postpone the Outside Date for up to an additional 90 days (in 30-day increments) in aggregate for all extensions if a Key Regulatory Approval has not been obtained, by giving written notice to the other Party to such effect no later than 5:00 p.m. on the date that is not less than five days prior to the original Outside Date (and any subsequent Outside Date), or such later date as may be agreed in writing by the Parties; provided that, notwithstanding the foregoing, no Party shall be permitted to postpone the Outside Date if the failure to obtain a Key Regulatory Approval is primarily the result of such Party's failure to comply with its covenants with respect to obtaining such Key Regulatory Approval in the Arrangement Agreement.

"**Over-Allotment Option**" has the meaning ascribed thereto under "*Information Concerning the Company – Prior Sales*".

"**Parties**" means the Company and the Purchaser, and "**Party**" means either one of them.

"**Person**" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity).

"**Plan of Arrangement**" means the plan of arrangement attached as Appendix C to this Circular, and any amendments or variations thereto made in accordance with Section 9.1 of the Arrangement Agreement or Article 5 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of the Purchaser and the Company, each acting reasonably.

"**PNG**" means Pacific Northern Gas Ltd.

"**Preferred Shares**" means preferred shares in the capital of the Company, issuable in one or more series.

"**Proposed Amendments**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations*".

"**PSP Investments**" means the Public Sector Pension Investment Board.

"**Purchaser**" means PSPIB Cycle Investments Inc.

"**Purchaser Termination Fee**" has the meaning ascribed thereto under "*The Arrangement Agreement - Termination*".

"**Purchaser Termination Fee Event**" has the meaning ascribed thereto under "*The Arrangement Agreement – Termination*".

"**Record Date**" means November 12, 2019.

"**Regulatory Approvals**" means the Key Regulatory Approvals and any other consent, waiver, permit, permission, exemption, review, order decision or approval of, or any registration and filing with or withdrawal of any objection or successful conclusion of any litigation brought by, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity or pursuant to a written agreement between the Parties and a Governmental Entity to refrain from consummating the Arrangement, in each case required or advisable under Laws or that the Parties agree to obtain in connection with the Arrangement.

"**Required Approval**" means the requisite approval of the Arrangement Resolution by the Company Shareholders as set forth in the Interim Order, being not less than 66 ⅔% of the votes cast on the Arrangement Resolution by the Company Shareholders entitled to vote thereon present in person or represented by proxy at the Company Shareholders' Meeting.

"**Representatives**" means the officers, directors, employees, financial advisors, legal counsel, accountants and other agents and representatives of a Party.

"**Resident Dissenting Holder**" has the meaning ascribed thereto under "C*ertain Canadian Federal Income Tax Considerations – Company Shareholders Resident in Canada – Dissenting Holders*".

"**Resident Shareholder**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Company Shareholders Resident in Canada*".

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**Sponsors**" means PSP Investments and ATRF INF (DB) Ltd.

"**Stikeman**" means Stikeman Elliott LLP.

"**Subsidiary**" has the meaning set forth in the *Securities Act* (Alberta).

"**Superior Proposal**" means an unsolicited written bona fide Acquisition Proposal made after the date of the Arrangement Agreement by a Person (other than the Purchaser or its affiliates) to acquire not less than all of the Company Common Shares or not less than all or substantially all of the consolidated assets of the Company: (a) that complies with applicable Laws and did not result from or involve a breach of Section 7.1 of the Arrangement Agreement; (b) that is not subject to a financing condition and in respect of which any funds or other consideration necessary to complete such Acquisition Proposal have been demonstrated to the satisfaction of the Company Board, acting in good faith (after consultation with its financial advisor(s) and outside legal counsel) to have been obtained or are reasonably likely to be obtained to fund completion of such Acquisition Proposal at the time and on the basis set out therein; (c) that is not subject to a due diligence or access condition; (d) in respect of which the Company Board has determined, in good faith, after consultation with its financial advisor(s) and outside legal counsel, would or would be reasonably likely to, if consummated in accordance with its terms and without assuming away the risk of non-completion, result in a transaction more favourable, from a financial point of view, for the Company Shareholders than the transaction contemplated by the Arrangement Agreement (including after considering the proposal to adjust the terms and conditions of the Arrangement as contemplated in Section 7.1(c) of the Arrangement Agreement); and (e) that the Company Board has determined, in good faith, after consultation with its financial advisor(s) and outside legal counsel, is reasonably capable of being completed at the time and on the terms proposed, without undue delay and taking into account all legal, financial, regulatory (including with respect to the Competition Act, the AUC Approval, the BCUC Approval and any approval required under the Investment Canada Act to the extent applicable) and other aspects of such Acquisition Proposal and the Person or group of Persons making such proposal.

"**Supplementary Information Request**" has the meaning ascribed thereto under "*Principal Legal Matters – Key Regulatory Approvals – Competition Act Approval*".

"**Tax Act**" means the *Income Tax Act* (Canada) and the *Income Tax Regulations* (Canada).

"**taxable capital gain**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Company Shareholders Resident in Canada – Disposition of Company Common Shares*".

"**Taxes**" means all taxes, however denominated, together with any interest, penalties or other additions that may become payable in respect thereof, imposed by any Governmental Entity, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including federal, provincial and state income taxes), capital taxes, payroll and employee withholding taxes, gasoline and fuel taxes, employment insurance, social insurance taxes (including Canada Pension Plan payments), sales and use taxes (including goods and services, harmonized sales and provincial or territorial sales tax), *ad valorem* taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, carbon taxes, transfer taxes, workers' compensation premiums or charges, pension assessment and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which one of the Parties or any of its Subsidiaries is required to pay, withhold or collect.

"**TD Fairness Opinion**" means the opinion from TD Securities, a copy of which is attached as Appendix E to this Circular, to the effect that, as of the date of such opinion, and subject to the assumptions and limitations on which the opinion is based, the consideration to be received by Company Shareholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to Company Shareholders.

"**TD Securities**" means TD Securities Inc., financial advisor to the Company.

"**TSX**" means The Toronto Stock Exchange.

"**UCA**" means the *Utilities Commission Act* (British Columbia).

"**VIF**" has the meaning ascribed thereto under "*General Proxy Information – Notice to Beneficial Holders*".

"**Voting Agreements**" means the voting support agreements dated October 20, 2019 entered into between the Purchaser and each of the directors of the Company and each of the Executive Officers, pursuant to which such

directors and Executive Officers agreed, among other things and subject to the terms thereof, to vote all Company Common Shares held by them in favour of the Arrangement.

Certain other terms used herein but not defined herein are defined in the Arrangement Agreement and, unless the context otherwise requires, shall have the same meanings herein as in the Arrangement Agreement.

BACKGROUND TO THE ARRANGEMENT

The execution and delivery of the Arrangement Agreement between the Company and the Purchaser on October 20, 2019 followed a series of events, as described in this section of the Circular, and extensive arm's length negotiations between the Company, the Company Independent Committee, the Purchaser, and their respective financial and legal advisors. The following is a summary of the material events, meetings, negotiations and discussions among the Parties that preceded the execution and public announcement of the Arrangement Agreement.

Between May and July 2019, the Company received several informal expressions of interest from third parties in relation to the potential acquisition of the Company at a range of values. The Company Board received related advice from its legal counsel, Stikeman, regarding its duties in these circumstances and, with the assistance of management and TD Securities, considered these expressions of interest.

On May 24, 2019, the Company Board met, with management, TD Securities and Stikeman in attendance. At such meeting, Stikeman reviewed with the Company Board the duties of a board of directors in the context of unsolicited approaches and a potential change of control transaction and the Company Board received the analysis of TD Securities and management in respect of such expressions of interest. In particular, TD Securities presented a preliminary financial assessment of the Company and the consideration proposed. The Company Board also considered the anticipated effects that a potential change of control transaction would likely have, if completed, on various stakeholders of the Company, including, without limitation, securityholders, customers, communities, employees, indigenous persons and regulators. The Company Board also requested that TD Securities finalize its financial assessment of the Company and also evaluate the potential monetization of certain assets of the Company (determining a range of values, process alternatives and potential use of proceeds). Following such meeting, the Company formally retained TD Securities as its financial advisor.

On June 3, 2019, the Company Board met, with management, TD Securities, and Stikeman in attendance. TD Securities presented its financial assessment of the Company and its analysis in respect of the potential monetization of certain assets of the Company. With respect to its financial assessment of the Company, TD Securities presented as to the range of valuation methodologies it employed, with a particular focus on discounted cash flow analysis and precedent transaction analysis. In respect of the potential monetization of certain assets of the Company, TD Securities presented as to whether the full value of such assets was reflected in the Company Common Share trading price, as to how the proceeds of any such sale could be employed by the Company and as to how a process to market such sale could be undertaken. The directors were provided an opportunity to question TD Securities and management. Following significant deliberations, the Company Board instructed TD Securities to contact prospective parties that may be interested in purchasing certain assets of the Company.

On August 7, 2019, the Company Board met, with management, TD Securities and Stikeman in attendance, for the purposes of: (a) reviewing current market conditions and the Company's market positioning; and (b) considering the strategic options available to the Company in the context of the receipt of the expressions of interest and the anticipated expiry (on October 25, 2019) of the lock-up arrangement with the Company's principal shareholder.

At the August 7, 2019 meeting, Stikeman reviewed the duties of a board of directors in such circumstances and provided an overview of the various forms that a change of control transaction might take. TD Securities presented an updated financial assessment of the Company having regard again to the valuation methodologies discussed at the June 3, 2019 meeting, how a process for a sale of the Company might be undertaken and also provided a list of potential counterparties. Following extensive deliberations, the Company Board instructed management and TD Securities to contact a group of prospective financial and strategic parties to formally evaluate their interest in the Company through the submission of non-binding indications of interest (the "**Initial Outreach**"). The Company Board also determined to establish an independent committee initially comprised of Gregory A. Aarssen (Chair), Amit Chakma, William Demcoe and Judith Athaide (all of whom are independent of the Company and in connection with

the Arrangement within the meaning of Canadian Securities Laws) to, among other things, organize, institute and supervise a process for the development and evaluation of any potential strategic transaction and alternatives thereto and to review, consider and report to the Company Board as to whether any potential strategic transaction or alternative thereto is in the best interests of the Company.

Following the August 7, 2019 Company Board meeting, TD Securities completed the Initial Outreach to certain potential counterparties, which included PSP Investments and the Other Final Bidder. With the assistance of Stikeman, the Company entered into confidentiality agreements with such parties.

On August 14, 2019, the Company Independent Committee met, with management, TD Securities and Stikeman in attendance, for the purpose of discussing the results of the Initial Outreach. Of the parties that were contacted in the Initial Outreach, two submitted written non-binding indications of interest. One of the other parties subsequently indicated their non-binding indication of interest verbally to TD Securities. The value per Company Common Share of these indications of interest ranged from $29.50 to $32.00 per Company Common Share. Following the receipt of these indications of interest, again having regard to the factors discussed at the June 3, 2019 and August 7, 2019 Company Board meetings, the Company Independent Committee instructed TD Securities to initiate a confidential process to grant interested parties access to confidential information in order to solicit binding bids from potential parties to acquire all of the Company Common Shares (the "**Bid Process**"), with a view that, should a sufficiently attractive proposal be received, the Company would engage in negotiations.

Management was instructed to complete preparation of a virtual data room containing relevant information, as well as a detailed presentation and financial model to be provided to interested parties and, with the assistance of Stikeman, a form of arrangement agreement to be posted in the virtual data room for potential parties to revise to indicate the terms on which they would be ready to complete a transaction so that such terms could be evaluated in connection with any submitted bid. TD Securities was instructed to prepare a process letter outlining the Company's process.

At the August 14, 2019 meeting, the Company Independent Committee, after having received the advice of TD Securities, further determined to invite a select group of prospective financial and strategic parties to participate in the Bid Process which included the same participants from the Initial Outreach and additional potential parties. The selection criteria for the potential parties focused on value maximization, the highest probability buyers, the ability to maintain confidentiality, previous expressions of interest, the counterparties' objectives (size, valuation, asset type, geography, etc.), regulatory considerations and the probability of closing a transaction. Six parties ultimately signed confidentiality agreements with the Company.

Between August 19, 2019 and September 17, 2019, the six parties and their respective representatives were granted access to the comprehensive virtual data room. Five parties requested and received in-person presentations from senior management of the Company and were given an opportunity to make various written inquiries regarding the Company, which senior management of the Company answered. Mr. David Cornhill, Chair of the Company Board, and Mr. Jared Green, President and Chief Executive Officer of the Company, also held meetings with the principals of certain of the parties.

The form of arrangement agreement was approved by the Company Independent Committee and posted in the virtual data room with instructions to potential parties to revise such agreement to reflect the terms and conditions upon which they would be prepared to complete a transaction. The form contemplated that the Company's principal shareholder would execute a support agreement in respect of the Arrangement. Bidders were instructed to provide marked copies of the arrangement agreement on or prior to October 2, 2019, with final bids due by October 9, 2019.

On August 28, 2019 and September 11, 2019, the Company Independent Committee met, with management, TD Securities and Stikeman in attendance, to discuss the Bid Process and were updated and apprised on the progress of the Bid Process by TD Securities and management.

On September 22, 2019, the Consortium submitted a binding proposal, expiring on September 25, 2019, to acquire all of the outstanding Company Common Shares for $31.75 in cash per Company Common Share, which was not subject to any further due diligence and included a revised version of the form of arrangement agreement. The Company Independent Committee met on September 25, 2019, with management, TD Securities and Stikeman in attendance, to discuss the proposal and ultimately, after having received the advice of TD Securities and a review of its duties in

such circumstances from Stikeman, decided to continue with the Bid Process and to invite the Consortium to re-submit their proposal on October 9, 2019 in accordance with the Bid Process procedures.

On September 28, 2019, Ms. Athaide resigned as a member of the Company Independent Committee solely due to anticipated scheduling conflicts with her pre-existing commitments.

On September 28, 2019, the Company, at the direction of the Company Independent Committee, retained Beacon Securities to provide a fairness opinion in respect of the consideration to be received in connection with any transaction that may emanate from the Bid Process. The engagement with Beacon Securities provided that Beacon Securities would be paid a fixed fee upon the delivery of its fairness opinion irrespective of its conclusion and not contingent on completion of any transaction.

On October 2, 2019, the requested revisions to the form of arrangement agreement were received from two of the participants in the Bid Process. A fourth participant cited timing constraints and requested to provide its revisions to the form of arrangement agreement together with its final bid on October 9, 2019. One of the participants that submitted its revisions to the form of arrangement agreement on October 2, 2019 had requested a comparatively significant number of material changes to the form of arrangement agreement. Management instructed TD Securities to contact such participant, advise it of this differentiation and ask it to re-submit a revised copy of the arrangement agreement with its final bid on October 9, 2019.

On October 9, 2019, the bid deadline for the Bid Process, two participants submitted binding proposals to acquire all of the outstanding Company Common Shares. The first consisted of an all-share binding offer which equated to $30.74 per Company Common Share at such time and the second consisted of an all-cash binding offer of $32.00 per Company Common Share, both of which remained subject to additional due diligence and the $32.00 per Company Common Share proposal requested that certain pre-acquisition reorganizations of the Company be effected. No other parties in the Bid Process submitted a proposal and the Consortium did not re-submit its prior proposal.

On October 9, 2019, TD Securities was instructed to reach out to the participant that had provided the $32.00 per Company Common Share proposal (the "**Other Final Bidder**") and request that it make its best and final offer, including concessions on the terms of the arrangement agreement, by October 10, 2019. After discussions between the Other Final Bidder's advisors and the Company's advisors in the afternoon of October 9, 2019 and the morning of October 10, 2019, the Other Final Bidder submitted a revised all-cash proposal of $32.25 per Company Common Share, together with certain concessions in respect of its original revisions to the arrangement agreement, but did not remove its requirement for additional due diligence or its requirement that certain pre-acquisition reorganizations of the Company be effected.

On October 10, 2019, the Company Independent Committee met, with management, TD Securities and Stikeman in attendance, to consider the revised all-cash proposal of $32.25 per Company Common Share from the Other Final Bidder. The Company Independent Committee, after having received advice from TD Securities and Stikeman, determined that the revised form of arrangement agreement proposed by the Other Final Bidder likely required protracted negotiation to achieve a final agreement and as a result would likely have a comparatively greater risk of non-completion than represented by other revised versions of the arrangement agreement received, including that of the Consortium. The Company Independent Committee instructed TD Securities to contact the Consortium seeking an updated proposal at a higher value than its September 22, 2019 proposal.

On October 11, 2019, the Consortium submitted a revised proposal of $32.50 in cash per Company Common Share to acquire all of the outstanding Company Common Shares. On the same day, the Company Independent Committee met, with management, TD Securities and Stikeman in attendance, to review the final offers. The Company Independent Committee recommended that, in light of the clear superiority of the Consortium's offer (in terms of monetary value and proposed revisions to the arrangement agreement), the Company Board approve entering into an exclusivity agreement with the Consortium and undertake negotiations with the Consortium to achieve a binding arrangement agreement. The Company Board met, with management, TD Securities and Stikeman in attendance, and was briefed as to the status of the Bid Process, including the comparative attributes of the final offers and the recommendation of the Company Independent Committee. The Company Board resolved to approve entering into an exclusivity agreement with the Consortium and undertake negotiations with the Consortium to achieve a binding arrangement agreement.

On October 11, 2019, an exclusivity agreement (the "**Exclusivity Agreement**") was entered into between the Company and the Consortium. During the next nine days, definitive agreements regarding the Arrangement were finalized between the Company and the Consortium.

On October 16, 2019, the Company received a message that the Other Final Bidder was seeking to arrange a call to make a further proposal. In accordance with the Exclusivity Agreement, the Company informed the Consortium of such contact and did not engage with the Other Final Bidder. On the same date, a draft support agreement was circulated by the Company's principal shareholder.

On October 18, 2019, the Other Final Bidder submitted an unsolicited all-cash proposal to the Company Board of $33.25 per Company Common Share, removed any additional due diligence requirements and submitted a revised form of arrangement agreement providing for fewer significant revisions to the form than its previous submission. In accordance with the Exclusivity Agreement, the Company informed the Consortium of such proposal and did not engage with the Other Final Bidder.

On October 19, 2019, the Consortium submitted a revised proposal of $33.50 in cash per Company Common Share to acquire all of the outstanding Company Common Shares. The Consortium's revised proposal included an updated version of the arrangement agreement that reflected a negotiated agreement, and considering the principal shareholder's involvement during the course of the process, did not require the Company's principal shareholder to execute a support agreement in respect of the Arrangement.

On October 20, 2019, the Company Independent Committee and the Company Board met, with management, Stikeman, TD Securities and Beacon Securities in attendance. The directors were provided with an opportunity to question Stikeman with respect to the duties of the directors in the circumstances. The meeting reviewed the Bid Process, including the status of negotiations with the Consortium, to that date. Stikeman summarized the principal terms of the Arrangement Agreement and associated agreements and the meeting discussed the material issues negotiated. Each of TD Securities and Beacon Securities, separately, delivered its Fairness Opinion and gave a detailed presentation as to the analysis supporting its conclusions. The directors were provided an opportunity to question TD Securities and Beacon Securities in respect of their respective Fairness Opinions. Management presented its analysis of the status of negotiations and of the proposed transaction to the meeting. The meeting further discussed various aspects of the presentations made.

The Company Independent Committee then held a separate meeting with Stikeman present. After considering, among other things, the terms of the Arrangement Agreement, the advice of TD Securities, Beacon Securities and Stikeman, including having received the Fairness Opinions from TD Securities and Beacon Securities, the advice of management and the impact of the proposed transaction with the Consortium on the various stakeholders of the Company, and further discussion, the Company Independent Committee unanimously determined: (a) that the Arrangement is in the best interests of the Company and fair to Company Shareholders; (b) to recommend that the Company Board approve the Arrangement and the entering into by the Company of the Arrangement Agreement; and (c) to recommend that the Company Board recommend to Company Shareholders that they vote in favour of the Arrangement Resolution.

The Company Board reconstituted its meeting and, after considering the terms of the Arrangement, the advice of TD Securities, Beacon Securities and Stikeman, including having received the Fairness Opinions from TD Securities and Beacon Securities, the advice of management and the unanimous recommendation of the Company Independent Committee and further discussion, unanimously determined that the Arrangement is in the best interests of the Company and fair to Company Shareholders. The Company Board also resolved to unanimously recommend that Company Shareholders vote in favour of the Arrangement Resolution.

In addition to the foregoing, in making the determinations described above, the Company Independent Committee and the Company Board considered and relied upon a number of factors, risks and other potential negative aspects in its deliberations as described under "*Reasons for the Arrangement*".

The Arrangement Agreement and other transaction documents were finalized and executed on October 20, 2019 and a press release announcing the transaction was issued on October 21, 2019, prior to the opening of the trading of the Company Common Shares on the TSX.

RECOMMENDATION OF THE COMPANY INDEPENDENT COMMITTEE

The Company Independent Committee was established on August 7, 2019 with responsibility for, among other things, organizing, instituting and supervising the Bid Process and to review, consider and report to the Company Board as to whether any potential strategic transaction or alternative thereto is in the best interests of the Company. The Company Independent Committee initially consisted of Gregory A. Aarssen, Judith Athaide, Amit Chakma and William Demcoe, each being independent of the Company and in connection with the Arrangement (within the meaning of Canadian Securities Laws). On September 28, 2019, Ms. Athaide resigned as a member of the Company Independent Committee solely due to anticipated scheduling conflicts with her pre-existing commitments.

The Company Independent Committee, having considered, among other things, the terms of the Arrangement Agreement, the Fairness Opinions and other advice from TD Securities and Beacon Securities, advice from Stikeman and the advice of management, unanimously determined: (a) that the Arrangement is in the best interests of the Company and fair to Company Shareholders; (b) to recommend that the Company Board approve the Arrangement and the entering into by the Company of the Arrangement Agreement; and (c) to recommend that the Company Board recommend to Company Shareholders that they vote in favour of the Arrangement Resolution.

RECOMMENDATION OF THE COMPANY BOARD

The Company Board, after consulting with its financial and legal advisors, and after careful consideration of, among other things, the TD Fairness Opinion and the Beacon Fairness Opinion and the unanimous recommendation of the Company Independent Committee, has unanimously determined that the Arrangement is in the best interests of the Company and fair to Company Shareholders. Accordingly, the Company Board unanimously recommends that the Company Shareholders approve the Arrangement by voting IN FAVOUR of the Arrangement Resolution at the Company Shareholders' Meeting.

REASONS FOR THE ARRANGEMENT

The following includes forward-looking information and readers are cautioned that actual results may vary. See "*Management Information Circular and Proxy Statement – Forward-Looking Information and Statements*" and "*Risk Factors*".

Information and Factors Considered by the Company Independent Committee and the Company Board

As described above, in making its recommendations, the Company Independent Committee and the Company Board each consulted with the Company's management team, TD Securities, Beacon Securities and Stikeman, received the Fairness Opinions, reviewed a significant amount of information and considered a number of factors, including those listed below. The Company Independent Committee and the Company Board each recommended approval of the Arrangement based upon the totality of the information presented and considered by them. The following summary is not intended to be exhaustive but includes a summary of the material information and factors considered by the Company Independent Committee and the Company Board in their consideration of the Arrangement. In view of the variety of factors and the amount of information considered in connection with the Company Independent Committee's and the Company Board's evaluations of the Arrangement, the Company Independent Committee and the Company Board did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching their conclusions and recommendations. The recommendations of the Company Independent Committee and the Company Board were made after consideration of, among other things, all of the factors noted below, in light of the Company Independent Committee's and the Company Board's knowledge of the business, financial condition and prospects of the Company and taking into account the advice of the Company Independent Committee's and the Company Board's financial, legal and other advisors. Individual members of the Company Independent Committee and the Company Board may have assigned different weights to different factors.

In making their recommendations, the Company Independent Committee and the Company Board considered various factors, including:

- *Significant Premium*. The value of the Company Common Share Consideration offered to Company Shareholders under the Arrangement represents a premium of approximately 31% to the closing price of the Company Common Shares on the TSX on October 18, 2019, the last trading day prior to the announcement of the Arrangement, and a premium of approximately 33% to the 20-day volume weighted average trading price on the TSX.

- *Superior Alternative*. The Company Independent Committee and the Company Board concluded that the value of the Company Common Share Consideration offered to Company Shareholders under the Arrangement is more favourable than the value that might have been realized by pursuing the Company's current business plan, as well as any alternatives to the sale of the Company, given the Company Independent Committee's and the Company Board's assessment of the current and anticipated future opportunities and risks associated with the business, operations, assets, financial condition and prospects of the Company should it continue as a stand-alone entity.

- *Cash Consideration*. For Company Shareholders, the Company Common Share Consideration to be paid pursuant to the Arrangement will be entirely in cash, which provides immediate liquidity and certainty of value at a significant premium, as described above.

- *Bid Process*. The Arrangement is the result of the Bid Process conducted under the supervision of the Company Independent Committee and the Company Board, which received advice from TD Securities and Stikeman during the course of the process. The price of $33.50 in cash per Company Common Share was the best offer available to the Company Shareholders pursuant to the Bid Process.

- *TD Fairness Opinion*. TD Securities provided an opinion that, as of October 20, 2019 and subject to the assumptions and limitations on which the opinion is based, the Company Common Share Consideration to be received by the Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Company Shareholders.

- *Beacon Fairness Opinion*. Beacon Securities provided an opinion that, as of October 20, 2019 and subject to the assumptions and limitations on which the opinion is based, the Company Common Share Consideration to be received by the Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Company Shareholders.

- *Shareholder Approval Required*. The Arrangement must be approved by not less than 66 ⅔% of the votes cast at the Company Shareholders' Meeting by the Company Shareholders present in person or represented by proxy at the Company Shareholders' Meeting.

- *Determination of Fairness by the Court*. The Arrangement will only become effective if, after hearing from all interested Persons who choose to appear before it, the Court determines that the Arrangement is fair to Company Shareholders and other affected parties, both from a substantive and procedural perspective.

- *Dissent Rights*. Registered Company Shareholders will have been granted the right to dissent with respect to the Arrangement and be paid the fair value of their Company Common Shares.

- *Arrangement Agreement Terms*. The terms and conditions of the Arrangement Agreement, in the judgment of the Company Independent Committee and the Company Board following consultations with its advisors, limit material transaction risk and delay and are reasonable and were the result of extensive negotiations between the Company and the Consortium and their respective advisors.

- *Limited Conditions to Closing*. The Purchaser's obligation to complete the Arrangement is subject to a limited number of conditions that the Company Board believes are reasonable in the circumstances and the completion of the Arrangement is not subject to any financing condition.

- *Likelihood of Satisfying Conditions*. The likelihood, after consultation with its legal and other advisors, that the conditions to complete the Arrangement will be satisfied, including the nature of the Key Regulatory Approvals required to be obtained under applicable Laws to consummate the Arrangement.

- *Ability to Accept a Superior Proposal*. Under the terms of the Arrangement Agreement, the Company Board retains the ability to consider and respond to Superior Proposals prior to the Company Shareholders' Meeting on the specific terms and conditions set forth in the Arrangement Agreement, including the payment of the Company Termination Fee by the Company to the Purchaser if such a proposal is accepted.

- *Company Termination Fee*. The Company Termination Fee of $38 million is payable by the Company to the Purchaser if the Arrangement is not completed under certain circumstances and is appropriate in the circumstances as an inducement for the Purchaser to enter into the Arrangement Agreement. In the view of the Company Independent Committee and the Company Board, the Company Termination Fee would not preclude a third party from potentially making a Superior Proposal.

- *Purchaser Termination Fee*. The Purchaser Termination Fee of $38 million is payable by the Purchaser to the Company if the Arrangement is not completed under certain circumstances.

- *Financing Availability*. The current and anticipated future state of the credit, debt and equity markets that could be available to the Company to provide the Company with the full amount of funding it may require to finance its business and operations, including the risk that such funding may not be obtained in a reasonable time or in full or on terms satisfactory to the Company, as well as the Company Independent Committee's and the Company Board's assessment of current and anticipated market conditions.

- *Credibility of Sponsors*. The Sponsors' provided separate financial commitments by way of the Equity Commitment Letters, and their credit worthiness, committed financing and anticipated ability to complete the transactions contemplated by the Arrangement.

- *Fair Treatment*. In the Company Independent Committee's and the Company Board's respective views, the terms of the Arrangement Agreement treat stakeholders of the Company equitably and fairly and the Arrangement is expected to benefit the Company and stakeholders.

- *Company Independent Committee Recommendation*. In respect of the Company Board only, the Company Independent Committee recommendation as described under "*Recommendation of the Company Independent Committee*".

The Company Independent Committee and the Company Board also considered a variety of risks and other potentially negative aspects in its deliberations concerning the Arrangement, including:

- *Risks to the Business of Non-Completion*. There are risks to the Company if the Arrangement is not completed, including the costs incurred in proceeding towards completion of the Arrangement and the diversion of management's attention away from the conduct of the Company's business in the ordinary course and the potential impact on the Company's current business relationships (including with future and prospective employees, customers, distributors, suppliers and partners).

- *No Continuing Interest of Company Shareholders*. The fact that, following the Arrangement, the Company Common Shares will be de-listed from the TSX and Company Shareholders will forego any future increases in value that might result from future growth and potential achievement of the Company's long-term strategic plans.

- *Risks of Non-Completion*. The conditions to the obligation of the Purchaser to complete the Arrangement and the right of the Purchaser to terminate the Arrangement Agreement under limited circumstances. See "*The Arrangement Agreement – Conditions to the Obligations of the Purchaser*".

- *Non-Solicitation and Company Termination Fee*. The limitations contained in the Arrangement Agreement on the Company's ability to solicit additional interest from third parties, as well as the fact that if the Arrangement Agreement is terminated under certain circumstances, the Company must pay the Company Termination Fee.

FAIRNESS OPINIONS

The following is only a summary of the Fairness Opinions and is qualified in its entirety by the full text of the Fairness Opinions. **The Company Board urges Company Shareholders to read the Fairness Opinions carefully and in their entirety. The full text of the written TD Fairness Opinion, dated October 20, 2019, setting out the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken by TD Securities in connection with the TD Fairness Opinion, is attached as Appendix E to this Circular. The full text of the written Beacon Fairness Opinion, dated October 20, 2019, setting out the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken by Beacon Securities, in connection with the Beacon Fairness Opinion is attached as Appendix F to this Circular.**

The TD Fairness Opinion states that, in the opinion of TD Securities, as of October 20, 2019 and subject to the assumptions and limitations on which the opinion is based, the Company Common Share Consideration to be received by Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Company Shareholders. The Beacon Fairness Opinion states that, in the opinion of Beacon Securities, as of October 20, 2019 and subject to the assumptions and limitations on which the opinion is based, the Company Common Share Consideration to be received by Company Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Company Shareholders.

TD Securities (which has given and not withdrawn written consent to the inclusion of the references to its name in this Circular in the form and context in which they are included) provided the TD Fairness Opinion solely for the information and assistance of the Company Board in connection with its consideration of the transaction contemplated therein and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, nor is it to be filed with, included in or referred to in whole or in part in any registration statement, proxy statement, information circular or any other document, except in accordance with TD Securities' prior written consent. The TD Fairness Opinion addresses only the fairness, from a financial point of view, of the Company Common Share Consideration to be paid to Company Shareholders pursuant to the Arrangement and does not and should not be construed as a valuation of the Company or its assets or securities. The TD Fairness Opinion is not a recommendation as to how any Company Shareholder should vote with respect to the Arrangement or any other matter. TD Securities disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the TD Fairness Opinion which may come or be brought to TD Securities' attention after the date of its opinion. Without limiting the foregoing, in the event that TD Securities learns that any of the information relied on in preparing the TD Fairness Opinion was inaccurate, incomplete or misleading in any material respect, TD Securities reserves the right to change or withdraw the TD Fairness Opinion.

Beacon Securities (which has given and not withdrawn written consent to the inclusion of the references to its name in this Circular in the form and context in which they are included) provided the Beacon Fairness Opinion solely for the information and assistance of the Company Board in connection with its consideration of the transaction contemplated therein, and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, nor is it to be filed with, included in or referred to in whole or in part in any registration statement, proxy statement, information circular or any other document, except in accordance with Beacon Securities' prior written consent. The Beacon Fairness Opinion addresses only the fairness, from a financial point of view, of the Company Common Share Consideration to be paid to Company Shareholders pursuant to the Arrangement and does not and should not be construed as a valuation of the Company or its assets or securities. The Beacon Fairness Opinion is not a recommendation as to how any Company Shareholder should vote with respect to the Arrangement or any other matter. Beacon Securities disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Beacon Fairness Opinion which may come or be brought to Beacon Securities' attention after the date of its opinion. Without limiting the foregoing, in the event that Beacon Securities learns that any of the information relied on in preparing the Beacon Fairness Opinion was inaccurate, incomplete or misleading in any material respect, Beacon Securities reserves the right to change or withdraw the Beacon Fairness Opinion.

TD Securities was engaged by the Company as a financial advisor to provide the Company with various financial advisory services, including advice and assistance in evaluating the Arrangement. Pursuant to the terms of its engagement with the Company, TD Securities is to be paid a fee for its services as financial advisor, a significant portion of which is contingent upon the closing of the Arrangement. The Company has also agreed to reimburse TD Securities for its reasonable out-of-pocket expenses and to indemnify TD Securities in certain circumstances.

Beacon Securities was engaged by the Company, at the direction of the Company Independent Committee, to provide the Beacon Fairness Opinion. Pursuant to the terms of its engagement with the Company, Beacon Securities was entitled to be paid a fixed fee upon the delivery of the Beacon Fairness Opinion irrespective of its conclusion and not contingent on closing of the Arrangement. The Company has also agreed to reimburse Beacon Securities for its reasonable out-of-pocket expenses and to indemnify Beacon Securities in certain circumstances.

THE ARRANGEMENT

Summary of the Arrangement

The following is only a summary of certain of the material terms of the Plan of Arrangement and is qualified in its entirety by the full text of the Plan of Arrangement attached as Appendix C to this Circular and any amendment that may be made to the Plan of Arrangement in accordance with its terms after the date of this Circular.

The Company entered into the Arrangement Agreement on October 20, 2019 providing for the implementation of the Plan of Arrangement. A copy of the Arrangement Agreement is attached as Appendix B to this Circular. Under the Arrangement, Company Shareholders (other than Dissenting Holders) will receive the Company Common Share Consideration, being $33.50 in cash, for each Company Common Share held.

Under the Arrangement, all Company Share Options, whether vested or unvested, will be deemed to be assigned and transferred to the Company and the holders thereof will receive for each Company Share Option a cash payment equal to the product of: (a) the amount by which the Company Common Share Consideration exceeds the exercise price per Company Common Share of such Company Share Option; and (b) the number of Company Common Shares into which such Company Share Option is exercisable; provided that in the event the foregoing calculation would result in a product less than $0.01, the consideration to be received in respect of such Company Share Option shall be $0.01. In addition, each Company DSU and Company Award will be similarly deemed to be assigned and transferred to the Company and the holder will receive a cash payment for each such unit equal to the Company Common Share Consideration.

The Arrangement Resolution approving the Arrangement must receive the Required Approval. See "*The Arrangement Agreement*".

Arrangement Steps

The following summarizes the steps that will occur under the Plan of Arrangement on the Effective Date, if all conditions to the completion of the Arrangement have been satisfied or waived. The following description is qualified in its entirety by reference to the full text of the Plan of Arrangement attached as Appendix C to this Circular and any amendments that may be made to the Plan of Arrangement in accordance with its terms after the date of this Circular.

The Arrangement involves a number of steps, including each of the events set out below, which shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise therein, effective as at five minute intervals starting immediately following the Effective Time:

(a) each Company Share Option outstanding immediately prior to the Effective Time shall be deemed to be assigned and transferred by such holder to the Company in exchange for a cash payment from the Company equal to the amount equal to the product of: (i) the amount by which the Company Common Share Consideration exceeds the exercise price per Company Common Share of such Company Share Option; and (ii) the number of Company Common Shares into which such Company Share Option is exercisable; provided that in the event the foregoing calculation would

result in a product less than $0.01, the consideration to be received in respect of such Company Share Option shall be $0.01;

(b) each Company Award outstanding immediately prior to the Effective Time shall be deemed to be assigned and transferred by such holder to the Company in exchange for a cash payment from the Company equal to the Company Common Share Consideration;

(c) each Company DSU outstanding immediately prior to the Effective Time shall be deemed to be assigned and transferred by such holder to the Company in exchange for a cash payment from the Company equal to the Company Common Share Consideration;

(d) each Company Common Share held by Dissenting Holders in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn shall be deemed to have been assigned and transferred by such Dissenting Holder to the Purchaser in consideration for a debt claim against the Purchaser for the amount determined under Article 3 of the Plan of Arrangement; and

(e) each Company Common Share outstanding immediately prior to the Effective Time, other than Company Common Shares held by a Dissenting Holder in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn, shall be deemed to be assigned and transferred by the holder thereof to the Purchaser in exchange for the Company Common Share Consideration for each Company Common Share held.

Completion of the Arrangement is subject to a number of conditions including, among other things, the receipt of the Required Approval, the receipt of all Key Regulatory Approvals and the granting of the Final Order. The Company and the Purchaser expect the Effective Date to occur in the first half of 2020. See "*The Arrangement – Timing*".

Interest of Certain Persons or Companies in the Arrangement

To the Company's knowledge, no director or executive officer (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) has any material interest, direct or indirect, in the Arrangement other than as set forth below.

Ownership of Securities for Directors and Executive Officers

As of the Record Date, the directors and the executive officers beneficially owned or exercised control or direction over an aggregate of 270,866 Company Common Shares, 438,178 Company Share Options, 197,504 Company Awards and 15,482 Company DSUs. The Company Common Shares held by the directors and the executive officers will be exchanged for cash under the Arrangement on the same terms and conditions as applicable to all other Company Shareholders and the payments for the Company Share Options, the Company Awards and the Company DSUs are all based on the consideration payable for Company Common Shares. The directors and the executive officers will receive an aggregate of $18,498,045.79 in cash for all of their Company Common Shares, Company Share Options, Company Awards and Company DSUs if the Arrangement is completed.

The chart below sets out for each director and executive officer the number of: (a) Company Common Shares; (b) Company Share Options; (c) Company RSUs; (d) Company PSUs; and (e) Company DSUs, beneficially owned by such directors or executive officers, as of the Record Date.

Name and Principal Position	Company Common Shares	Company Share Options	Company RSUs	Company PSUs	Company DSUs
Gregory A. Aarssen Director	6,100	nil	2,131.051918	nil	4,877.742845
Judith J. Athaide Director	13,800	nil	2,131.051918	nil	2,204.469673
Corine R.K. Bushfield Director	nil	nil	nil	nil	nil

Name and Principal Position	Company Common Shares	Company Share Options	Company RSUs	Company PSUs	Company DSUs
Amit Chakma Director	nil	nil	2,131.051918	nil	4,410.984548
David W. Cornhill Director	105,000	nil	2,131.051918	nil	1,731.493450
William J. Demcoe Director	nil	nil	2,131.051918	nil	2,258.283599
Jared B. Green Director, President and Chief Executive Officer	57,459	185,386	30,214.826935	48,185.159304	nil
Shaun W. Toivanen Executive Vice President and Chief Financial Officer	56,351	95,143	15,647.831568	24,984.275662	nil
Autumn Howell General Counsel and Corporate Secretary	281	17,636	2,024.267189	3,102.720022	nil
Leigh Ann Shoji-Lee Executive Vice President Utility Operations and President of PNG	28,653	99,863	16,250.472834	25,915.197599	nil
John Hawkins President of Heritage Gas Limited	1,936	23,700	6,035.695078	6,035.695078	nil
Mark Lowther President of AltaGas Utilities Inc.	1,285	16,450	3,956.608274	3,956.608274	nil

Continuing Insurance Coverage for Directors and Officers of the Company

The Purchaser agreed in the Arrangement Agreement that it will maintain in effect, or will cause the Company or its successors to maintain in effect, without any reduction in scope or coverage for six years from the Effective Time customary policies of directors' and officers' liability insurance providing protection comparable to the current protection provided by the policies maintained by the Company and its Subsidiaries as are in effect immediately prior to the Effective Time and providing coverage on a "trailing" or "run-off" basis for all present and former directors and officers of the Company with respect to claims arising from facts or events which occurred prior to the Effective Time. Furthermore, but subject to certain limitations specified in the Arrangement Agreement, prior to the Effective Time, the Company may, in the alternative, with the consent of the Purchaser, not to be unreasonably withheld, conditioned or delayed, purchase run-off directors' and officers' liability insurance for a period of up to six years from the Effective Time. It is expected that such run-off liability insurance will be purchased.

Sources of Funds for the Arrangement

The Purchaser is expected to pay an aggregate amount of approximately $1.0 billion to acquire all of the outstanding Company Common Shares, assuming that no Company Shareholders validly exercise their Dissent Rights.

The Purchaser has represented and warranted to the Company that the Purchaser will have at the Effective Time sufficient funds available to satisfy the aggregate Company Common Share Consideration payable pursuant to the Arrangement in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement and to satisfy all other obligations payable by the Purchaser pursuant to the Arrangement Agreement and the Arrangement. The Sponsors have provided the Equity Commitment Letters pursuant to which they have each separately committed to provide certain equity financing to the Purchaser in connection with the Arrangement. See "*The Arrangement Agreement – Source of Funds for the Arrangement*".

Stock Exchange Delisting

Following completion of the Arrangement, it is anticipated that the Company Common Shares will be delisted from the TSX. For information with respect to the trading history of the Company Common Shares, see "*Information Concerning the Company – Price Range and Trading Volume of Securities"*.

Procedure for the Arrangement Becoming Effective

Procedural Steps

The Arrangement is proposed to be carried out pursuant to section 192 of the CBCA. The following procedural steps must be taken for the Arrangement to become effective:

(a) the Court must grant the Interim Order (which was granted on November 19, 2019);

(b) the Arrangement Resolution must be approved by the Company Shareholders at the Company Shareholders' Meeting in the manner set forth in the Interim Order;

(c) the Court must grant the Final Order approving the Arrangement;

(d) all conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate Party; and

(e) the Articles of Arrangement must be sent to the Director and the Director must have issued the Certificate.

Company Shareholder Approval

At the Company Shareholders' Meeting, pursuant to the Interim Order, the Company Shareholders will be asked to approve the Arrangement Resolution. Each Company Shareholder as of the Record Date shall be entitled to vote on the Arrangement Resolution. The Company Shareholders are entitled to one vote per Company Common Share. The requisite approval for the Arrangement Resolution is not less than 66 ⅔% of the votes cast on the Arrangement Resolution by the Company Shareholders entitled to vote thereon present in person or represented by proxy at the Company Shareholders' Meeting. The Arrangement Resolution must receive the Required Approval in order for the Company to seek the Final Order and implement the Arrangement on the Effective Date in accordance with the terms of the Final Order. See "*Matters to be Considered at the Company Shareholders' Meeting*".

For information with respect to the procedures for Company Shareholders to follow to receive the Company Common Share Consideration pursuant to the Arrangement, see "*Procedures for the Surrender of Company Common Shares and Receipt of Company Common Share Consideration*". See also "*General Proxy Information*".

Court Approval

The CBCA provides that a plan of arrangement requires court approval.

Interim Order

On November 19, 2019, the Company obtained the Interim Order authorizing and directing the Company to call, hold and conduct the Company Shareholders' Meeting and to submit the Arrangement to the Company Shareholders for approval. The Interim Order is attached as Appendix D to this Circular.

Final Order

Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by the Company Shareholders at the Company Shareholders' Meeting in the manner required by the Interim Order, the Company will make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is scheduled for December 20, 2019 at 10:00 a.m. (Calgary time), or as soon thereafter as counsel may be heard, at the Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta. At the hearing, any Company Shareholder or any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon the

Company on or before 5:00 p.m. (Calgary time) on December 17, 2019, a notice of intention to appear, including an address for service, indicating whether such Company Shareholder or other interested party intends to support or oppose the application or make submissions at the hearing, together with a summary of the position such Company Shareholder or other interested party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court by such Company Shareholder or other interested party. Service on the Company shall be effected by delivery to the solicitors for the Company at: Stikeman Elliott LLP, Suite 4300, Bankers Hall West Tower, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5, Attention: Geoffrey D. Holub. If any Company Shareholder or any other interested party does not attend, either in person or by counsel, at that time, the Court may approve the Arrangement as presented, subject to such terms and conditions as the Court shall deem fit, without any further notice. See the Notice of Originating Application accompanying this Circular.

The Company has been advised by its counsel, Stikeman, that the Court has broad discretion under the CBCA when making orders with respect to plans of arrangement and that the Court will consider, among other things, the fairness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit.

Any amendment to the Arrangement required by the Court pursuant to the Final Order must be acceptable to the Company and the Purchaser, each acting reasonably.

Regulatory Approvals

The Arrangement Agreement provides that receipt of the Key Regulatory Approvals is a condition precedent to the Arrangement becoming effective. See "*Principal Legal Matters – Key Regulatory Approvals*".

Timing

If the Company Shareholders' Meeting is held as scheduled and is not adjourned or postponed and the Required Approval is obtained, the Company will apply for the Final Order approving the Arrangement. Subject to receipt of the Final Order in form and substance satisfactory to the Company and the Purchaser, and satisfaction or waiver of all other conditions set forth in the Arrangement Agreement, including the receipt of all required Key Regulatory Approvals, the Company expects the Effective Date to occur in the first half of 2020. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could be delayed for a number of reasons, including the failure to obtain the Regulatory Approvals in the anticipated time frames.

The Arrangement will become effective upon the Articles of Arrangement being sent to the Director and the Director issuing the Certificate.

Expenses

The estimated fees, costs and expenses of the Company in connection with the Arrangement contemplated herein including, without limitation, financial advisors' fees, filing fees, legal and accounting fees and printing and mailing costs, are anticipated to be approximately $12.0 million based on certain assumptions.

THE ARRANGEMENT AGREEMENT

The following is only a summary of the material terms of the Arrangement Agreement, including the Plan of Arrangement and is qualified in its entirety by the full text of the Arrangement Agreement, including the Plan of Arrangement. Company Shareholders are urged to read the Arrangement Agreement including the Plan of Arrangement in its entirety. Copies of the Arrangement Agreement and the Plan of Arrangement are attached as Appendix B and Appendix C to this Circular, respectively.

General

The Arrangement will be effected pursuant to the Arrangement Agreement which provides for the implementation of the Plan of Arrangement. The Arrangement Agreement contains covenants, representations and warranties of and from each of the Company and the Purchaser and various conditions precedent, both mutual and with respect to each of the Company and the Purchaser.

Unless all of such conditions are satisfied or waived by the Party for whose benefit such conditions exist, to the extent they may be capable of waiver, the Arrangement will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all.

Mutual Covenants Regarding the Arrangement

Each of the Parties has given usual and customary mutual covenants for an agreement of the nature of the Arrangement Agreement, including to use all of their respective reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to their respective obligations under the Arrangement Agreement, to co-operate with the other Party in connection with the Arrangement Agreement and to take all other action, or cause to be done, all things necessary, proper or advisable under applicable Laws to consummate the Arrangement.

Covenants of the Purchaser

The Purchaser has given, in favour of the Company, usual and customary covenants for an agreement of the nature of the Arrangement Agreement, including: (a) a covenant to make all necessary filings and applications under applicable Laws, including Canadian Securities Laws, required to be made on the part of the Purchaser in connection with the transactions contemplated in the Arrangement Agreement and to take all reasonable action necessary to be in compliance with such applicable Laws; and (b) a covenant to arrange the equity financings on the terms described in the Equity Commitment Letters and maintain in effect the Equity Commitment Letters until the termination thereof in accordance with their terms, including enforcing the obligations of the Sponsors under the Equity Commitment Letters in the event of a breach of obligations thereunder that would adversely impact the ability or likelihood of the Purchaser complying with its obligations under the Arrangement Agreement.

Covenants of the Company

The Company has given, in favour of the Purchaser, usual and customary covenants for an agreement of the nature of the Arrangement Agreement, including: (a) a covenant to carry on business in the ordinary course of business consistent with past practice between the date of the Arrangement Agreement and the earlier of the Effective Time and the time that the Arrangement Agreement is terminated; and (b) covenants not to undertake certain actions without the prior written consent of the Purchaser.

Representations and Warranties

The Arrangement Agreement contains certain customary representations and warranties of each of the Company and the Purchaser relating to, among other things, their respective organization, execution and binding obligation, no-conflict and other matters, including their authority to enter into the Arrangement Agreement and to consummate the Arrangement. For the complete text of the applicable provisions, see Schedule C and Schedule D of the Arrangement Agreement.

Mutual Conditions

The respective obligations of the Parties to consummate the transactions contemplated by the Arrangement Agreement, in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual consent of such Parties without prejudice to their right to rely on any other of such conditions:

(a) *Arrangement Resolution*. Approval by the Company Shareholders of the Arrangement Resolution at the Company Shareholders' Meeting in accordance with the Interim Order;

(b) *Interim and Final Orders.* The Interim Order and the Final Order each having been obtained on terms consistent with the Arrangement and in form and substance satisfactory to each of the Parties, each acting reasonably, and such orders shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;

(c) *Utility Approvals.* Each of the AUC Approval and the BCUC Approval having been made, given, obtained or occurred, as the case may be, and each such approval being in full force and effect and not having been modified or invalidated in any manner and shall be acceptable to the Purchaser, subject to the Purchaser's obligations under Section 5.4 of the Arrangement Agreement.

(d) *Regulatory Approvals.* Each of the Regulatory Approvals (other than the Key Regulatory Approvals) having been made, given, obtained or occurred, as the case may be, on terms and conditions acceptable to the Parties, each acting reasonably, and such Regulatory Approvals shall be in full force and effect, and all applicable domestic and foreign statutory and regulatory waiting periods necessary to complete the Arrangement shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made, except where the failure or failures to obtain such Regulatory Approvals, or for the applicable waiting periods to have expired or terminated, would not be reasonably expected to have a Material Adverse Effect;

(e) *Illegality.* No Law (whether temporary, preliminary or permanent), regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of Law) shall be in effect or shall have been enacted, promulgated, amended or applied by any Governmental Entity which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Purchaser or the Company from consummating the Arrangement; and

(f) *No Legal Action.* No act, action, suit, proceeding, objection, opposition, order or injunction shall have been taken, entered, threatened or promulgated by any Governmental Entity, whether or not having the force of Law, which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Purchaser or the Company from consummating the Arrangement or that would be reasonably expected to have a Material Adverse Effect.

Conditions to the Obligations of the Purchaser

The obligation of the Purchaser to complete the Arrangement is subject to the following conditions:

(a) *Representations and Warranties.* The representations and warranties made by the Company in the Arrangement Agreement shall be true and correct (or, in certain cases, materially true and correct) as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or except as affected by transactions contemplated or permitted by the Arrangement Agreement), except, in certain cases only, where the failure of such representations and warranties to be true and complete, individually or in the aggregate, would not result in a Material Adverse Change;

(b) *Covenants.* The Company shall have complied in all material respects with its covenants herein to be complied with by it on or prior to the Effective Time;

(c) *Dissent Rights.* Holders of less than 5% of the outstanding Company Common Shares shall have validly exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date;

(d) *Competition Act Approval*. The Competition Act Approval shall have been made, given, obtained or occurred, as the case may be, shall be in full force and effect, and shall not have been modified or invalidated in any manner; and

(e) *Material Adverse Effect.* Since the date of the Arrangement Agreement, there shall not have occurred a Material Adverse Effect.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be asserted by the Purchaser regardless of the circumstances or may be waived in writing by the Purchaser in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser my have.

Conditions to the Obligations of the Company

The obligation of the Company to complete the Arrangement is subject to the following conditions:

(a) *Representations and Warranties.* The representations and warranties made by the Purchaser in the Arrangement Agreement shall be true and correct as of the Effective Date as if made on such date, except to the extent that the failure or failures of such representations and warranties to be true and correct, individually or in the aggregate, would not materially impede the completion of the Arrangement; and

(b) *Covenants.* The Purchaser shall have complied in all material respects with its covenants herein to be complied with by it on or prior to the Effective Time.

The foregoing conditions are for the exclusive benefit of the Company and may be asserted by the Company regardless of the circumstances or may be waived the Company in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Company may have.

Covenants of the Company Regarding Non-Solicitation; Right to Accept a Superior Proposal

Under the Arrangement Agreement, the Company has agreed to certain non-solicitation covenants as follows:

(a) The Company shall immediately cease and cause to be terminated all existing solicitations, discussions or negotiations (including through any Representatives on its behalf), if any, with any Person (other than the Purchaser and its Representatives) with respect to any Acquisition Proposal and, in connection therewith, the Company shall discontinue access to any of its confidential information (including any data room), and shall promptly request the return or destruction of all information respecting the Company or any of its Subsidiaries provided to any Person (other than the Purchaser or its Representatives) who has entered into a confidentiality agreement with the Company or any of its Subsidiaries relating to an Acquisition Proposal in the last six months and shall use commercial reasonable efforts to ensure that such requests are honoured. The Company and its Subsidiaries shall take commercially reasonable actions to enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar agreements or covenants that the Company or any of its Subsidiaries has entered into and that the Company enters into after the date of the Arrangement Agreement in accordance with and subject to the terms of the Arrangement Agreement (it being acknowledged by the Purchaser that the Company shall not be obligated to enforce any standstill, non-disclosure, non-disturbance, non-solicitation and similar agreements or covenants that are automatically terminated or released as a result of entering into and announcing the Arrangement Agreement).

(b) Except as provided in Article 7 of the Arrangement Agreement, the Company shall not, directly or indirectly, do or authorize or permit any of its Representatives to do, any of the following:

(i) solicit, initiate or knowingly encourage or otherwise facilitate (including by way of furnishing information) any Acquisition Proposal or any inquiries, proposals or offers relating to any Acquisition Proposal;

(ii) enter into or participate in any discussions or negotiations regarding any Acquisition Proposal, or furnish to any other Person any information with respect to its businesses, properties, operations, prospects or conditions (financial or otherwise) in connection with any Acquisition Proposal or any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing; provided that the Company may (A) communicate with any Person for the purposes of clarifying the terms of any inquiry, proposal or offer made by such Person that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal, (B) advise any Person of the restrictions of the Arrangement Agreement, and (C) advise any Person making an Acquisition Proposal that the Company Board has determined that such Acquisition Proposal does not constitute a Superior Proposal;

(iii) waive, terminate, amend, modify or release any third party or enter into or participate in any discussions, negotiations or agreements to waive, terminate, amend, modify or release any third party from any rights or other benefits under confidentiality and/or standstill agreements relating to an Acquisition Proposal entered into in the last six months from the date of the Arrangement Agreement (which, for greater certainty, does not prohibit the automatic release of a party or termination of such provisions in accordance with the pre-existing and express terms of any standstill provision);

(iv) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five business days will not be considered to be in violation of this Section (iv)); or

(v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal (other than a confidentiality agreement contemplated under Section (vi) below);

provided, however, that notwithstanding any other provision of the Arrangement Agreement, the Company and its Representatives may, prior to the approval of the Arrangement Resolution at the Company Shareholders' Meeting:

(vi) enter into or participate in any discussions or negotiations with a third party that is not in breach of any confidentiality or standstill agreement and that, without any solicitation, initiation or knowing encouragement or facilitation, directly or indirectly, after the date of the Arrangement Agreement, by the Company or any of its Representatives, seeks to initiate such discussions or negotiations and, subject to execution of a confidentiality agreement in favour of the Company that is on terms that the Company Board determines in good faith are no less favourable to the Company than those found in the Confidentiality Agreement (provided that such confidentiality agreement shall (A) allow for disclosure thereof, along with all information provided thereunder, to the Purchaser as set out below, (B) allow disclosure to the Purchaser of the making and terms of any Acquisition Proposal made by the third party as contemplated in the Arrangement Agreement, and (C) not contain any provision restricting the Company from complying with Section 7.1 of the Arrangement Agreement) may furnish to such third party any information concerning the Company and its Subsidiaries and their businesses, properties and assets, in each case if, and only to the extent that:

(A) the third party has first made a written bona fide Acquisition Proposal, which did not result from a breach of Section 7.1 of the Arrangement Agreement, and in respect of which the Company Board determines in good faith, after consultation with its outside legal and financial advisors, constitutes or could reasonably be expected to lead to a Superior Proposal (disregarding, for the purposes of such determination, any due diligence or access condition to which such Acquisition Proposal is subject); and

(B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party regarding the Acquisition Proposal, the Company shall:

(1) provide prompt notice to the Purchaser to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such third party, together with a copy of the confidentiality agreement referenced above and, if not previously provided to the Purchaser, copies of all information provided to such third party concurrently with the provision of such information to such third party;

(2) promptly notify the Purchaser, at first orally, and then as soon as practicable (and in any event within 24 hours) in writing, of any inquiries, offers or proposals with respect to an actual or contemplated Superior Proposal (which written notice shall include the identity of the Person making it and a summary of the material terms of such proposal (and any amendments or supplements thereto)) and shall include copies of any such inquiries, offers or proposals made in writing and any amendments to any of the foregoing; and

(3) keep the Purchaser promptly informed of the status and reasonable details of any such inquiry, offer or proposal and answer the Purchaser's reasonable questions with respect thereto; and

(vii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party or make a Change in Recommendation, but only if prior to such acceptance, recommendation, approval or implementation or making such Change in Recommendation, the Company Board concludes in good faith, after considering all proposals to adjust the terms and conditions of the Arrangement Agreement as contemplated by Section (c) below and after receiving the advice of outside legal counsel that the failure by the Company Board to take such action would be inconsistent with its fiduciary duties under applicable Laws, and the Company (A) complies with its obligations set forth in Section 7.1 of the Arrangement Agreement, (B) terminates the Arrangement Agreement in accordance with its terms, and (C) concurrently therewith pays the amount required by Section 8.3(b)(ii) of the Arrangement Agreement to the Purchaser.

(c) Following determination by the Company Board that an Acquisition Proposal constitutes a Superior Proposal, the Company shall give the Purchaser, orally and in writing, at least five complete business days advance notice of any decision by the Company Board to accept, recommend, approve or enter into an agreement to implement a Superior Proposal or to make a Change in Recommendation, which notice shall confirm that the Company Board has determined that such Acquisition Proposal constitutes a Superior Proposal and shall identify the third party making the Superior Proposal and the Company shall provide the Purchaser with a true and complete copy thereof and the agreement to implement the Superior Proposal and any amendments thereto, as well as notice as to the value in financial terms that the Company Board has, in consultation with its financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal. During such five business day period, the Company agrees not to accept, recommend, approve or

enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not make a Change in Recommendation. In addition, during such five business day period the Company shall, and shall cause its financial and legal advisors to, negotiate in good faith with the Purchaser and its financial and legal advisors to make such adjustments in the terms and conditions of the Arrangement Agreement and the Arrangement as would enable the Company to proceed with the Arrangement as amended rather than the Superior Proposal. In the event the Purchaser proposes to amend the Arrangement Agreement and the Arrangement on a basis such that the Company Board determines that the alternative proposed transaction is no longer a Superior Proposal and so advises the board of directors of the Purchaser prior to the expiry of such five business day period, the Company Board shall not accept, recommend, approve or enter into any agreement to implement such Acquisition Proposal and shall not release the party making the Acquisition Proposal from any standstill provisions and shall not make a Change in Recommendation. In the event that the Company provides the notice contemplated by this Section (c) on a date which is less than five business days prior to the Company Shareholders' Meeting, the Company may, and the Purchaser shall be entitled to require the Company to adjourn or postpone the Company Shareholders' Meeting to a date that is not more than 10 business days after the date of such notice.

(d) Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Company Shareholders or other material terms or condition thereof, shall constitute a new Acquisition Proposal for the purposes of Section 7.1(c) of the Arrangement Agreement, and the Purchaser shall be afforded a new five business day period from the date on which the Purchaser received all of the materials set forth in Section 7.1(c) of the Arrangement Agreement with respect to the new Superior Proposal from the Company.

(e) The Company shall ensure that its affiliates and Representatives are aware of the foregoing provisions. The Company shall be responsible for any breach of such provisions by the Company's affiliates or the Company's Representatives.

(f) Nothing in the Arrangement Agreement shall prohibit the Company, the Company Board or the Company Independent Committee from complying with Part 2 – Division 3 of NI 62-104 and making appropriate disclosure with respect thereto to the Company's securityholders.

Termination

The Parties have agreed that the Arrangement Agreement may be terminated at any time prior to the Effective Date: (a) by mutual written agreement of the Purchaser and the Company; (b) by either the Purchaser or the Company if the Required Approval is not obtained, the Effective Time has not occurred on or prior to the Outside Date, or any condition in Section 6.1(b) of the Arrangement Agreement becomes incapable of being satisfied by the Outside Date; (c) by the Purchaser if, in certain circumstances, the Company breaches a representation or warranty or does not satisfy one of the conditions required to be satisfied under the Arrangement Agreement, or the Company Board or any committee of the Company Board fails to unanimously recommend or modifies its recommendation in respect of the Arrangement in a manner adverse to the Purchaser; or (d) by the Company if, in certain circumstances, the Purchaser breaches a representation or warranty or does not satisfy one of the conditions required to be satisfied under the Arrangement Agreement, or the Company Board authorizes the Company to enter into a written agreement with respect to a Superior Proposal.

Despite any other provision in the Arrangement Agreement relating to the payment of fees and expenses, if a Company Termination Fee Event occurs, the Company shall pay the Purchaser the Company Termination Fee of $38 million (the "**Company Termination Fee**"). For the purposes of the Arrangement Agreement, "**Company Termination Fee Event**" means the termination of the Arrangement Agreement:

(a) by the Purchaser, pursuant to Section 8.1(c)(ii) of the Arrangement Agreement *[Change in Recommendation]*;

(b) by the Company, pursuant to Section 8.1(d)(ii) of the Arrangement Agreement *[To enter into a Superior Proposal]*;

(c) by the Purchaser or the Company pursuant to Section 8.1(b)(i) of the Arrangement Agreement *[Failure of the Company Shareholders to Approve]* or, provided a Purchaser Termination Fee Event is not triggered by such termination, Section 8.1(b)(ii) of the Arrangement Agreement *[Effective Time not prior to Outside Date]* if:

(i) at any time after the execution of the Arrangement Agreement and prior to such termination, an Acquisition Proposal is made, proposed, offered, publicly announced or otherwise publicly disclosed by any Person (other than the Purchaser or its affiliates) or any Person (other than the Purchaser or its affiliates) shall have publicly announced an intention to make an Acquisition Proposal; and

(ii) within 12 months following the date of such termination (A) an Acquisition Proposal is consummated or effected (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i) above), or (B) the Company or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into an agreement in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i) above) and such Acquisition Proposal is later consummated or effected (whether or not such Acquisition Proposal is later consummated or effected within 12 months after such termination).

For purposes of the foregoing, the term "**Acquisition Proposal**" shall have the meaning assigned to such term in the definition of "Acquisition Proposal" set forth in the Arrangement Agreement, except that references to "20% or more of the voting securities of the Company" shall be deemed to be references to "50% or more", and "20% or more" in relation to the Company's revenues or earnings on a consolidated basis shall instead be construed to refer to "50% or more".

If a Purchaser Termination Fee Event occurs, the Purchaser shall pay the Company the Purchaser Termination Fee of $38 million (the "**Purchaser Termination Fee**"). For the purposes of the Arrangement Agreement, "**Purchaser Termination Fee Event**" means the termination of the Arrangement Agreement by the Purchaser or the Company pursuant to Section 8.1(b)(ii) of the Arrangement Agreement *[Occurrence of Outside Date]* or Section 8.1(b)(iii) of the Arrangement Agreement *[Failure to Satisfy Mutual Condition to Close]* if, as of the time of termination, the only conditions set for in Section 6.1 of the Arrangement Agreement *[Mutual Conditions]*, Section 6.2 of the Arrangement Agreement *[Purchaser Conditions]* and Section 6.3 of the Arrangement Agreement *[Company Conditions]* that have not been satisfied or waived (other than those conditions that by their terms are to be satisfied at the Effective Time and that are capable of being satisfied) are one or more of: (a) Section 6.1(d) of the Arrangement Agreement *[Utility Approvals]*; (b) Section 6.2(d) of the Arrangement Agreement *[Competition Act Approval]*; (c) Section 6.1(f) of the Arrangement Agreement *[Illegality]* only insofar as such Law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of Law) is related to any Key Regulatory Approval; and/or (d) Section 6.1(g) of the Arrangement Agreement *[No Legal Action]* only insofar as the act, action, suit, proceeding, objection, opposition, order or injunction is related to any Key Regulatory Approval, provided that the Purchaser Termination Fee will not be payable if the failure of such condition(s) to be satisfied has been caused by, or is a result of, the failure of the Company to perform any of its covenants or agreements under the Arrangement Agreement.

Voting Agreements

On October 20, 2019, each of the directors of the Company and each of the Executive Officers, holding an aggregate of 261,167 Company Common Shares at such time, entered into the Voting Agreements with the Purchaser pursuant to which they agreed, among other things, and subject to the terms thereof, to vote the Company Common Shares of which they are the registered or beneficial owner of in favour of the Arrangement Resolution and all matters related thereto.

Pursuant to the Voting Agreements, each of the directors of the Company and each of the Executive Officers agrees, among other things, to vote all of the Company Common Shares that they are the beneficial or registered owner of,

and any other securities directly or indirectly acquired by or issued to them after the date of the Voting Agreement (including, without limitation, any Company Common Shares issued in connection with the conversion, exercise or exchange of Company Share Options, Company Awards or Company DSUs), if any, (a) in favour of the Arrangement Resolution and any other matter necessary or advisable for the consummation of the Arrangement at the Company Shareholders' Meeting and (b) against any resolution that is inconsistent with or which could impede, interfere with, delay or otherwise adversely affect the consummation of the Arrangement. In addition, each of the directors of the Company and each of the Executive Officers agrees: (a) if requested by the Purchaser, acting reasonably, to deliver or cause to be delivered to the Company duly executed proxies or voting instruction forms (i) instructing the holder thereof to vote in favour of the Arrangement Resolution, and (ii) naming those individuals as may be designated by the Company in this Circular; (b) not to directly or indirectly, exercise or cause to be exercised any Dissent Rights in respect of the Arrangement Resolution; (c) not to make any public comments or statements, written or verbal, which are inconsistent with their obligations under the Voting Agreement; and (d) not to directly or indirectly, sell, transfer, pledge or assign or agree to sell, transfer, pledge or assign any of their Company Common Shares or any interest therein without the Purchaser's prior written consent, other than pursuant to the Arrangement.

Each Voting Agreement will terminate on the earlier of the date on which: (a) the Arrangement Agreement is terminated in accordance with its terms; or (b) the completion of the Company Shareholders' Meeting.

Source of Funds for the Arrangement

The Purchaser has represented and warranted to the Company that the Purchaser will have at the Effective Time sufficient funds available to satisfy the aggregate amount payable by the Purchaser pursuant to the Arrangement in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement, and to satisfy all other obligations payable by the Purchaser pursuant to the Arrangement Agreement and the Arrangement. The Sponsors have provided the Equity Commitment Letters in which they separately commit to provide certain equity financing to the Purchaser in connection with the Arrangement. The Purchaser has represented that the proceeds contemplated by the Equity Commitment Letters will in the aggregate be sufficient for the Purchaser to pay the aggregate Company Common Share Consideration. The Purchaser's obligations under the Arrangement Agreement are not subject to any conditions regarding the ability of the Purchaser or any other Person to obtain financing for the Arrangement and the transactions contemplated by the Arrangement Agreement.

PRINCIPAL LEGAL MATTERS

Court Approval and Completion of the Arrangement

An arrangement under the CBCA requires court approval. See "*The Arrangement — Procedure for the Arrangement Becoming Effective — Court Approval*".

Assuming that the Final Order is granted, and that the other conditions set forth in the Arrangement Agreement are satisfied or waived by the Party for whose benefit they exist, the Articles of Arrangement will then be sent to the Director for the Director to issue the Certificate which will give effect to the Arrangement and all other arrangements and documents necessary to complete the Arrangement will be delivered as soon as reasonably practicable thereafter. Subject to receipt of the Final Order in form and substance satisfactory to the Company and the Purchaser, and satisfaction or waiver of all other conditions set forth in the Arrangement Agreement, including the receipt of the Key Regulatory Approvals, the Company expects the Effective Date to occur in the first half of 2020.

Key Regulatory Approvals

The following is a summary of the Key Regulatory Approvals required to complete the Arrangement.

Competition Act Approval

Part IX of the Competition Act requires that the parties to a contemplated transaction notify the Commissioner before completing a transaction where the applicable thresholds set out in sections 109 and 110 of the Competition Act are exceeded and no exemption or waiver applies ("**Notifiable Transactions**"). Under the Competition Act, a Notifiable

Transaction is not permitted to close until the parties to the transaction have each submitted to the Commissioner certain prescribed information pursuant to subsection 114(1) of the Competition Act (a "**Notification**") and either the applicable waiting period has expired or been terminated early by the Commissioner, or the Notification requirement has been waived, or the Commissioner has issued an advance ruling certificate (an "**ARC**").

The Arrangement is a Notifiable Transaction. The Arrangement Agreement provides that the transaction may not close until the parties have (a) secured an ARC pursuant to subsection 102(1) of the Competition Act, which formally confirms that the Commissioner is satisfied that he does not have sufficient grounds on which to apply to the Competition Tribunal for an order under section 92 of the Competition Act to prohibit the completion of the transaction; or (b) the applicable waiting period has expired or been terminated, or the obligation to submit a Notification has been waived, and the Commissioner has notified the parties that he does not, at that time, intend to challenge the transaction by making an application under section 92 of the Competition Act (a "**No Action Letter**").

The parties to a Notifiable Transaction may elect not to file Notifications and instead submit an application to the Commissioner for an ARC. Pursuant to section 113(b) of the Competition Act, issuance of an ARC exempts the parties from filing Notifications and permits the transaction to close under the Competition Act. The parties may request that in the alternative, the Commissioner provide a No Action Letter and waive the requirement to submit Notifications pursuant to subsection 113(c) of the Competition Act. Once the Commissioner has granted the waiver and No Action Letter, the Notifiable Transaction is permitted to close under the Competition Act.

Where the parties to a transaction submit Notifications, a 30-day waiting period commences beginning the day after the day on which the parties have both submitted their respective Notifications. Where the Commissioner notifies the parties prior to the expiry of the initial 30-day waiting period that he requires additional information that is relevant to the Commissioner's assessment of the Notifiable Transaction pursuant to subsection 114(2) of the Competition Act (a "**Supplementary Information Request**"), a new 30-day waiting period will commence following compliance with such Supplementary Information Request. The Commissioner's review of a Notifiable Transaction for substantive competition law considerations may take longer than the statutory waiting period.

Whether or not a merger is subject to Notification under Part IX of the Competition Act, the Commissioner can apply to the Competition Tribunal for a remedial order under section 92 of the Competition Act at any time before the merger has been completed or, if completed, within one year after it was substantially completed, provided that, subject to certain exceptions, the Commissioner did not issue an ARC in respect of the merger. Where a No Action Letter is granted instead of an ARC, the Commissioner reserves the right to challenge the transaction before the Competition Tribunal at any time within one year of the transaction being completed, though it is extremely rare for the Commissioner to do so.

On application by the Commissioner under section 92 of the Competition Act, the Competition Tribunal may, where it finds that the merger prevents or lessens, or is likely to prevent or lessen, competition substantially, order that the merger not proceed or, if completed, order its dissolution or the disposition of the assets or shares acquired; in addition to, or in lieu thereof, with the consent of the person against whom the order is directed and the Commissioner, the Competition Tribunal may order a person to take any other action. The Competition Tribunal is prohibited from issuing a remedial order where it finds that the merger or proposed merger has brought or is likely to bring about gains in efficiency that will be greater than, and will not offset, the effects of any prevention or lessening of competition that will result or is likely to result from the merger and that the gains in efficiency would not likely be attained if the order were made.

The Parties submitted a request for an ARC, or in the alternative, a waiver and No Action Letter on November 15, 2019.

AUC Approval

One of the Company's subsidiaries, AltaGas Utilities Inc., is a public utility and a gas utility regulated by the AUC under the *Alberta Utilities Commission Act* (Alberta), the *Public Utilities Act* (Alberta) and the GUA. By virtue of Section 2 of the Designation Regulation, AltaGas Utilities Inc., AltaGas Utility Group Inc., and AltaGas Utility Holdings Inc. are each designated as an "owner of a gas utility" for the purposes of Sections 26 and 27 of the GUA and as an "owner of a public utility" for the purposes of Section 109 of the *Public Utilities Act* (Alberta). The

Company, as the successor to AltaGas Utility Holdings (Pacific) Inc., was also directed by the AUC to conduct itself as if it were designated as an owner of a gas utility for the purposes of Sections 26 and 27 of the GUA, and as an owner of a public utility for the purposes of Section 109 of the *Public Utilities Act* (Alberta). Under Section 27 of the GUA, a designated owner of a gas utility must not sell or make or permit to be made on its books any transfer of any share or shares of its capital stock to a corporation, however incorporated, if the sale or transfer, by itself or in connection with previous sales or transfers, would result in the vesting in that corporation of more than 50% of the outstanding capital stock of the owner of the gas utility unless authorized to do so by an order of the AUC. The Parties submitted an application to the AUC on November 18, 2019 for approval of the Arrangement.

The AUC may give its approval subject to conditions and requirements it considers necessary or desirable to ensure that the transaction will not result in harm to customers, which consideration may include an assessment of whether there are operational impacts on continued reliable service to customers, financial impacts to customer rates and if sufficient regulatory oversight of the operating utility will continue after the transaction has been completed.

BCUC Approval

Two of the Company's subsidiaries, PNG and Pacific Northern Gas (N.E.) Ltd., are public utilities regulated by the BCUC under the UCA. Under Section 54(7) of the UCA, a person must not acquire or acquire control of such numbers of any class of shares of a public utility as in themselves, or together with shares already owned or controlled by the person and the person's associates, cause the person to have a "reviewable interest" in a public utility unless the person has obtained the BCUC's approval. By virtue of Section 54(4) of the UCA, a person has a "reviewable interest" in a public utility if the person owns or controls or the person and the person's associates own or control, in the aggregate, more than 20% of the voting shares outstanding of any class of shares of the utility. Also, a public utility must not, without the approval of the BCUC, register on its books a transfer of shares in the capital of the utility if the registration would cause any person to have a "reviewable interest". The Parties submitted an application to the BCUC on November 19, 2019 for approval of the Arrangement.

The BCUC may give its approval subject to conditions and requirements it considers necessary or desirable in the public interest, but the BCUC must not give its approval unless it considers that the public utility and the users of the service of the public utility will not be detrimentally affected.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman, counsel to the Company, the following summary describes the principal Canadian federal income tax considerations generally applicable to a Company Shareholder who, for the purposes of the Tax Act and at all relevant times, holds Company Common Shares as capital property, deals at arm's length with the Company and the Purchaser, and is not affiliated with the Company or the Purchaser. Generally, the Company Common Shares will be capital property to a Company Shareholder unless the Company Common Shares are held or were acquired in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain Company Shareholders who are residents of Canada for purposes of the Tax Act and whose Company Common Shares might not otherwise be capital property may, in some circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Company Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by them in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Such Company Shareholders should consult their own tax advisors for advice with respect to whether an election under subsection 39(4) of the Tax Act is available or advisable in their particular circumstances.

This summary is based upon the current provisions of the Tax Act and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency. This summary also takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies or assessing practices, whether by legislative, regulatory, administrative or judicial action or decision, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may be different from those discussed in this summary.

This summary is not applicable to a Company Shareholder: (a) that is a "financial institution" for purposes of certain rules applicable to "mark-to-market property"; (b) an interest in which is a "tax shelter" or a "tax shelter investment"; (c) that has made a "functional currency" reporting election under section 261 of the Tax Act to report the Company Shareholder's "Canadian tax results" in a currency other than Canadian currency; (d) that is a "specified financial institution"; or (e) that has entered or will enter into a "derivative forward agreement" in respect of the Company Common Shares, each as defined in the Tax Act. Such Company Shareholders should consult their own tax advisors with respect to the income tax consequences applicable to the Arrangement.

This summary is of a general nature only, is not exhaustive of all Canadian federal income tax consequences and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Company Shareholder. This summary does not take into account other federal or any provincial, territorial or foreign income tax legislation or consequences, which may differ materially from those described in this summary. The tax liability of each Company Shareholder will depend on the Company Shareholder's particular circumstances. Accordingly, Company Shareholders should consult their own tax advisors as to the particular tax consequences to them of the Arrangement.

Company Shareholders Resident in Canada

The following portion of this summary is generally applicable to a Company Shareholder who, at all relevant times for the purposes of the Tax Act and any applicable income tax treaty or convention, is resident or deemed to be resident in Canada (a "**Resident Shareholder**").

Disposition of Company Common Shares

Generally, a Resident Shareholder who disposes of Company Common Shares under the Arrangement will realize a capital gain (or capital loss) equal to the amount by which the cash received by the Resident Shareholder under the Arrangement exceeds (or is less than) the aggregate of the adjusted cost base of the Company Common Shares to the Resident Shareholder and any reasonable costs of disposition.

Generally, a Resident Shareholder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by the Resident Shareholder in the year. A Resident Shareholder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in the year. Allowable capital losses in excess of taxable capital gains for a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized by the Resident Shareholder in such years, to the extent and in the circumstances described in the Tax Act.

A Resident Shareholder that is, throughout its taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act), including amounts in respect of taxable capital gains and interest.

Capital gains realized by individuals (other than certain trusts) may give rise to alternative minimum tax under the Tax Act. Resident Shareholders should consult their own advisors with respect to the potential application of alternative minimum tax.

Dissenting Holders

A Resident Shareholder who validly exercises Dissent Rights (a "**Resident Dissenting Holder**") will be deemed to transfer such holder's Company Common Shares to the Purchaser in exchange for payment of the fair value of such shares. In general, a Resident Dissenting Holder will realize a capital gain (or capital loss) equal to the amount by which the cash received in respect of the fair value of the holder's Company Common Shares (other than in respect of interest awarded by a court) exceeds (or is less than) the adjusted cost base of the Resident Dissenting Holder's Company Common Shares and any reasonable costs of disposition. See "*Certain Canadian Federal Income Tax Considerations – Company Shareholders Resident in Canada – Disposition of Company Common Shares*" above.

Interest awarded by a court to a Resident Dissenting Holder is required to be included in the holder's income for the purposes of the Tax Act.

Company Shareholders Not Resident in Canada

The following portion of this summary is applicable to a Company Shareholder who, at all relevant times for the purposes of the Tax Act and any applicable income tax treaty or convention, is not and has not been resident or deemed to be resident in Canada and does not use or hold, and is not deemed to use or hold, Company Common Shares in connection with carrying on a business in Canada (a "**Non-Resident Shareholder**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Shareholder that is an insurer carrying on business in Canada and elsewhere. Such Non-Resident Shareholders should consult their own tax advisors.

Disposition of Company Common Shares

A Non-Resident Shareholder will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of the Company Common Shares pursuant to the Arrangement unless the Company Common Shares constitute, or are deemed to constitute, "taxable Canadian property" (as defined in the Tax Act) to the Non-Resident Shareholder at the time of the disposition and the Non-Resident Shareholder is not entitled to relief under an applicable income tax treaty or convention. Such Company Common Shares will be considered taxable Canadian property if, at any time during the 60-month period immediately preceding the disposition: (a) 25% or more of the issued shares of any class of the capital stock of the Company were owned by any combination of (i) the Non-Resident Shareholder, (ii) persons with whom the Non-Resident Shareholder did not deal at arm's length, and (iii) partnerships in which the Non-Resident Shareholder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships; and (b) the Company Common Shares derived (directly or indirectly) more than 50% of their fair market value from one or any combination of real or immovable property situated in Canada, "Canadian resource properties", "timber resource properties" or options in respect of, or interests in or rights in respect of, any such property (whether or not such property exists), all for purposes of the Tax Act.

If the Company Common Shares are considered taxable Canadian property to the Non-Resident Shareholder who disposes of Company Common Shares under the Arrangement, such Non-Resident Shareholder will receive a capital gain (or capital loss) equal to the amount, if any, by which the cash received by the Non-Resident Shareholder under the Arrangement exceeds (or is less than) the total of the adjusted cost base to the Non-Resident Shareholder of the Company Common Shares immediately before the disposition and any reasonable costs of disposition. The taxation of capital gains and losses is described above under "*Certain Canadian Federal Income Tax Considerations – Company Shareholders Not Resident in Canada – Disposition of Company Common Shares*".

An applicable income tax treaty or convention may apply to exempt a Non-Resident Shareholder from Tax under the Tax Act in respect of a disposition of Company Common Shares notwithstanding that such Company Common Shares may constitute taxable Canadian property.

Non-Resident Shareholders whose Company Common Shares may be taxable Canadian property should consult their own tax advisors in this regard.

Dissenting Holders

A Non-Resident Shareholder who validly exercises Dissent Rights (a "**Non-Resident Dissenting Holder**") will be deemed to transfer such Non-Resident Shareholder's Company Common Shares to the Purchaser in exchange for payment of the fair value of such shares. A Non-Resident Dissenting Holder may realize a capital gain (or capital loss) equal to the amount by which the cash received in respect of the fair value of the holder's Company Common Shares (other than in respect of interest awarded by a court) exceeds (or is less than) the aggregate of the adjusted cost base of the Non-Resident Dissenting Holder's Company Common Shares and any reasonable cost of disposition. The taxation of capital gains and losses is described above under "*Certain Canadian Federal Income Tax Considerations – Company Shareholders Not Resident in Canada – Disposition of Company Common Shares*". The amount of any interest awarded by a court to a Non-Resident Dissenting Holder will not be subject to Canadian withholding tax.

RISK FACTORS

In evaluating whether to approve the Arrangement Resolution, the Company Shareholders should carefully consider the following risk factors. Additional risks and uncertainties, including those currently unknown to or considered immaterial by the Company may also adversely affect the Arrangement. The following risk factors are not a definitive list of all risk factors associated with the Arrangement.

Risks Relating to the Arrangement

Completion of the Arrangement is subject to several conditions that must be satisfied or waived

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside of the control of the Company and the Purchaser, including receipt of the Key Regulatory Approvals, approval of the Company Shareholders and the granting of the Final Order. There can be no certainty, nor can any assurance be provided, that these conditions will be satisfied or, if satisfied, when they will be satisfied. Moreover, a substantial delay in obtaining satisfactory approvals could result in the Arrangement not being completed. If the Arrangement is not completed for any reason, there are risks that the announcement of the Arrangement and the dedication of substantial resources of the Company to the completion thereof could have a negative impact on the Company's current business relationships (including with future and prospective employees, customers, distributors, suppliers and partners) and could have a material adverse effect on the current and future operations, financial condition and prospects of the Company. In addition, failure to complete the Arrangement for any reason could materially negatively impact the trading price of the Company Common Shares.

The Arrangement Agreement may be terminated by the Purchaser, in which case an alternative transaction may not be available

The Purchaser has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty that the Arrangement Agreement will not be terminated by the Purchaser before the completion of the Arrangement. If the Arrangement Agreement is terminated, there is no guarantee that an equivalent or greater purchase price for the Company Common Shares will be available from an alternative party.

The Company will incur costs and may have to pay the Company Termination Fee

Certain costs relating to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by the Company even if the Arrangement is not completed. If the Arrangement is not completed, the Company may also be required to pay the Company Termination Fee to the Purchaser in certain circumstances (see "*The Arrangement Agreement – Termination*"). If the Company is required to pay the Company Termination Fee under the Arrangement Agreement, the financial condition of the Company could be materially adversely affected.

The Company Termination Fee may discourage other parties from proposing a significant business transaction with the Company

Under the Arrangement, the Company is required to pay the Company Termination Fee in the event that the Arrangement Agreement is terminated in circumstances related to a possible alternative transaction to the Arrangement or certain breaches of the Arrangement Agreement by the Company. The Company Termination Fee may discourage other parties from attempting to propose a business transaction, even if such a transaction could provide greater consideration to Company Shareholders than the Arrangement.

While the Arrangement is Pending, the Company is Restricted from Taking Certain Actions

The Arrangement Agreement restricts the Company from taking specified actions without the consent of the Purchaser, including, among other things, limitations on dispositions, acquisitions and capital expenditures in excess of prescribed levels. These restrictions may prevent the Company from pursuing attractive business opportunities that may arise prior to completion of the Arrangement.

Rights of Company Shareholders after the Arrangement

Following the completion of the Arrangement, Company Shareholders will no longer have an interest in the Company, its assets, revenues or profits. In the event that the value of the Company's assets or business, prior, at or after the Effective Date, exceeds the implied value of the Company under the Arrangement, Company Shareholders will not be entitled to additional consideration for their Company Common Shares.

Risks Relating to the Company

If the Arrangement is not completed, the Company will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Certain of such risk factors are set forth and described in the Company AIF (incorporated by reference into this Circular) and other filings of the Company filed with the securities regulatory authorities which have been filed under the Company's profile on SEDAR at www.sedar.com.

PROCEDURES FOR THE SURRENDER OF COMPANY COMMON SHARES AND RECEIPT OF COMPANY COMMON SHARE CONSIDERATION

Procedures for Company Shareholders

Only registered Company Shareholders are eligible to submit a Letter of Transmittal. **If you are a Beneficial Holder holding your Company Common Shares through a nominee such as a broker, investment dealer, bank, trust company, custodian or other nominee, you should carefully follow any instructions provided to you by such nominee.**

The details of the procedures for the deposit of physical Company Common Share certificates or DRS Advices and the delivery by the Depositary of the Company Common Share Consideration payable to former registered holders of Company Common Shares are set out in the Letter of Transmittal. Registered Company Shareholders who have not received a Letter of Transmittal should contact Computershare Investor Services Inc. at 1-800-564-6253 (North America Toll Free) or 1-514-982-7555 (Outside North America) or by email at corporateactions@computershare.com. The Letter of Transmittal will also be filed under the Company's profile at www.sedar.com.

Registered Company Shareholders must validly complete, duly sign and return the Letter of Transmittal, together with the share certificate(s) or DRS Advice(s) representing their Company Common Shares, to the Depositary at one of the offices specified in the Letter of Transmittal.

Registered Company Shareholders who deposit a validly completed and duly signed Letter of Transmittal, together with accompanying share certificate(s) or DRS Advice(s) and any other documents or interests as the Depositary may reasonably require, will be forwarded the Company Common Share Consideration (unless otherwise specified in the Letter of Transmittal) to which they are entitled as soon as practicable after the later of the Effective Date and the date of receipt by the Depositary of the Letter of Transmittal and accompanying Company Common Share certificates or DRS Advices. Once registered Company Shareholders surrender their share certificates or DRS Advices, they will not be entitled to sell the Company Common Shares to which those certificates or DRS Advices relate.

Registered Company Shareholders who do not forward to the Depositary a validly completed and duly signed Letter of Transmittal, together with their share certificate(s) or DRS Advice(s) and any other document or interests as the Depositary may reasonably require, will not receive the Company Common Share Consideration to which they are otherwise entitled until deposit is made. Whether or not Company Shareholders forward their share certificate(s) or DRS Advice(s) upon the completion of the Arrangement on the Effective Date, Company Shareholders will cease to be shareholders of the Company as of the Effective Time and will only be entitled to receive the Company Common Share Consideration to which they are entitled under the Plan of Arrangement or, in the case of registered Company Shareholders who properly exercise Dissent Rights, the right to receive fair value for their Company Common Shares in accordance with section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement.

The method of delivery of certificates representing Company Common Shares and all other required documents is at the option and risk of the person depositing their Company Common Shares. Any use of the mail to forward certificates

or DRS Advices representing Company Common Shares and/or the related Letters of Transmittal shall be at the election and sole risk of the person depositing Company Common Shares, and documents so mailed shall be deemed to have been received by the Company only upon actual receipt by the Depositary. If such certificates or DRS Advices and other documents are to be mailed, the Company recommends that registered mail be used with proper insurance and an acknowledgement of receipt requested.

Unless otherwise specified in the Letter of Transmittal, a cheque representing the aggregate Company Common Share Consideration payable under the Arrangement to a former registered holder of Company Common Shares who has complied with the procedures set out above and in the Letter of Transmittal will be, as soon as practicable after the Effective Date and after the receipt of all required documents: (a) forwarded to the former Company Shareholder at the address specified in the Letter of Transmittal by first-class mail; or (b) made available at the office of the Depositary at which the Letter of Transmittal and the certificate(s) or DRS Advice(s) for Company Common Shares were delivered for pick-up by the Company Shareholder, as requested by the Company Shareholder in the Letter of Transmittal. If no address is provided on the Letter of Transmittal, cheques will be forwarded to the address of the holder as shown on the register maintained by Computershare Trust Company of Canada. Under no circumstances will interest accrue or be paid by the Company, the Purchaser or the Depositary on the Company Common Share Consideration for the Company Common Shares to persons depositing Company Common Shares with the Depositary, regardless of any delay in making any payment of the Company Common Share Consideration. The Depositary will act as the agent of persons who have deposited Company Common Shares pursuant to the Arrangement for the purpose of receiving and transmitting the Company Common Share Consideration to such persons, and receipt of the Company Common Share Consideration by the Depositary will be deemed to constitute receipt of payment by persons depositing Company Common Shares.

Where a Company Common Share certificate has been lost or destroyed, the registered holder of that Company Common Share certificate should immediately complete the Letter of Transmittal as fully as possible and forward it, together with a letter describing the loss, to the Depositary in accordance with instructions in the Letter of Transmittal. The Depositary has been instructed to respond with replacement Company Common Share certificate requirements, which are also set out in section 4.2 of the Plan of Arrangement. A copy of the Plan of Arrangement is attached as Appendix C to this Circular. All required documentation must be completed and returned to the Depositary before a payment will be made.

Holders of Company Common Shares in a nominee account in CDS should contact their intermediary for instructions and assistance in delivering share certificates representing those Company Common Shares. There is no requirement for Beneficial Holders to complete the Letter of Transmittal.

Cancellation of Rights of Securityholders

From and after the Effective Time, each certificate or DRS Advice that immediately prior to the Effective Time represented Company Common Shares shall be deemed to represent only the right to receive the Company Common Share Consideration, less any amounts withheld in accordance with the Plan of Arrangement. Any such certificate or DRS Advice formerly representing Company Common Shares not duly surrendered on or before the second anniversary from the Effective Date shall cease to represent a claim by or interest of any former holder of Company Common Shares of any kind or nature against or in any of the Company or the Purchaser. On such date, all cash to which such former holder was entitled shall be deemed to have been surrendered to the Purchaser or the Company, as applicable, and shall be paid over by the Depositary to the Purchaser or as directed by the Purchaser.

Any payment made by way of cheque by the Depositary (or the Company or the Purchaser, if applicable) pursuant to the Plan of Arrangement that has not been deposited or has been returned to the Depositary (or the Company or the Purchaser), in each case, on or before (or that otherwise remains unclaimed on) the second anniversary of the Effective Time, and any right or claim to payment thereunder that remains outstanding on the second anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Company Common Shares pursuant to the Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Company, as applicable, for no consideration.

LEGAL MATTERS

Certain legal matters in connection with the Arrangement will be passed upon for the Company by Stikeman Elliott LLP and for the Purchaser by Blake, Cassels & Graydon LLP.

RIGHTS OF DISSENT

The following description of the rights of Dissenting Holders is not a comprehensive statement of the procedures to be followed by a Dissenting Holder who seeks payment of the fair value of its Company Common Shares and is qualified in its entirety by the reference to the full text of the Interim Order, which is attached to this Circular as Appendix D, and the text of section 190 of the CBCA, which is attached to this Circular as Appendix G.

Pursuant to the Interim Order, Dissenting Holders are given rights analogous to rights of dissenting shareholders under the CBCA, as modified by the Interim Order and the Plan of Arrangement. A Dissenting Holder who intends to exercise the right to dissent should carefully consider and comply with the provisions of section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. Failure to comply with the provisions of that section, as modified by the Interim Order and the Plan of Arrangement, and to adhere to the procedures established therein may result in the loss of all rights thereunder.

The Court hearing the application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing.

Under the Interim Order, each registered Company Shareholder is entitled, in addition to any other rights the holder may have, to dissent and to be paid by the Purchaser the fair value of the Company Common Shares held by the holder in respect of which the holder dissents, determined as of the close of business on the day before the day on which the Arrangement Resolution was adopted. **Only registered Company Shareholders may dissent. Persons who are Beneficial Holders of Company Common Shares registered in the name of a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary who wish to dissent should be aware that only registered holders of Company Common Shares are entitled to dissent. Accordingly, Beneficial Holders desiring to exercise the right of dissent must make arrangements for the Company Common Shares beneficially owned by such holder to be registered in the holder's name prior to the time the written objection to the Arrangement Resolution is required to be received by the Company or, alternatively, make arrangements for the registered Company Shareholder of such Company Common Shares to dissent on behalf of the Beneficial Holder. It is strongly suggested that any Company Shareholders wishing to dissent seek independent legal advice, as the failure to comply strictly with the provisions in section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may prejudice such Company Shareholder's right to dissent.**

In order for a Dissenting Holder to exercise Dissent Rights: (a) a Dissenting Holder must send to the Company a written objection to the Arrangement Resolution which written objection must be received by the Company's registered office, Suite 2100, 444 – 5th Avenue S.W., Calgary, Alberta T2P 2T8 attention: Autumn Howell, by 5:00 p.m. (Calgary time) on December 17, 2019 (a vote against the Arrangement Resolution, whether in person or by proxy, shall not constitute a written objection to the Arrangement Resolution); (b) a Dissenting Holder shall, no later than the date on which it delivers its required written objection to the Arrangement Resolution, send the certificates representing the Company Common Shares in respect of which the Dissenting Holder dissents to the Company or its transfer agent; (c) a Dissenting Holder shall not have voted his or her Company Common Shares at the Company Shareholders' Meeting either by proxy or in person, in favour of the Arrangement Resolution; (d) a Dissenting Holder may dissent only with respect to all of the Company Common Shares held by such Dissenting Holder, or on behalf of any one beneficial owner and registered in the Dissenting Holder's name and, except in respect of a dissent of all of the Company Common Shares held in respect of a beneficial owner, a Dissenting Holder shall not exercise Dissent Rights in respect of only a portion of the Dissenting Holder's Company Common Shares; and (e) the exercise of such Dissent Rights must otherwise comply with the requirements of section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement.

It is a condition to the Purchaser's obligation to complete the Arrangement that, as at the Effective Date, Dissent Rights validly exercised and not withdrawn shall not represent more than 5% of the outstanding Company Common Shares.

An application may be made to the Court by the Company or by a Dissenting Holder to fix the fair value of the Dissenting Holder's Company Common Shares. If such an application to the Court is made by either the Company or a Dissenting Holder, the Company must, unless the Court otherwise orders, send to each Dissenting Holder a written offer to pay such person an amount considered by the Company to be the fair value of the Company Common Shares held by such Dissenting Holder. The offer, unless the Court otherwise orders, will be sent to each Dissenting Holder at least 10 days before the date on which the application is returnable, if the Company is the applicant, or within 10 days after the Company is served with notice of the application, if a Dissenting Holder is the applicant. The offer will be made on the same terms to each Dissenting Holder and will be accompanied by a statement showing how the fair value was determined.

In such circumstances, a Dissenting Holder may make an agreement with the Company for the purchase of its Company Common Shares in the amount of the Company's offer (or otherwise) at any time before the Court pronounces an order fixing the fair value of the Company Common Shares.

A Dissenting Holder is not required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application and appraisal. On the application, the Court will make an order fixing the fair value of the Company Common Shares of all Dissenting Holders who are parties to the application, giving judgment in that amount against the Company and in favour of each of those Dissenting Holders, and fixing the time within which the Company must pay that amount payable to the Dissenting Holders. The Court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Holder calculated from the date on which the Dissenting Holder ceases to have any rights as a Company Shareholder until the date of payment.

On the Arrangement becoming effective, the Dissenting Holder will cease to have any rights as a Company Shareholder other than the right to be paid the fair value of such Company Shareholder's Company Common Shares in the amount agreed to between the Company and the Company Shareholder or in the amount of a judgment, as the case may be. Until the Effective Time occurs, the Company Shareholder may withdraw its dissent.

All Company Common Shares held by registered Company Shareholders who exercise their Dissent Rights will, if the holders are ultimately entitled to be paid the fair value thereof, be deemed to be transferred to the Purchaser in exchange for a debt claim against the Purchaser for the fair value of such Company Common Shares which fair value, notwithstanding anything to the contrary contained in Part XV of the CBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted. If such Company Shareholders ultimately are not entitled, for any reason, to be paid fair value for such Company Common Shares they shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Company Common Shares.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Dissenting Holders who seek payment of the fair value of their Company Common Shares. Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. **Accordingly, each Dissenting Holder who is considering exercising Dissent Rights should carefully consider and comply with the provisions of section 190 of the CBCA, the full text of which is set out in Appendix G to this Circular, as modified by the Interim Order and the Plan of Arrangement, and consult their own legal advisor.**

INFORMATION CONCERNING THE COMPANY

Business of AltaGas Canada Inc.

The Company was incorporated under the CBCA on October 27, 2011 as AltaGas Utility Holdings (Pacific) Inc. and was a wholly-owned subsidiary of AltaGas Ltd. until it completed the IPO on October 25, 2018. The Company is a

Canadian corporation with diversified rate-regulated natural gas distribution and transmission utilities assets and long-term contracted renewable power generation assets. The Company has two business segments:

- Utilities – The Company owns and operates utility assets that deliver natural gas to end-users in Alberta, British Columbia and Nova Scotia. The Company also owns a one-third equity interest in the utility that delivers natural gas to end-users in Inuvik, Northwest Territories. In aggregate, the utilities have approximately $922 million of rate base as at September 30, 2019 and serve approximately 130,000 customers across Canada.

- Renewable Energy – This segment includes the Bear Mountain Wind Park and an approximately 10% indirect interest in the entities that own the Northwest Hydro Facilities.

The Company Common Shares trade on the TSX under the symbol "ACI".

The Company's head, principal and registered offices are located at Suite 2100, 444 – 5th Avenue S.W., Calgary, Alberta, T2P 2T8. The Company's fiscal year-end is December 31.

Description of Share Capital

The Company's authorized share capital consists of an unlimited number of Company Common Shares and such number of Preferred Shares issuable in series at any time as have aggregate voting rights either directly or on conversion or exchange that in the aggregate represent less than 50% of the voting rights attaching to the then issued and outstanding Company Common Shares. As of the Record Date, the Company had 30,000,000 Company Common Shares issued and outstanding and no Preferred Shares issued and outstanding.

The following is a summary of the rights, privileges, restrictions and conditions attaching to the Company Common Shares and the Preferred Shares. This summary is subject to, and qualified by reference to, the Company's articles and by-laws.

Company Common Shares

Holders of Company Common Shares are entitled to notice of, to attend and to one vote per share held at any meeting of the Company Shareholders (other than meetings of a class or series of shares of the Company other than the Company Common Shares as such). Subject to prior satisfaction of all preferential rights to dividends attached to shares of other classes of shares of the Company ranking in priority to the Company Common Shares in respect of dividends, the holders of Company Common Shares are entitled to receive dividends as and when declared by the Company Board on the Company Common Shares as a class. In the event of any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among the Company Shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Company ranking in priority to the Company Common Shares in respect of return of capital on dissolution, the holders of Company Common Shares are entitled to share rateably, together with the holders of shares of any other class of shares of the Company ranking equally with the Company Common Shares in respect of return of capital on dissolution, in such assets of the Company as are available for distribution. The Company Common Shares are not convertible into any other class of shares.

The Company Common Shares trade on the TSX under the symbol "ACI".

Preferred Shares

The Preferred Shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Company Board shall, by resolution, fix the maximum number of shares that will form such series and shall, subject to the limitations set out herein, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the Preferred Shares of such series. The Preferred Shares of each series will rank on parity with Preferred Shares of every other series with respect to accumulated dividends and return of

capital and the holders of Preferred Shares will rank prior to the holders of Company Common Shares and any other shares of the Company ranking junior to the Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs.

The rights, privileges, restrictions and conditions attaching to the Preferred Shares as a class may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the Preferred Shares given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution in writing executed by all holders of Preferred Shares entitled to vote on that resolution or passed by the affirmative vote of not less than 66 ⅔% of the votes cast at a meeting of holders of Preferred Shares duly called for such purpose.

Price Range and Trading Volume of Securities

The Company Common Shares are listed and trade on the TSX under the symbol "ACI". The following table sets forth the price range and trading volume of the Company Common Shares on the TSX as reported by Bloomberg for the periods indicated.

Month	High ($)	Low ($)	Close ($)	Volume
2019				
November 1 – 18	33.58	33.32	33.42	1,194,955
October	33.69	23.67	33.52	5,077,800
September	26.45	24.50	26.45	1,399,155
August	27.60	24.36	25.10	1,033,443
July	27.36	23.93	25.80	1,131,826
June	24.31	21.18	23.93	1,389,045
May	21.88	17.68	21.10	999,757
April	19.93	17.51	19.29	1,676,653
March	17.84	16.50	17.80	675,852
February	17.40	16.35	16.77	754,648
January	17.05	15.79	16.40	1,655,313
2018				
December	17.14	14.58	16.22	1,671,445
November	14.60	14.06	14.47	1,063,778

The value of the Company Common Share Consideration offered to Company Shareholders under the Arrangement represents a premium of approximately 31% to the closing price of the Company Common Shares on the TSX on October 18, 2019, the last trading day prior to the announcement of the Arrangement, and a premium of approximately 33% to the 20-day volume weighted average trading price on the TSX.

Prior Sales

On October 25, 2018, the Company completed its initial public offering ("**IPO**"), issuing 16,500,000 Company Common Shares at a price of $14.50 per Company Common Share for gross proceeds of $239.3 million.

In connection with the IPO, the Company granted to the underwriters of the IPO an over-allotment option (the "**Over-Allotment Option**"), exercisable at the underwriters' discretion at any time, in whole or in part, until 30 days following the closing of the IPO, to purchase at $14.50 per Company Common Share up to an additional 2,475,000 Company Common Shares (representing 15% of the Company Common Shares offered) to cover over-allotments, if any, and for market stabilization purposes. On November 21, 2018, the Over-Allotment Option was exercised in full for additional gross proceeds of $35.9 million.

Upon closing of the IPO and the exercise of the Over-Allotment Option, 30,000,000 Company Common Shares were issued and outstanding, of which AltaGas Ltd. owned approximately 36.8%.

Principal Shareholders

As of the Record Date, the Company's issued and outstanding voting shares consisted of 30,000,000 Company Common Shares. Company Shareholders at the close of business on the Record Date are entitled to receive notice of the Company Shareholders' Meeting and to vote thereat or at any adjournment(s) or postponement(s) thereof on the basis of one vote for each Company Common Share held.

To the knowledge of the directors and executive officers of the Company, as of the date hereof, no person, firm or corporation beneficially owns, directly or indirectly, or exercises control or direction over, Company Common Shares carrying more than 10% of the voting rights attached to all of the Company Common Shares, except as set forth below:

Name	Type of Ownership	Number of Company Common Shares Held	Percentage of Company Common Shares Held
AltaGas Ltd.	Direct	11,025,000	~36.8%

As of the Record Date, the directors and the executive officers, as a group, beneficially owned, directly or indirectly, 270,866 Company Common Shares.

Interest of Informed Persons in Material Transaction

To the Company's knowledge, no director or executive officer of the Company or any of its Subsidiaries or any of their respective associates or affiliates has any material interest, direct or indirect, in any transaction since the beginning of the most recently completed financial year, or in any proposed transaction which has materially affected or would materially affect the Company or any of its Subsidiaries.

Auditors, Transfer Agent and Registrar

The auditors of the Company are Ernst & Young LLP, Chartered Accountants, 2200 – 215 2nd Street S.W., Calgary, Alberta T2P 1M4.

The registrar and transfer agent for the Company Common Shares is Computershare Trust Company of Canada at its principal offices in Calgary, Alberta and Toronto, Ontario.

Additional Information

Additional information respecting the Company is available on SEDAR at www.sedar.com. Financial information respecting the Company is provided in the Company Annual Financial Statements, the Company Interim Financial Statements, the Company Annual MD&A and the Company Interim MD&A. Company Shareholders can access this information on SEDAR, on the Company's website at www.altagascanada.ca. or by request to the Company at Suite 2100, 444 – 5th Avenue S.W., Calgary, Alberta T2P 2T8, Phone: (587) 955-3651.

INFORMATION CONCERNING THE PURCHASER AND THE SPONSORS

The Purchaser

The Purchaser, a corporation incorporated under the CBCA, was formed by PSP Investments on September 20, 2019 solely in anticipation of engaging in the transactions contemplated by the Arrangement Agreement, and has not engaged in any business activities other than in connection with the transactions contemplated by the Arrangement Agreement. At the completion of the Arrangement, PSP Investments will hold a majority indirect economic interest in the Purchaser and ATRF will hold a minority indirect economic interest in the Purchaser.

The Sponsors

Public Sector Pension Investment Board

PSP Investments is one of Canada's largest pension investment managers with approximately $168 billion of net assets as of March 31, 2019. It manages a diversified global portfolio of investments in public financial markets, private equity, real estate, infrastructure, natural resources and private debt. Established in 1999, PSP Investments manages net contributions to the pension funds of the federal Public Service, the Canadian Forces, the Royal Canadian Mounted Police and the Reserve Force. Headquartered in Ottawa, PSP Investments has its principal business office in Montreal and offices in New York, London and Hong Kong.

ATRF INF (DB) Ltd.

ATRF INF (DB) Ltd. is a wholly-owned subsidiary of ATRF. ATRF is one of Canada's fastest growing pension plans with approximately $18 billion of net assets under management. ATRF manages a diversified global portfolio composed of investments in public financial markets, infrastructure, private equity, real estate and absolute return strategies. Based in Edmonton, ATRF also manages and administers pension plans for more than 83,000 teachers in Alberta.

MATTERS TO BE CONSIDERED AT THE COMPANY SHAREHOLDERS' MEETING

At the Company Shareholders' Meeting, Company Shareholders will be asked to consider the Arrangement Resolution in the form set forth in Appendix A of this Circular. The Arrangement Resolution must be approved by not less than 66 ⅔% of the votes cast by the Company Shareholders present in person or represented by proxy at the Company Shareholders' Meeting. Company Shareholders are urged to review the various sections of this Circular when considering the Arrangement Resolution.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Company Shareholders' Meeting. Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy-related materials to Beneficial Holders.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone or email by employees or agents of the Company. In addition, the Company may retain a proxy solicitation agent to assist in connection with communicating to Company Shareholders in respect of the Arrangement. The cost of such services would be borne by the Purchaser. The Company may also reimburse brokers and other persons holding Company Common Shares in their name or in the name of nominees for costs incurred in sending proxy material to their principals in order to obtain their proxies. Costs of such solicitation will be borne by the Company.

The Company Shareholders' Meeting is being called to seek the requisite approval of Company Shareholders of the Arrangement Resolution. See "*The Arrangement*" and "*Matters to be Considered at the Company Shareholders' Meeting*".

Record Date and Voting of Company Common Shares

The Record Date for the Company Shareholders' Meeting has been established as November 12, 2019. Only Company Shareholders of record as at the close of business on the Record Date will receive notice of, and be entitled to attend and vote at, the Company Shareholders' Meeting. Each Company Common Share owned as of the Record Date entitles the holder to one vote. A Company Shareholder of record on the Record Date will be entitled to vote such Company Common Shares even though the Company Shareholder may subsequently dispose of such Company Common Shares.

No person who has become a Company Shareholder after the Record Date shall be entitled to attend or vote at the Company Shareholders' Meeting or any adjournment(s) or postponement(s) thereof. See "*Procedure and Votes Required*" below.

Appointment of Proxy

A registered Company Shareholder who is unable to attend the Company Shareholders' Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to Computershare Trust Company of Canada (a) by mail to Proxy Department, 135 West Beaver Creek Road, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5, (b) by hand delivery to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or (c) by facsimile to 416-263-9524 or 1-866-249-7775. A Company Shareholder may also vote using the Internet at www.investorvote.com or by telephone at 1-866-732-VOTE (8683). In order to be valid and acted upon at the Company Shareholders' Meeting, the form of proxy must be received no later than 9:00 a.m. (Calgary time) on December 17, 2019 or not less than 48 hours (excluding weekends and holidays) before any adjourned or postponed Company Shareholders' Meeting.

A Company Shareholder submitting a form of proxy has the right to appoint a person (other than the persons designated in the form of proxy) to represent the Company Shareholder at the Company Shareholders' Meeting (who need not be a Company Shareholder). To exercise that right, the name of the Company Shareholder's appointee should be legibly printed in the blank space provided. In addition, the Company Shareholder should notify the appointee of his or her appointment, obtain his or her consent to act as appointee and instruct him or her on how the Company Shareholder's Company Common Shares are to be voted. The document appointing a proxy must be in writing and be executed by the Company Shareholder or the Company Shareholders' attorney or agent authorized in writing or, if the Company Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

Company Shareholders who are not registered Company Shareholders should refer to the heading "*Notice to Beneficial Holders*" below.

Revocation of Proxy

A Company Shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Company Shareholders' Meeting, that person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Company Shareholder or the Company Shareholder's attorney or authorized agent or, if a registered Company Shareholder, by a new proxy that is dated later than the proxy previously submitted, and deposited with Computershare Trust Company of Canada at any time up to 9:00 a.m. (Calgary time) on December 17, 2019 or not less than 48 hours (excluding weekends and holidays) before any adjourned or postponed Company Shareholders' Meeting (a) by mail to Proxy Department, 135 West Beaver Creek Road, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5, (b) by hand delivery to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or (c) by facsimile to 416-263- 9524 or 1-866-249-7775, and, upon such deposit, the proxy is revoked.

Exercise of Discretion by Proxy

The Company Common Shares represented by proxy will be voted on any ballot at the Company Shareholder's Meeting and, where the Company Shareholder specifies a choice with respect to any matter to be voted upon, those Company Common Shares shall be voted or withheld from voting on any ballot in accordance with the specification so made. **In the absence of any such specification, those Company Common Shares will be voted "For" the approval of the Arrangement Resolution.**

The persons appointed under the form of proxy furnished by the Company are conferred with discretionary authority with respect to amendments or variations of those matters specified in this Circular and Notice of Meeting and other matters which may be properly brought before the Company Shareholder's Meeting. At the time of mailing of this Circular, the Company was not aware of any such amendment, variation or other matter to be brought before the Company Shareholder's Meeting.

Notice to Beneficial Holders

The information set forth in this section is of significant importance to many Company Shareholders, as a substantial number of the Company Shareholders are Beneficial Holders. Beneficial Holders should note that only proxies deposited by Company Shareholders whose names appear on the records of the Company as the registered holders of Company Common Shares can be recognized and acted upon at the Company Shareholder's Meeting or any adjournment(s) or postponement(s) thereof. If Company Common Shares are listed in an account statement provided to a Company Shareholder by a broker, then in almost all cases those Company Common Shares will not be registered in the Company Shareholder's name on the records of the Company. Those Company Common Shares will more likely be registered under the name of the Company Shareholder's broker or an agent of that broker. In Canada, the vast majority of those Company Common Shares are registered under the name of CDS & Co. (the registration name for CDS, which acts as nominee for many Canadian brokerage firms). Company Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Holder. Without specific instructions, the broker or their nominees are prohibited from voting Company Common Shares for their clients. The Company does not know for whose benefit the Company Common Shares registered in the name of CDS & Co., a broker or another nominee, are held. The Company will rely entirely on intermediaries for delivery of proxy related materials to all Beneficial Holders. The cost of the delivery of proxy-related materials by intermediaries will be borne by the Company.

Applicable regulatory policy requires intermediaries to seek voting instructions from Beneficial Holders in advance of Company Shareholders' meetings. The intermediaries can only vote if they have received proper voting instructions from the Beneficial Holder. **Every intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Holders in order to ensure that their Company Common Shares are voted at the Company Shareholders' Meeting or any adjournment(s) or postponement(s) thereof.** Often, the voting instruction form ("**VIF**") supplied to a Beneficial Holder by its intermediary is virtually identical to the form of proxy provided to registered Company Shareholders; however, its purpose is limited to instructing the registered Company Shareholder how to vote on behalf of the Beneficial Holder. The VIF cannot be used to vote Company Common Shares directly. Beneficial Holders who wish to appear in person and vote at the Company Shareholders' Meeting should be appointed as their own representatives at the Company Shareholders' Meeting in accordance with the directions of their intermediaries in the VIF. Beneficial Holders can also write the name of someone else whom they wish to attend at the Company Shareholders' Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in the VIF will have full authority to present matters to the Company Shareholders' Meeting and vote on all matters that are presented at the Company Shareholders' Meeting, even if those matters are not set out in VIF or this Circular.

The majority of intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable VIF in lieu of the form of proxy. The Beneficial Holder is requested to complete and return the VIF to Broadridge by mail. Alternatively, the Beneficial Holder can call a toll-free telephone number or scan a QR code to vote the Company Common Shares held by the Beneficial Holder or access Broadridge's dedicated voting website at www.proxyvote.com to deliver the Beneficial Holder's voting instructions. Broadridge then provides the aggregate voting instructions to Computershare Trust Company of Canada, the Company's transfer agent and registrar, which tabulates the results and provides appropriate instructions respecting the voting of Company Common Shares to be represented at the Company Shareholders' Meeting or any postponement(s) or adjournment(s) thereof.

If you have any questions or require assistance in voting your Company Common Shares:

- registered Company Shareholders can contact Computershare Trust Company of Canada at 1-800-564-6253 (Toll-Free North America) or 1-514-982-7555 (International Direct); or

- Beneficial Holders can contact Broadridge at 1-800-474-7493 (English) or 1-800-474-7501 (French).

Voting Securities and Principal Holders thereof

The Company is authorized to issue an unlimited number of Company Common Shares. As at the Record Date, 30,000,000 Company Common Shares were issued and outstanding. Company Shareholders of record on the Record Date are entitled to notice of, and to attend, the Company Shareholders' Meeting, in person or by proxy, and to one vote per Company Common Share held on any ballot thereat. See "*Information Concerning the Company – Principal Shareholders*" for details of the principal shareholders of the Company.

Procedure and Votes Required

Pursuant to the Interim Order:

(a) The Record Date for the Company Shareholders entitled to receive notice of and vote at the Company Shareholders' Meeting was November 12, 2019. Only Company Shareholders whose names had been entered on the register of holders of Company Common Shares as at the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Company Shareholders' Meeting. The Record Date for Company Shareholders entitled to receive notice of and to vote at the Company Shareholders' Meeting will not change in respect of or as a consequence of any adjournment or postponement of the Company Shareholders' Meeting.

(b) Each Company Common Share entitled to be voted at the Company Shareholders' Meeting will entitle the holder to one vote at the Company Shareholders' Meeting in respect of the Arrangement Resolution and any other matters to be considered at the Company Shareholders' Meeting.

(c) A quorum at the Company Shareholders' Meeting shall be Company Shareholders, present in person or represented by proxy, at the opening of the Company Shareholders' Meeting, together holding not less than 25% of the Company Common Shares entitled to be voted at the Company Shareholders' Meeting and at least two persons entitled to vote at the Company Shareholders' Meeting actually present at the Company Shareholders' Meeting.

(d) A quorum of Company Shareholders shall be required for the Company Shareholders' Meeting to proceed. If within 30 minutes of the time appointed for the Company Shareholders' Meeting, a quorum is not present, the Company Shareholders' Meeting shall stand adjourned to a date not less than two and not more than 30 days later, as may be determined by the Chair of the Company Shareholders' Meeting. No notice of the adjourned meeting shall be required and, if at such adjourned meeting a quorum is not present, the Company Shareholders present at the adjourned meeting in person or represented by proxy shall constitute a quorum for all purposes.

(e) The number of votes required to pass the Arrangement Resolution shall be the Required Approval.

APPROVAL BY THE DIRECTORS

The Company Board has approved the content and delivery of this Circular.

BY ORDER OF THE BOARD OF DIRECTORS OF ALTAGAS CANADA INC.

(Signed) "*Jared Green*"
Jared Green
President and Chief Executive Officer
AltaGas Canada Inc.

CONSENTS

Consent of Stikeman Elliott LLP

We have read the management information circular and proxy statement (the "**Circular**") of AltaGas Canada Inc. (the "**Company**") dated November 19, 2019 relating to the special meeting of shareholders to approve an arrangement under the *Canada Business Corporations Act* involving the Company and PSPIB Cycle Investments Inc. We consent to the inclusion in the Circular of our opinion contained under "*Certain Canadian Federal Income Tax Considerations*" and references to our firm name and our opinion therein.

November 19, 2019

(signed) *"Stikeman Elliott LLP"*
Stikeman Elliott LLP

Consent of TD Securities Inc.

To the Independent Committee of the Board of Directors and the Board of Directors of AltaGas Canada Inc. (the "**Company**"):

We refer to our written fairness opinion (the "**Fairness Opinion**") dated October 20, 2019, which we prepared solely for the information of the Independent Committee of the Board of Directors and the Board of Directors of the Company in connection with the arrangement involving the Company and PSPIB Cycle Investments Inc.

We consent to the inclusion of the Fairness Opinion and references to our firm name and a summary of the Fairness Opinion in the management information circular and proxy statement of the Company dated November 19, 2019. In providing such consent, TD Securities Inc. does not intend that any person other than the Independent Committee of the Board of Directors and the Board of Directors of the Company may rely upon the Fairness Opinion.

November 19, 2019

(signed) *"TD Securities Inc."*
TD Securities Inc.

Consent of Beacon Securities Limited

To the Independent Committee of the Board of Directors and the Board of Directors of AltaGas Canada Inc. (the "**Company**"):

We refer to our written fairness opinion (the "**Fairness Opinion**") dated October 20, 2019, which we prepared solely for the information of the Independent Committee of the Board of Directors and the Board of Directors of the Company in connection with the arrangement involving the Company and PSPIB Cycle Investments Inc.

We consent to the inclusion of the Fairness Opinion and references to our firm name and a summary of the Fairness Opinion in the management information circular and proxy statement of the Company dated November 19, 2019. In providing such consent, Beacon Securities Limited does not intend that any person other than the Independent Committee of the Board of Directors and the Board of Directors of the Company may rely upon the Fairness Opinion.

November 19, 2019

(signed) *"Beacon Securities Limited"*
Beacon Securities Limited

APPENDIX A
ARRANGEMENT RESOLUTION

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

(1) The arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving AltaGas Canada Inc. (the "**Company**"), as more particularly described and set forth in the management information circular and proxy statement (the "**Circular**") of the Company accompanying the notice of this meeting, as the Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.

(2) The plan of arrangement (the "**Plan of Arrangement**") involving the Company, the full text of which is set out as Schedule A to the Arrangement Agreement made as of October 20, 2019 between PSPIB Cycle Investments Inc. and the Company (the "**Arrangement Agreement**"), as the Plan of Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.

(3) The Arrangement Agreement, the actions of the directors of the Company in approving the Arrangement Agreement and the actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.

(4) Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the Company Shareholders (as defined in the Arrangement Agreement) or that the Arrangement has been approved by the Court of Queen's Bench of Alberta, the directors of the Company are hereby authorized and empowered, without further notice to or approval of the Company Shareholders (a) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement and the Plan of Arrangement, and (b) subject to the terms of the Arrangement Agreement, to disregard the Company Shareholders' approval and not proceed with the Arrangement.

(5) Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute, under the corporate seal of the Company or otherwise, and to deliver to the Director under the CBCA for filing articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.

(6) Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

APPENDIX B
ARRANGEMENT AGREEMENT

ARRANGEMENT AGREEMENT

PSPIB CYCLE INVESTMENTS INC.

and

ALTAGAS CANADA INC.

October 20, 2019

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ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated October 20, 2019 among:

PSPIB CYCLE INVESTMENTS INC., a corporation existing under the laws of Canada (the "**Purchaser**")

- and -

ALTAGAS CANADA INC., a corporation existing under the laws of Canada (the **"Company**")

WHEREAS upon the unanimous recommendation of the Company Independent Committee, the Company Board has determined unanimously that it would be in the best interests of the Company to complete a transaction involving a sale of the Company and its business through an acquisition by the Purchaser of all the issued and outstanding Company Common Shares;

AND WHEREAS the Purchaser and the Company wish to carry out the transactions contemplated hereby by way of a plan of arrangement of the Company under the provisions of the CBCA;

AND WHEREAS as a condition and inducement to the Company entering into this Agreement, the Sponsors have entered into the Equity Commitment Letters with the Purchaser providing for the Equity Financings;

AND WHEREAS the Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters related to the transactions herein provided for;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT IN CONSIDERATION of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement:

"**Acquisition Proposal**" means any inquiry or the making of any proposal, whether or not in writing, to the Company, any of its Subsidiaries or the Company Shareholders from any Person or group of Persons "acting jointly or in concert" (within the meaning of NI 62-104), other than the Purchaser or any of its affiliates, and other than any transaction involving only the Company and/or one or more of its Subsidiaries, which constitutes, or

may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions):

(a) any direct or indirect sale, issuance or acquisition of shares or other securities (or securities convertible or exercisable for such shares or interests) in the Company that, when taken together with the securities of the Company held by the proposed acquiror and any Person acting jointly or in concert with such acquiror, represent 20% or more of the voting securities of the Company, or rights or interests therein and thereto;

(b) any direct or indirect acquisition of assets (or any lease, joint venture or other arrangement having the same economic effect as a purchase or sale of assets) of the Company or its Subsidiaries (including, for greater certainty, securities of any Subsidiary thereof) to which 20% or more of the Company's revenues or earnings on a consolidated basis are attributable (in each case, based on the consolidated financial statements of the Company most recently filed on SEDAR by the Company);

(c) an amalgamation, arrangement, merger, business combination, or consolidation involving the Company or one or more of its Subsidiaries that collectively own assets to which 20% or more of the Company's revenues or earnings on a consolidated basis are attributable (in each case, based on the consolidated financial statements of the Company most recently filed on SEDAR by the Company);

(d) any take-over bid, issuer bid, exchange offer, liquidation, dissolution, reorganization, recapitalization, treasury issuance or similar transaction involving the Company or its Subsidiaries that, if consummated, would result in any Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of the Company or assets to which 20% or more of the Company's revenues or earnings on a consolidated basis are attributable (in each case, based on the consolidated financial statements of the Company most recently filed on SEDAR by the Company); or

(e) any other similar transaction or series of transactions involving the Company or any of its Subsidiaries.

"**affiliate**" has the meaning set forth in the *Securities Act* (Alberta);

"**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this Arrangement Agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;

"**Arrangement**" means the arrangement pursuant to Section 192 of the CBCA, on the terms and conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of this Agreement or made at

the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably;

"**Arrangement Resolution**" means a special resolution of the Company Shareholders in respect of the Arrangement to be considered at the Company Shareholders' Meeting, substantially in the form of Schedule B hereto;

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement required under Section 192(6) of the CBCA to be sent to the Director after the Final Order has been granted, giving effect to the Arrangement, which shall include the Plan of Arrangement and otherwise be in a form satisfactory to the Company and the Purchaser, each acting reasonably;

"**associate**" has the meaning set forth in the *Securities Act* (Alberta);

"**AUC**" means the Alberta Utilities Commission and any successor organization or replacement body, with jurisdiction to oversee the GUA;

"**AUC Approval**" means the occurrence of any of the following: (a) the Company or the Purchaser shall have received an approval from the AUC for the Purchaser to complete the Arrangement and the other transactions contemplated by this Agreement; or (b) the AUC shall have issued an exemption or declaratory order whereby the Arrangement and the other transactions contemplated by this Agreement are deemed to be exempt from requiring the approval of the AUC, in each case pursuant to the GUA and the Designation Regulation;

"**Base Premium**" has the meaning ascribed thereto in Section 5.6(a);

"**BC Hydro**" means British Columbia Hydro and Power Authority;

"**BCUC**" means the British Columbia Utilities Commission and any successor organization or replacement body, with jurisdiction to oversee the UCA;

"**BCUC Approval**" means the occurrence of any of the following: (a) the Company or the Purchaser shall have received an approval from the BCUC for the Purchaser to complete the Arrangement and the other transactions contemplated by this Agreement; or (b) the BCUC shall have issued an exemption or declaratory order whereby the Arrangement and the other transactions contemplated by this Agreement are deemed to be exempt from requiring the approval of the BCUC, in each case pursuant to the UCA;

"**Beacon Securities**" means Beacon Securities Limited, financial advisor to the Company Board;

"**Beacon Securities Opinion**" means an opinion from Beacon Securities to the effect that, as of the date of such opinion and based on and subject to the assumptions, limitations, qualifications and other matters set forth therein, the consideration to be received by holders of the Company Common Shares pursuant to this Agreement is fair, from a financial point of view, to such holders;

"**business day**" means a day other than a Saturday, a Sunday or a statutory holiday or other day when banks in the Cities of Calgary, Alberta or Montréal, Québec are not open for business;

"**Canadian Securities Administrators**" means the securities commission or other securities regulatory authority of each province and territory of Canada;

"**Canadian Securities Laws**" means the securities legislation or ordinance and regulations thereunder of each province and territory of Canada and the rules, instruments, policies and orders of each Canadian Securities Administrator made thereunder;

"**CBCA**" means the *Canada Business Corporations Act;*

"**Certificate**" means the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement giving effect to the Arrangement;

"**Change in Recommendation**" has the meaning ascribed thereto in Section 8.1(c)(ii);

"**Commissioner**" means the Commissioner of Competition appointed under subsection 7(1) of the Competition Act, or his designee;

"**Company**" has the meaning ascribed thereto in the recitals hereof;

"**Company Awards**" means restricted share units and performance share units each granted pursuant to the Company MTIP;

"**Company Board**" means the board of directors of the Company;

"**Company Common Share Consideration**" has the meaning ascribed thereto in the Plan of Arrangement;

"**Company Common Shares**" means the common shares in the capital of the Company;

"**Company Credit Facilities**" means the term loan and credit facilities of the Company or any of its Subsidiaries as described in the Company Disclosure Documents;

"**Company Disclosure Documents**" has the meaning ascribed thereto in paragraph (o) of Schedule D;

"**Company Disclosure Letter**" means the disclosure letter delivered by the Company to the Purchaser and dated the date hereof;

"**Company DSUP**" means the Company's Deferred Share Unit Plan;

"**Company DSUs**" means deferred share units granted pursuant to the Company DSUP;

"**Company Employee Plans**" has the meaning ascribed thereto in paragraph (bb) of Schedule D;

"**Company Employees**" means the officers and other employees of the Company or of any of its Subsidiaries;

"**Company Financial Statements**" has the meaning ascribed thereto in paragraph (p) of Schedule D;

"**Company Independent Committee**" means the independent committee of the Company Board comprised of three independent directors (within the meaning of applicable Canadian Securities Laws) of the Company;

"**Company Information Circular**" means the notice of the Company Shareholders' Meeting to be sent to the Company Shareholders and the management information circular to be prepared in connection with the Company Shareholders' Meeting, together with any amendment thereto or supplements thereof;

"**Company MTIP**" means the Company's Mid-Term Incentive Plan;

"**Company MTNs**" means, collectively, (a) the $300 million principal amount of 4.26% medium term notes, series 1 of the Company due December 5, 2028, and (b) the $250 million principal amount of 3.15% medium term notes, series 2 of the Company due April 6, 2026;

"**Company Share Option Plan**" means the Company's Share Option Plan;

"**Company Share Options**" means share options to purchase Company Common Shares granted pursuant to the Company Share Option Plan;

"**Company Shareholders**" means the holders of the Company Common Shares;

"**Company Shareholders' Meeting**" means the special meeting of the Company Shareholders, including any adjournment or postponement thereof, that is convened as provided by the Interim Order to consider, and if deemed advisable approve, the Arrangement Resolution;

"**Company Termination Fee**" and "**Company Termination Fee Event**" have the respective meanings ascribed thereto in Section 8.3(b);

"**Competition Act**" means the *Competition Act* (Canada);

"**Competition Act Approval**" means, in respect of the Arrangement, the occurrence of one of the following:

(a) the receipt of an advance ruling certificate under subsection 102(1) of the Competition Act; or

(b) (i) the applicable waiting period under subsection 123(1) of the Competition Act, and any extension thereof, shall have expired or shall have been terminated under subsection 123(2) of the Competition Act, or the obligation to submit a notification under Part IX of the Competition Act shall have been waived by the Commissioner

pursuant to paragraph 113(c) of the Competition Act, and (ii) the Commissioner shall have advised the Parties in writing that the Commissioner does not, at that time, intend to make an application under section 92 of the Competition Act, and such advice shall remain in full force and effect;

"**Confidentiality Agreement**" means the Confidentiality Agreement dated August 17, 2019 between the Public Sector Pension Investment Board and the Company;

"**Court**" means the Court of Queen's Bench of Alberta;

"**Data Room**" means the electronic data room, as existing as of the date of this Agreement, and made available by the Company to the Purchaser in connection with the Arrangement;

"**Designation Regulation**" means, collectively, the *Public Utilities Designation Regulation* (Alberta) and the *Gas Utilities Designation Regulation* (Alberta);

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA;

"Dissent Rights" means the rights of dissent provided for in Article 3 of the Plan of Arrangement;

"**Effective Date**" means the date shown on the Certificate giving effect to the Arrangement;

"**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date;

"**Employee Plans**" has the meaning ascribed thereto in paragraph (bb) of Schedule D;

"**Encumbrance**" includes any mortgage, pledge, collateral assignment, charge, lien, security interest, adverse interest in property, other third party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"**Environmental Laws**" means, with respect to any Person or its business, activities, property, assets or undertakings, all Laws, including the common law, relating to environmental or health and safety matters in the jurisdictions applicable to such Person or its business, activities, property, assets or undertakings, including legislation governing the reduction of greenhouse gas emissions and the use, transportation, storage and release of Hazardous Substances;

"**Equity Commitment Letters**" has the meaning specified in paragraph (f)(i) of Schedule C;

"**Equity Financings**" has the meaning specified in paragraph (f)(i) of Schedule C;

"**Executive Officers**" has the meaning ascribed thereto in Section 1.9;

"**Final Order**" means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal;

"**GAAP**" means generally accepted accounting principles in the United States;

"**Governmental Entity**" means any: (a) multinational, federal, provincial, territory, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency, including the AUC and the BCUC; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body (including any securities commission or similar regulatory authority) exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) the TSX;

"**Governmental Licenses**" has the meaning ascribed thereto in paragraph (x) of Schedule D;

"**GUA**" means the *Gas Utilities Act* (Alberta);

"**Hazardous Substances**" means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws;

"**Intellectual Property**" has the meaning ascribed thereto in paragraph (gg) of Schedule D;

"**Interim Order**" means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Shareholders' Meeting, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably);

"**Investment Canada Act**" means the *Investment Canada Act*;

"**Key Regulatory Approvals**" means the Competition Act Approval, the AUC Approval and the BCUC Approval;

"**Laws**" means all laws, by-laws, statutes, rules, regulations, principles of law, decisions, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity (including the TSX) or self-regulatory authority; and the term "applicable" with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Persons or its business, undertaking, property or securities and emanate from a Person having

jurisdiction over the Person or Persons or its or their business, undertaking, property or securities; and "**Laws**" includes Environmental Laws and Canadian Securities Laws;

"**Material Adverse Change**" or "**Material Adverse Effect**" means, with respect to the Company and its Subsidiaries, taken as a whole, any fact or state of facts, circumstance, change, effect, occurrence or event which, either individually is or in the aggregate are, or individually or in the aggregate would reasonably be expected to be, material and adverse to the business, operations, results of operations, properties, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, except to the extent of any fact or state of facts, circumstance, change, effect, occurrence or event resulting from or arising in connection with:

(a) any matter or prospective matter which has, at or prior to the date hereof, been expressly publicly disclosed by the Company or has been expressly disclosed in writing to the Purchaser or its Representatives in the Company Disclosure Letter or is expressly disclosed in a document made available in the Data Room, in each case, other than any disclosures that are cautionary in nature, such as risk factors (it being understood that any change relating to any matter so disclosed may be taken into account in determining whether a Material Adverse Effect has occurred);

(b) the failure of the Company to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics before, on or after the date of this Agreement (provided, however, that the causes underlying such failure may be considered to determine whether a Material Adverse Effect has occurred);

(c) conditions affecting the business in which the Company operates, including (i) the natural gas or electric power distribution and transmission industry, (ii) natural gas or electric distribution and transmission systems, (iii) wholesale or retail markets for natural gas or electric power, or (iv) the renewable power industry (together, the "**Relevant Business**");

(d) changes in Laws (including Tax Laws) or any change in GAAP or regulatory accounting requirements applicable to the Relevant Business;

(e) any change in (i) global, national or regional political conditions (including the outbreak of war or acts of terrorism), (ii) general economic, business, regulatory, or market conditions or (iii) national or global financial or capital markets or commodity markets (including interest rates, exchange rates or natural gas prices or electricity rates);

(f) any natural disaster or weather event;

(g) any changes in the trading price or trading volumes of any listed securities of the Company or any credit rating downgrade, negative outlook, watch or similar event relating to the Company, any of its Subsidiaries or any of its securities

(provided, however, that the causes underlying such change, downgrade, outlook watch or similar event may be considered to determine whether a Material Adverse Effect has occurred);

(h) any actions taken (or omitted to be taken) at the written request or with the prior written consent of the Purchaser; or

(i) the announcement of this Agreement or any action taken by the Company or any of its Subsidiaries that is required pursuant to this Agreement (including any steps taken pursuant to Section 5.4 to obtain any Regulatory Approvals, but excluding any obligation to act in the ordinary course of business);

provided, however, that (i) with respect to paragraphs (c), (d), (e) and (f), such matter does not have a materially disproportionate effect on the Company and its Subsidiaries, taken as a whole, relative to comparable entities operating in the Relevant Business, in which case, for the relevant exclusion from this definition of "Material Adverse Change" or "Material Adverse Effect" referred to in paragraphs (c), (d), (e) and (f) such matter shall be taken into account in determining whether a "Material Adverse Change" or "Material Adverse Effect" has occurred only to the extent such matter has a materially disproportionate effect on the Company and its Subsidiaries, taken as a whole, when compared to other participants in the Relevant Business, (ii) the determination as to whether a "Material Adverse Change" or "Material Adverse Effect" has occurred shall take into consideration any third party, insurance or other indemnities, contributions or proceeds that the Company or its Subsidiaries receive, or are reasonably entitled to receive, in connection with such matters, and (iii) references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a "Material Adverse Change" or a "Material Adverse Effect" has occurred;

"**Misrepresentation**" means any untrue statement of a material fact or any omission to state a material fact required to be stated or necessary to make a statement, in light of the circumstances in which they are made, not misleading;

"**Money Laundering Laws**" has the meaning ascribed thereto in paragraph (ii)(ii) of Schedule D;

"**NI 62-104**" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*;

"**Non-Controlled Entities**" means, collectively, Northwest Hydro GP Inc., Northwest Hydro Limited Partnership, Coast Mountain Renewable Energy Inc., Coast Mountain Renewable Energy #2 Inc., Coast Mountain Hydro Corp., Coast Mountain Hydro Limited Partnership and Inuvik Gas Ltd.;

"**Outside Date**" means July 21, 2020, subject to the right of either Party to postpone the Outside Date for up to an additional 90 days (in 30-day increments) in aggregate for all extensions if a Key Regulatory Approval has not been obtained, by giving written notice to the other Party to such effect no later than 5:00 p.m. on the date that is not less than five days prior to the original Outside Date (and any subsequent Outside Date), or such later

date as may be agreed to in writing by the Parties; provided that, notwithstanding the foregoing, no Party shall be permitted to postpone the Outside Date if the failure to obtain a Key Regulatory Approval is primarily the result of such Party's failure to comply with its covenants with respect to obtaining such Key Regulatory Approval herein;

"**Parties**" means the Purchaser and the Company, and "**Party**" means either one of them;

"**Permitted Encumbrances**" means: (a) Encumbrances specifically disclosed in the Company Disclosure Letter; (b) Encumbrances which are registered on the date hereof at the applicable land registry office or land title office encumbering the real property interest forming part of the Purchased Business, easements, rights of way, servitudes, restrictions, licenses or other similar rights, including, without limitation, rights of way for highways, railways, sewers, drains, gas or oil pipelines, gas or water mains, electric light, power, telephone or cable television towers, poles, wires and similar rights in real property or any interest therein, provided the same are not of such nature as to materially adversely affect the use of the property subject thereto; (c) the regulations and any rights reserved to or vested in any municipality or governmental, statutory or public authority to levy Taxes or to control or regulate the Company's or any of its Subsidiaries' interests in any manner; (d) indigenous land claims (whether or not proven); (e) undetermined or inchoate Encumbrances incurred or created in the ordinary course of business as security for the Company's or any of its Subsidiaries' share of the costs and expenses of the development or operation of any of its assets, which costs and expenses are not delinquent as of the Effective Time or are being contested in good faith; (f) undetermined or inchoate mechanics' liens and similar liens for which payment for services rendered or goods supplied is not delinquent as of the Effective Time or is being contested in good faith; (g) Encumbrances granted in the ordinary course of business respecting operations pertaining to the Relevant Business; (h) Encumbrances for Taxes, assessments and governmental charges that are not due and payable or delinquent or are being contested in good faith; (i) terms and conditions of material contracts in respect of the Purchased Business; (j) any Encumbrances under the Company Credit Facilities or other borrowing arrangements; (k) such other defects, encroachments, irregularities or imperfections of title or Encumbrances that do not materially affect the use of the properties or assets subject thereto or attached thereby or otherwise materially impair the Relevant Business operations conducted on such properties; (l) the reservations, limitations, provisos and conditions, if any, expressed in any original grants of land by a Governmental Entity and any statutory limitations, exceptions, reservations and qualifications with respect to any real property; and (m) applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing agreements, cost sharing reciprocal agreements and building and zoning restrictions and other similar agreements relating to the property then being referred to that do not materially affect the use of such property including the posting of any required security for performance of obligations thereunder;

"**Person**" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity);

"**Plan of Arrangement**" means the plan of arrangement substantially in the form set forth in Schedule A hereto and any amendments or variations thereto made in accordance with Section 9.1 hereof or Article 5 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of the Purchaser and the Company, each acting reasonably;

"**PPA Consent**" means the consent of BC Hydro to the Arrangement, as required pursuant to the terms of the Electricity Purchase Agreement dated August 31, 2006 between Bear Mountain Wind Limited Partnership and BC Hydro, as amended by amending agreements dated June 30, 2007, July 21, 2009, October 24, 2010 and October 24, 2012;

"**Pre-Acquisition Reorganization**" has the meaning ascribed thereto in Section 5.9(a);

"**Purchased Business**" means the business and operations (including undertakings, property, assets, rights and interests) of: (a) the Company, AltaGas Utility Group Inc., AltaGas Utility Holdings Inc., Utility Group Facilities Inc., AltaGas Utilities Inc., Heritage Gas Limited, Bear Mountain Wind Power Corporation, AltaGas Canadian Energy Holdings Ltd. and AltaGas Canadian Energy Holdings GP Ltd., each a corporation existing under the CBCA; (b) AltaGas Utility Holdings (Nova Scotia) Inc., a corporation existing under the laws of Nova Scotia; (c) Pacific Northern Gas Ltd., PNG Marketing Ltd. and Pacific Northern Gas (N.E.) Ltd., each a corporation existing under the laws of British Columbia; (d) Bear Mountain Wind Limited Partnership, a limited partnership existing under the laws of British Columbia; and (e) AltaGas Canadian Energy Holdings Limited Partnership, a limited partnership existing under the laws of Ontario;

"**Purchaser**" has the meaning ascribed thereto in the recitals hereof;

"**Purchaser Information**" means the information regarding the Purchaser required to be included in the Company Information Circular, or included in the Company Information Circular at the written request of the Purchaser;

"**Purchaser Termination Fee**" has the meaning ascribed thereto in Section 8.3(d);

"**Purchaser Termination Fee Event**" has the meaning ascribed thereto in Section 8.3(d);

"**Receiving Party**" has the meaning ascribed thereto in Section 6.4;

"**Regulatory Approvals**" means the Key Regulatory Approvals and any other consent, waiver, permit, permission, exemption, review, order, decision or approval of, or any registration and filing with or withdrawal of any objection or successful conclusion of any litigation brought by, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity or pursuant to a written agreement between the Parties and a Governmental Entity to refrain from consummating the Arrangement, in each case required or advisable under Laws or that the Parties agree to obtain in connection with the Arrangement;

"**Relevant Business**" has the meaning set forth in the definitions of "Material Adverse Change" and "Material Adverse Effect" in this Agreement;

"**Representatives**" means the officers, directors, employees, financial advisors, legal counsel, accountants and other agents and representatives of a Party;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Specified Lender Consent**" has the meaning ascribed thereto in Section 5.4(a)(i);

"**Sponsors**" means Public Sector Pension Investment Board and ATRF INF (DB) Ltd.;

"**Subsidiary**" has the meaning set forth in the *Securities Act* (Alberta);

"**Superior Proposal**" means an unsolicited written bona fide Acquisition Proposal made after the date hereof by a Person (other than the Purchaser or its affiliates) to acquire not less than all of the Company Common Shares or not less than all or substantially all of the consolidated assets of the Company:

(a) that complies with applicable Laws and did not result from or involve a breach of Section 7.1;

(b) that is not subject to a financing condition and in respect of which any funds or other consideration necessary to complete such Acquisition Proposal have been demonstrated to the satisfaction of the Company Board, acting in good faith (after consultation with its financial advisor(s) and outside legal counsel) to have been obtained or are reasonably likely to be obtained to fund completion of such Acquisition Proposal at the time and on the basis set out therein;

(c) that is not subject to a due diligence or access condition;

(d) in respect of which the Company Board has determined, in good faith, after consultation with its financial advisor(s) and outside legal counsel, would or would be reasonably likely to, if consummated in accordance with its terms and without assuming away the risk of non-completion, result in a transaction more favourable, from a financial point of view, for the Company Shareholders than the transaction contemplated by this Agreement (including after considering the proposal to adjust the terms and conditions of the Arrangement as contemplated in Section 7.1(c)); and

(e) that the Company Board has determined, in good faith, after consultation with its financial advisor(s) and outside legal counsel, is reasonably capable of being completed at the time and on the terms proposed, without undue delay and taking into account all legal, financial, regulatory (including with respect to the Competition Act, the AUC Approval, the BCUC Approval and any approval required under the Investment Canada Act to the extent applicable) and other aspects of such Acquisition Proposal and the Person or group of Persons making such proposal;

"**Tax**" or "**Taxes**" means all taxes, however denominated, together with any interest, penalties or other additions that may become payable in respect thereof, imposed by any

Governmental Entity, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including federal, provincial and state income taxes), capital taxes, payroll and employee withholding taxes, gasoline and fuel taxes, employment insurance, social insurance taxes (including Canada Pension Plan payments), sales and use taxes (including goods and services, harmonized sales and provincial or territorial sales tax), *ad valorem* taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, carbon taxes, transfer taxes, workers' compensation premiums or charges, pension assessment and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which one of the Parties or any of its Subsidiaries is required to pay, withhold or collect;

"**Tax Act**" means the *Income Tax Act* (Canada);

"**Tax Returns**" means any and all reports, estimates, elections, designations, forms, declarations of estimated Tax, information statements and returns relating to, or required to be filed in connection with any Taxes, including amendment thereof, and whether in tangible or electronic form;

"**TD Securities**" means TD Securities Inc., financial advisor to the Company Independent Committee;

"**TD Securities Opinion**" means an opinion from TD Securities to the effect that, as of the date of such opinion and based on and subject to the assumptions, limitations, qualifications and other matters set forth therein, the consideration to be received by holders of the Company Common Shares pursuant to this Agreement is fair, from a financial point of view, to such holders;

"**Termination Notice**" and "**Terminating Party**" have the respective meanings ascribed thereto in Section 6.4;

"**Third Party Beneficiaries**" has the meaning ascribed thereto in Section 9.9;

"**TSX**" means The Toronto Stock Exchange; and

"**UCA**" means the *Utilities Commission Act* (British Columbia).

1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, subsections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

1.3 Article References

Unless the contrary intention appears, references in this Agreement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Agreement.

1.4 Number and Gender

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa; and words importing gender shall include all genders.

1.5 Date for Any Action

If the date on which any action is required to be taken hereunder by a Party is not a business day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a business day in such place.

1.6 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

1.7 Schedules

The following Schedules annexed to this Agreement, being:

Schedule A	-	Plan of Arrangement
Schedule B	-	Form of Arrangement Resolution
Schedule C	-	Representations and Warranties of the Purchaser
Schedule D	-	Representations and Warranties of the Company

are incorporated by reference into this Agreement and form a part hereof.

1.8 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under, and all determinations of an accounting nature required to be made shall be made in a manner consistent with, GAAP.

1.9 Knowledge

In this Agreement, references to "to the knowledge of" means the actual knowledge of the Executive Officers of the Company after reasonable inquiry, and such Executive Officers shall make such inquiry as is reasonable in the circumstances. For purposes of this Section 1.9, "**Executive Officers**" means the Company's President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, General Counsel and Corporate Secretary, and Executive Vice President Utility Operations and President of PNG.

1.10 Non-Controlled Entities

Notwithstanding any other provision of this Agreement:

(a) the representations and warranties contained in this Agreement with respect to the Non-Controlled Entities are given by the Company only to the knowledge of the Executive Officers, except for the representations and warranties given

respecting the Company's direct or indirect ownership and the Company's rights and obligations in respect of the applicable Non-Controlled Entities; and

(b) the covenants of the Company contained in this Agreement shall not extend to the Non-Controlled Entities; provided, *however*, except as expressly stated in this Agreement, that if an issue, event or circumstance relating to any of the Non-Controlled Entities arises, which issue would be the subject matter of any of the covenants contained in this Agreement but for the fact that the covenants do not extend to the Non-Controlled Entities, then, subject to any applicable Laws, applicable fiduciary duties or contractual obligations (other than under this Agreement), the Company or its applicable Subsidiary (which, for greater certainty, does not include the Non-Controlled Entities in this context) shall use commercially reasonable efforts to comply with such covenant, including by voting its voting interests in the relevant Non-Controlled Entity in respect of such issue, event or circumstance consistent with complying with the relevant covenant as though such covenant did extend to the relevant Non-Controlled Entity.

1.11 Other Definitional and Interpretive Provisions

(a) References in this Agreement to the words "include", "includes" or "including" shall be deemed to be followed by the words "without limitation" whether or not they are in fact followed by those words or words of like import.

(b) A reference to time in this Agreement shall be to Calgary time, unless otherwise specified; and Calgary time shall refer to Mountain Standard Time or Mountain Daylight Savings Time during the respective intervals in which each is in force in Alberta.

(c) Any capitalized terms used in any exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement.

(d) References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. Any reference in this Agreement to a Person includes the heirs, administrators, executors, legal personal representatives, predecessors, successors and permitted assigns of that Person.

(e) Where a term is defined herein, a capitalized derivative of that term shall have a corresponding meaning unless the context otherwise requires.

(f) References to a statute or Law shall be a reference to: (i) that statute or Law as amended or re-enacted from time to time and every statute or Law that may be substituted therefor; and (ii) the rules, regulations, bylaws, other subsidiary legislation and published policies or notices made pursuant to that statute or Law.

(g) The term "made available" means that copies of the subject materials were included in the Data Room at 8:00 a.m. on the day that immediately precedes the

date of this Agreement, and an index of the contents of the Data Room at such time shall be appended to the Company Disclosure Letter.

ARTICLE 2
THE ARRANGEMENT

2.1 The Arrangement

The Purchaser and the Company shall proceed to effect a plan of arrangement under Section 192 of the CBCA pursuant to which, on the Effective Date, on the terms contained in the Plan of Arrangement and among other things, each holder of Company Common Shares (other than those Company Common Shares in respect of which the holder thereof has validly exercised Dissent Rights) shall receive, for each Company Common Share, a cash amount equal to the Company Common Share Consideration.

2.2 Company Approval

The Company represents and warrants to the Purchaser that:

(a) based in part on the unanimous recommendation of the Company Independent Committee, the Company Board has unanimously determined that:

(i) the Arrangement is fair to the Company Shareholders;

(ii) the Arrangement and entry into this Agreement are in the best interests of the Company; and

(iii) it will unanimously recommend that the Company Shareholders vote in favour of the Arrangement; and

(b) the Company Board has received the TD Securities Opinion and the Beacon Securities Opinion.

2.3 Obligations of the Company

Subject to the terms and conditions of this Agreement, in order to facilitate the Arrangement, the Company shall take all actions and do all things necessary or desirable, in accordance with all applicable Laws, to:

(a) as soon as reasonably practicable, make and diligently prosecute an application to the Court for the Interim Order in respect of the Arrangement;

(b) in accordance with the terms of and the procedures contained in the Interim Order, duly call, give notice of, convene and hold the Company Shareholders' Meeting as promptly as practicable, and in any event not later than January 10, 2020 and with a record date as soon as reasonably practicable after the date hereof, to hold a vote upon the Arrangement Resolution and any other matters as may be properly brought before such meeting;

(c) consult with the Purchaser in fixing the date of the Company Shareholders' Meeting and the record date for the Company Shareholders' Meeting, and give notice to the Purchaser of the Company Shareholders' Meeting and allow the Purchaser's Representatives and legal counsel to attend the Company Shareholders' Meeting;

(d) subject to compliance by the Company directors and officers with their fiduciary duties, use commercially reasonable efforts to solicit proxies of the Company Shareholders in favour of the Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement, including, if so requested by the Purchaser, at the Purchaser's expense, using proxy solicitation services firms and cooperating with any Persons engaged by the Purchaser to solicit proxies in favour of the approval of the Arrangement Resolution;

(e) permit the Purchaser to, at the Purchaser's expense, directly or through a proxy solicitation services firm, actively solicit proxies in favour of the Arrangement on behalf of management of the Company in compliance with applicable Law, and disclose in the Company Information Circular that the Purchaser may make such solicitations;

(f) subject to obtaining the approvals as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take all steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order as soon as reasonably practicable (and in any event within three business days of obtaining the approvals); and

(g) file the Articles of Arrangement with the Director upon satisfaction or waiver of the conditions set forth in Article 6, as provided for in Section 2.8.

Subject to receipt of the Purchaser Information, the Company shall prepare the Company Information Circular and related materials as soon as practicable following the date of this Agreement, and shall print and mail, directly and indirectly, the Company Information Circular to the Company Shareholders as soon as practicable following the receipt of the Interim Order. The Company shall give the Purchaser and its legal counsel a reasonable opportunity to review and comment on the drafts of the Company Information Circular and other related documents, and shall give reasonable consideration to any comments made by the Purchaser and its legal counsel relating to the disclosure contained therein, and agrees that all Purchaser Information included in the Company Information Circular must be in content satisfactory to the Purchaser, acting reasonably. As of the date the Company Information Circular is first mailed to the Company Shareholders and the date of any Company Shareholders' Meeting, the Company Information Circular shall (a) be complete and correct in all material respects and not contain any Misrepresentations, (b) contain the unanimous recommendation of the Company Board that the Company Shareholders vote in favour of the Arrangement Resolution, and (c) comply in all material respects with the Interim Order and all applicable Laws. The Company agrees to promptly correct any information (other than the Purchaser Information) in the Company Information Circular which shall have become false or misleading at any time prior to the

Company Shareholders' Meeting. Without limiting the generality of the foregoing, the Company shall ensure that the Company Information Circular provides the Company Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Company Shareholders' Meeting, including (a) the unanimous recommendation of the Company Board that the Company Shareholders vote in favour of the Arrangement Resolution, (b) a copy of the TD Securities Opinion, and (c) a copy of the Beacon Securities Opinion.

2.4 Interim Order

The application referred to in Section 2.3(a) shall request that the Interim Order provide, among other things:

(a) for the classes of Persons to whom notice is to be provided in respect of the Arrangement and the Company Shareholders' Meeting and for the manner in which such notice is to be provided;

(b) that the requisite approval for the Arrangement Resolution to be placed before the Company Shareholders shall be 66 2/3% of the votes cast on the Arrangement Resolution by the Company Shareholders present in person or by proxy at the Company Shareholders' Meeting (such that each Company Shareholder is entitled to one vote for each Company Common Share held);

(c) for the grant of Dissent Rights as set forth in the Plan of Arrangement;

(d) that the Company Shareholders' Meeting may be adjourned or postponed from time to time by the Company in accordance with the terms of this Agreement without the need for additional approval of the Court;

(e) that the record date for the Company Shareholders entitled to notice of and to vote at the Company Shareholders' Meeting will not change in respect of any adjournment(s) or postponement(s) of the Company Shareholders' Meeting, unless required by Law;

(f) that, in all other material respects, the terms, restrictions and conditions of the constating documents of the Company, including quorum requirements and all other matters, shall apply in respect of the Company Shareholders' Meeting;

(g) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and

(h) for such other matters as the Parties may agree in writing, each acting reasonably.

2.5 Conduct of the Company Shareholders' Meeting

(a) Subject to the terms of this Agreement and the Interim Order, the Company agrees to convene and conduct the Company Shareholders' Meeting in accordance with its constating documents and applicable Laws and the Interim Order, and agrees

not to propose to adjourn or postpone the meeting without the prior consent of the Purchaser, acting reasonably:

(i) except as required for quorum purposes (in which case the meeting shall be adjourned and not cancelled) or by applicable Law or by a Governmental Entity;

(ii) except as permitted under Section 6.4 or Section 7.1(c); or

(iii) except for an adjournment, with prior consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed) for the purpose of attempting to obtain the requisite approval for the Arrangement Resolution.

(b) Notwithstanding the receipt by the Company of a Superior Proposal in accordance with Section 7.1, unless otherwise agreed to in writing by the Purchaser or this Agreement is terminated in accordance with its terms or except as required by applicable Law or by a Governmental Entity, the Company shall continue to take all steps reasonably necessary to hold the Company Shareholders' Meeting and to cause the Arrangement Resolution to be voted on at the Company Shareholders' Meeting and shall not propose to adjourn or postpone the Company Shareholders' Meeting other than as contemplated by Section 2.5(a).

(c) The Company shall advise the Purchaser as reasonably requested, and on a daily basis on each of the last seven business days prior to the date of the Company Shareholders' Meeting, as to the aggregate tally of the proxies and votes received in respect of such meeting and all matters to be considered at such meeting.

(d) The Company shall advise the Purchaser of any communication (written or oral) received after the date of this Agreement from any securityholder of the Company or other Person in opposition to the Arrangement Resolution or any written notice of dissent, purported dissent exercise or withdrawal of Dissent Rights by a holder of the Company Common Shares, and written communications sent by or on behalf of the Company to any such holder exercising or purporting to exercise Dissent Rights.

(e) The Company shall not make any payment or settlement offer, or agree to any payment or settlement prior to the Effective Time with respect to the Dissent Rights without the prior written consent of the Purchaser, acting reasonably.

2.6 Court Proceedings

The Company will provide the Purchaser and its legal counsel with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, including by providing on a timely basis a description of any information required to be supplied by the Purchaser for inclusion in such material, prior to the service and filing of that material, and will accept the reasonable comments of the Purchaser and its legal counsel with respect to any such information required to be supplied by the Purchaser

and included in such material and any other matters contained therein. The Company will ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, the Company will not object to legal counsel to the Purchaser making submissions on the application for the Interim Order and the application for the Final Order as such counsel considers appropriate, provided such submissions are consistent with this Agreement and the Plan of Arrangement. The Company will also provide legal counsel to the Purchaser on a timely basis with copies of any notice and evidence served on the Company or its legal counsel in respect of the application for the Interim Order or Final Order or any appeal therefrom. Subject to applicable Laws, the Company will not file any material with, or make any submissions to, the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated hereby or with the Purchaser's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that nothing herein shall require the Purchaser to agree or consent to any increased purchase price or other consideration or other modification or amendment to such filed or served materials that expands or increases the Purchaser's obligations set forth in any such filed or served materials or under this Agreement. The Company shall oppose any proposal from any Person that would result in the Interim Order or Final Order containing any provision that is inconsistent with this Agreement. Subject to the terms of this Agreement, the Purchaser shall use commercially reasonable efforts to cooperate with and assist the Company in seeking the Interim Order and the Final Order, including by providing to the Company, on a timely basis, any information reasonably required to be supplied by the Purchaser in connection therewith.

2.7 Treatment of Company Share Options and Company Awards

(a) The Parties acknowledge that the Arrangement will result in a "Change of Control" under the Company Share Option Plan and the Company MTIP and that vesting of all of the outstanding Company Share Options and Company Awards will, subject to the receipt of all necessary Regulatory Approvals, be accelerated and that all such Company Share Options and Company Awards will become exercisable or vested, as applicable, prior to the Effective Date, conditional upon consummation of the Arrangement, and that the Company and the Company Board may take all such actions as are necessary or desirable to effect the foregoing.

(b) Other than in respect of payments to be made in respect of the Company DSUs, the Company Share Options or the Company Awards pursuant to the Plan of Arrangement as set forth in the Company Disclosure Letter or as otherwise set forth in the Company Disclosure Letter, there is no accelerated vesting or payout of any options, awards or any other securities of the Company nor are there any change of control, severance, separation or similar payments triggered under any executive employment or change of control agreements applicable to any officers, employees, consultants or directors of the Company or any of its Subsidiaries solely as a result of the completion of the Arrangement.

(c) Under the Plan of Arrangement, (i) all Company Share Options will be transferred and surrendered to the Company and the holders thereof will, subject to any Tax

withholding and remitting obligations of the Company under the Tax Act as further described in Section 2.7(d), receive for each Company Share Option an amount equal to the product of: (A) the amount by which the Company Common Share Consideration exceeds the exercise price per Company Common Share of such Company Share Option; and (B) the number of Company Common Shares into which such Company Share Option is exercisable; provided that in the event the foregoing calculation would result in a product less than $0.01, the consideration to be received in respect of such Company Share Option shall be $0.01 and (ii) all Company Awards and Company DSUs will be transferred and surrendered to the Company and the holders thereof will, subject to any Tax withholding and remitting obligations of the Company under the Tax Act as further described in Section 2.7(d), receive for each Company Award and Company DSU an amount equal to the Company Common Share Consideration.

(d) The Company shall comply with any withholding obligations of Taxes pursuant to the Tax Act or other applicable Laws from any amounts paid in connection with the settlement of any Company DSUs, Company Share Options and Company Awards (whether pursuant to this Section 2.7 or otherwise) or otherwise paid in respect of obligations to the Company Employees and the Company directors, and the Company shall deliver the consideration for the foregoing net of such amounts to the Company Employees, the Company directors, holders of the Company DSUs, the Company Share Options and the Company Awards, as applicable. Any such amounts deducted, withheld and remitted by the Company will be treated for all purposes under this Agreement as having been paid to the Company Employees, the Company directors, holders of the Company DSUs, the Company Share Options and the Company Awards, as applicable, in respect of which such deduction, withholding and remittance was made; provided that such deducted and withheld amounts are actually remitted to the appropriate Governmental Entity.

(e) The Parties acknowledge that no deduction will be claimed by the Company (nor any Person not dealing at arm's length with the Company) in respect of any payment made to a holder of Company Share Options in respect of the Company Share Options pursuant to the Plan of Arrangement in computing the Company's taxable income under the Tax Act, and the Company shall, and the Purchaser shall cause the Company to: (i) make an election pursuant to subsection 110(1.1) of the Tax Act in respect of the cash payments made to each holder of Company Share Options in exchange for the surrender of such holder's Company Share Options, and (ii) provide evidence in writing of such election to such holders of the Company Share Options in the manner required under the Tax Act.

2.8 Effective Date

The Arrangement shall become effective at the Effective Time. Upon issuance of the Final Order and subject to the satisfaction or waiver of the conditions precedent in Article 6, each of the Parties shall, as soon as practicable, execute and deliver such closing documents and instruments and the Company shall proceed to file the Articles of Arrangement, the Final Order

and such other documents as may be required to give effect to the Arrangement with the Director pursuant to the CBCA no later than the fifth business day following the satisfaction or waiver of such conditions precedent (other than the conditions precedent that by their terms are to be satisfied as of the Effective Date) or such other date as agreed to in writing by the Purchaser and the Company, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any further act or formality.

2.9 Tax Matters

The Purchaser and the Company shall be entitled to deduct and withhold from any amount otherwise payable to any Company securityholder and, for greater certainty, from any amount payable to a Company Shareholder who has validly exercised, and not withdrawn, Dissent Rights, as the case may be, under the Plan of Arrangement such amounts as the Purchaser or the Company, as the case may be, is required or reasonably believes is required to deduct and withhold from such consideration in accordance with applicable Laws. Any such amounts will be deducted, withheld and remitted from the consideration payable pursuant to the Plan of Arrangement and shall be treated for all purposes as having been paid to the Company securityholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Governmental Entity.

2.10 Shareholder Communications

Each Party agrees to co-operate with the other Party and, if requested by the other Party, participate in presentations to securityholders of the Company or other stakeholders of the Company, as applicable, regarding the Arrangement. Each Party shall seek prior consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed, prior to the making of any presentations regarding the Arrangement and shall promptly advise, consult and co-operate with the other Party in issuing any press releases or otherwise making public statements with respect to this Agreement or the Arrangement and in making any filing with any Governmental Entity or with any stock exchange, including the TSX, with respect thereto. Each Party shall use commercially reasonable efforts to enable the other Party to review and comment on all such press releases and filings prior to the release or filing thereof; provided, however, that the foregoing shall be subject to such Party's overriding obligation to make disclosure in accordance with applicable Laws, and if such disclosure is required and the other Party has not reviewed or commented on the disclosure, such Party shall use commercially reasonable efforts to, if legally permissible, give prior oral or written notice to the other Party, and if such prior notice is not possible, to, if legally permissible, give such notice immediately following the making of such disclosure or filing. For the avoidance of doubt, nothing in this Section 2.10 shall require a notice by the Company or its affiliates to the Purchaser or the Purchaser's prior consent in connection with, or prevent the Company or any of its affiliates from, (a) issuing any press releases or otherwise making public statements with respect to this Agreement or the Arrangement, or (b) making internal announcements or presentations to employees and having discussions with their respective securityholders, financial analysts or other stakeholders, in each case so long as such statements and announcements are consistent with the press releases, public disclosures or public statements previously made by the Parties.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

3.1 Representations and Warranties

The Purchaser hereby makes to the Company the representations and warranties set forth in Schedule C hereto and acknowledges that the Company is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the Arrangement.

3.2 Survival of Representations and Warranties

The representations and warranties of the Purchaser contained in this Agreement shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated, provided that such termination of this Agreement shall not affect any claim arising from a fraudulent, wilful or intentional prior breach of any such representations or warranties.

3.3 Disclaimer of Additional Representations and Warranties

The Company agrees and acknowledges that, except as expressly set forth in Schedule C, neither the Purchaser nor any other Persons on behalf of the Purchaser makes any representation or warranty, express or implied, at Law or in equity, with respect to the Purchaser and any such other representations or warranties are expressly disclaimed. Without limiting the generality of the foregoing, the Purchaser expressly disclaims any representation or warranty that is not set forth in Schedule C.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

4.1 Representations and Warranties

Except as disclosed in the applicable section or subsection of the Company Disclosure Letter (it being understood that any information set forth in one section or subsection of the Company Disclosure Letter shall be deemed to apply to and qualify the representation and warranty set forth in this Agreement to which it corresponds in number and each other representation and warranty set forth in Schedule D hereto for which it is reasonably apparent on its face that such information is relevant to such other section), the Company hereby makes to the Purchaser the representations and warranties set forth in Schedule D hereto, and acknowledges that the Purchaser is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the Arrangement.

4.2 Survival of Representations and Warranties

The representations and warranties of the Company contained in this Agreement shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated, provided that such termination of this Agreement shall not affect any claim arising from a fraudulent, wilful or intentional prior breach of any such representations or warranties.

4.3 Disclaimer of Additional Representations and Warranties

The Purchaser agrees and acknowledges that, except as expressly set forth in Schedule D, neither the Company nor any other Persons on behalf of the Company makes any representation or warranty, express or implied, at Law or in equity, with respect to the Company and any such other representations or warranties are expressly disclaimed. Without limiting the generality of the foregoing, the Company expressly disclaims any representation or warranty that is not set forth in Schedule D.

ARTICLE 5
COVENANTS AND ADDITIONAL AGREEMENTS

5.1 Covenants of the Purchaser

The Purchaser covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, unless otherwise: (i) consented to in writing by the Company (such consent to be subject to applicable Law and not be unreasonably withheld, conditioned or delayed); (ii) required by applicable Laws; (iii) required or expressly permitted or specifically contemplated by this Agreement or the Arrangement; or (iv) disclosed to the Company in writing on or prior to the date hereof:

(a) subject to Section 5.4 which shall govern in respect of the Regulatory Approvals, the Purchaser will make all necessary filings and applications under applicable Laws, including Canadian Securities Laws, required to be made on the part of the Purchaser in connection with the transactions contemplated herein and shall take all reasonable actions necessary to be in compliance with such applicable Laws;

(b) the Purchaser shall prepare and furnish to the Company the Purchaser Information and shall ensure that, as of the date the Company Information Circular is first mailed to the Company Shareholders and the date of any Company Shareholders' Meeting, the Purchaser Information shall (i) be complete and correct in all material respects and not contain any Misrepresentations, and (ii) comply in all material respects with all applicable Laws. The Purchaser shall promptly correct any Purchaser Information which shall have become false or misleading at any time prior to the Company Shareholders' Meeting;

(c) the Purchaser will arrange the Equity Financings on the terms and conditions described in the Equity Commitment Letters and, without limiting the foregoing, the Purchaser will:

(i) maintain in effect the Equity Commitment Letters until the termination thereof in accordance with their terms;

(ii) enforce the obligations of the Sponsors under the Equity Commitment Letters in the event of a breach of obligations thereunder that would adversely impact the ability or likelihood of the Purchaser complying with its obligations under this Agreement;

(iii) subject to the satisfaction or waiver of the applicable conditions set out in this Agreement and, other than in connection with the consummation of the Equity Commitment (as defined in the Equity Commitment Letters), in the Equity Commitment Letter, consummate the applicable Equity Financings; and

(iv) only replace, amend, alter or agree to alter the Equity Commitment Letters with the prior written consent of the Company; and

(d) the Purchaser will notify the Company promptly, and in any event within two business days, if at any time prior to the termination of the Equity Commitment Letters in accordance with their terms:

(i) the Equity Commitment Letters will expire or be terminated for any reason;

(ii) if the Purchaser has any reason to believe that it or its affiliates will be unable to satisfy, on a timely basis, any term or condition of any Equity Financing to be satisfied by it, that in each case would reasonably be expected to impair the ability of the Purchaser to consummate the Equity Financings;

(iii) any Sponsor provides written notice to the Purchaser that it either no longer intends to provide any Equity Financings referred to in this Section 5.1 on the terms set forth in the Equity Commitment Letters, as applicable, or requests amendments or waivers thereto;

(iv) the Purchaser receives any written notice or communication relating to any material dispute or disagreement between and among any parties to the Equity Financings; or

(v) if at any time for any reason the Purchaser believes in good faith that it will not be able to obtain all or any portion of the Equity Financings on the terms and conditions, in the manner or from the sources contemplated by the Equity Commitment Letters.

5.2 Covenants of the Company

The Company covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, unless otherwise: (i) consented to in writing by the Purchaser (such consent to be subject to applicable Law and not be unreasonably withheld, conditioned or delayed); (ii) required by applicable Laws; (iii) required or expressly permitted or specifically contemplated by this Agreement or the Arrangement; or (iv) set forth in the Company Disclosure Letter:

(a) except as may be necessary in situations of emergency to preserve life, property or the environment, the business of the Company and its Subsidiaries shall be

conducted only in, and the Company and its Subsidiaries shall not take any action except in, the ordinary course of business and consistent with past practice (which, for greater certainty includes resolving to, or entering into or performing any contract, agreement, commitment or arrangement with respect to, the acquisition (subject to Section 5.2(c)(ii)), disposition (subject to Section 5.2(c)(i) and (vii)), or use (subject to Section 5.2(c)(vii)) of, or the building or construction (subject to Section 5.2(d)) of, any assets or properties relating to the Purchased Business), the Company shall use all commercially reasonable efforts to maintain and preserve its and its Subsidiaries' business organization, assets, employees, advantageous business relationships and relationships with other stakeholders, and the Company shall undertake any actions agreed to in writing with the Purchaser;

(b) the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(i) amend the Company's constating documents or the constating documents (including any joint venture or similar agreement in respect thereof) of any of its Subsidiaries;

(ii) declare, set aside or pay any dividend or other distribution or payment in cash, shares or property in respect of its securities owned by any Person, except in relation to internal transactions solely involving the Company and its Subsidiaries or among such Subsidiaries in the ordinary course of business and consistent with past practice;

(iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares or securities of the Company or any of its Subsidiaries, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or securities of the Company or any of its Subsidiaries, except: (A) as required (or deemed to have been granted) under the terms and conditions of the Company DSUP or the Company MTIP, as applicable, as described in the Company Disclosure Letter; (B) the Company Common Shares issuable pursuant to the terms of outstanding Company Share Options and Company Awards outstanding on the date hereof on the terms set forth in the Company Disclosure Letter; or (C) the issuance of securities solely among the Company's wholly-owned Subsidiaries in the ordinary course of business and consistent with past practice;

(iv) split, consolidate, redeem, purchase or otherwise acquire any of the outstanding shares or other securities of the Company or any of its Subsidiaries;

(v) amend the terms of any of the securities of the Company or any of its Subsidiaries;

(vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, arrangement, amalgamation, consolidation or reorganization of the Company or any of its Subsidiaries;

(vii) complete any reorganization of the corporate structure, business, operations or assets of the Company or any of its Subsidiaries, except for the transactions contemplated by the Plan of Arrangement; or

(viii) authorize, agree, resolve, commit or propose any of the foregoing, or enter into, modify or terminate any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above;

(c) the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(i) sell, pledge, dispose of or encumber any assets of the Company or any of its Subsidiaries with a value individually or in the aggregate exceeding $5 million;

(ii) acquire (by merger, amalgamation, consolidation, acquisition of shares or assets or otherwise) any corporation, partnership or other business organization or division thereof or make any investment either by purchase of shares or securities, contributions of capital (other than to wholly-owned Subsidiaries of the Company) or purchase of any property or assets of any other individual or entity, except in each case (A) pursuant to the Company's capital forecast (a copy of which is included in the Company Disclosure Letter), or (B) with a value individually or in the aggregate not exceeding $5 million;

(iii) incur any indebtedness for borrowed money or any other liability or obligation, issue any debt or hybrid securities, assume, guarantee, endorse or otherwise become responsible for, the obligations of any other Person, or make any loans or advances to any Person, except in each case (A) pursuant to capital expenditures pursuant to the Company's capital forecast (a copy of which is included in the Company Disclosure Letter); (B) any incurrence of indebtedness not in excess of 2.5% of the total debt figure set forth in the Company Disclosure Letter; or (C) which arise in the ordinary course of business consistent with past practice;

(iv) extend the maturity of any indebtedness for borrowed money or any other liability or obligation, including bankers' acceptances, except those which are not material or which arise in the ordinary course of business consistent with past practice;

(v) settle, pay, discharge or satisfy any claims, liabilities or obligations (including any regulatory investigation) which are (A) material to the Purchased Business, other than the payment, discharge or satisfaction, in

the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in the Company's most recently publicly available financial statements as of the date hereof or incurred in the ordinary course of business consistent with past practice, or (B) brought by any present, former or purported holder of its securities (in such Person's capacity as such) in connection with the transactions contemplated by this Agreement or the Arrangement prior to the Effective Date;

(vi) waive, release or relinquish, or authorize or propose to do so, any contractual right which is material to the Purchased Business;

(vii) waive, release, grant or transfer any rights of material value, or enter into, modify, amend or change any existing license, agreement, lease, contract or other document which is material to the Purchased Business (including, for greater certainty, any joint venture or similar agreement in respect thereof), other than in the ordinary course of business consistent with past practice;

(viii) enter into or terminate any hedges, swaps or other financial instruments or similar transaction, except those entered into or terminated in the ordinary course of business consistent with past practice; or

(ix) authorize, agree, resolve, commit or propose to do any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

(d) except for the aggregate amount and for the specified purposes set forth in the Company's capital forecast (a copy of which is included in the Company Disclosure Letter), and except for capital expenditures necessary to address emergencies or other urgent matters involving actual or potential loss or damage to property, or threats to human safety or the environment, the Company and its Subsidiaries shall not, prior to the Effective Date, incur or commit to incur capital expenditures with a value individually or in the aggregate exceeding $5 million;

(e) the Company shall use its commercially reasonable efforts (taking into account insurance market conditions and offerings and industry practices) to cause its and its Subsidiaries' current insurance (or re-insurance) policies, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, except where such cancellation, termination or lapse would not individually or in the aggregate be material to the Company or any of its Subsidiaries taken as a whole, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductibles and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(f) the Company will deliver to the Purchaser, as soon as they become available, true and complete copies of any Company Disclosure Document required to be filed by the Company or any of its Subsidiaries with any Governmental Entity subsequent to the date hereof;

(g) the Company shall not, and shall not permit any of its Subsidiaries to:

(i) file any amended Tax Returns;

(ii) change in any material respect any of its methods of reporting income or deductions for accounting or income tax purposes from those employed in the preparation of its income tax return for the taxation year ending December 31, 2018, except as may be required by applicable Law;

(iii) make or revoke any material election relating to Taxes;

(iv) settle, compromise or agree to the entry of judgment with respect to any proceeding relating to Taxes except for any settlement, compromise or agreement that is not material to the Company;

(v) file any Tax Return other than in accordance with past practice;

(vi) enter into any Tax sharing agreement;

(vii) consent to any extension or waiver of any limitation period with respect to Taxes; or

(viii) make a request for a Tax ruling to any Governmental Entity.

(h) the Company shall continue to withhold from each payment to be made to any of its present or former employees (which includes officers) and directors and to all other Persons including all Persons who are non-residents of Canada for the purposes of the Tax Act, all amounts that are required to be so withheld by any applicable Laws and the Company shall remit such withheld amounts to the proper Governmental Entity within the times prescribed by such applicable Laws;

(i) subject to compliance with the Competition Act, the Company shall conduct itself so as to keep the Purchaser informed as to the material decisions or actions required or required to be made with respect to the operations of the Purchased Business and the Non-Controlled Entities; provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party or otherwise prevented by applicable Law or is in respect to customer-specific or competitively sensitive information;

(j) subject to compliance with the Competition Act, the Company shall promptly notify the Purchaser in writing of any material change in the business operations, results of operations, properties, assets, liabilities, or financial condition of the Purchased Business and the Non-Controlled Entities;

(k) the Company will make all necessary filings and applications under applicable Laws, including applicable Canadian Securities Laws, required to be made on the part of the Company in connection with the transactions contemplated herein and shall take all commercially reasonable action necessary to be in compliance with such applicable Laws;

(l) the Company shall ensure that it has available funds to permit the payment of any amount that may become payable under Article 8, having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount if and when required; and

(m) the Company shall not agree, resolve, commit or undertake, or enter into or modify any contract, agreement, commitment or arrangement to, do any of the matters prohibited in this Section 5.2.

Nothing in this Agreement is intended to or shall result in the Purchaser exercising material influence over the operations of the Company or any of its Subsidiaries, particularly in relation to operations in which the Parties compete or would compete, but for this Agreement, with each other, prior to the Effective Date.

5.3 Covenants Regarding Employment and Benefits Matters

(a) The Company covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms, unless otherwise (i) consented to in writing by the Purchaser (such consent to be subject to applicable Law and not be unreasonably withheld, conditioned or delayed); (ii) required by applicable Laws; (iii) required or expressly permitted or specifically contemplated by this Agreement or the Arrangement; or (iv) set forth in the Company Disclosure Letter:

(i) except as provided in Section 2.7, the Company shall not, and the Company Board and its committees shall not, use any discretion which may be available to them under the terms of the Company Share Option Plan, the Company MTIP, any Company Share Option or any Company Awards, to accelerate the vesting of any Company Share Options or Company Awards granted pursuant to the Company Share Option Plan or Company MTIP, as applicable, and all payouts of the Company DSUs, Company Share Options and Company Awards granted pursuant to the Company DSUP, Company Share Option Plan or Company MTIP, as applicable, shall be determined in accordance with Section 2.7 hereof;

(ii) the Company shall not, and shall cause each of its Subsidiaries not to:

(A) except as required (or deemed to have been granted) under the terms and conditions of the Company DSUP or the Company MTIP, as applicable, issue, award or grant any Company DSUs, Company Share Options, Company Awards or any securities or

other instruments or equity-based compensation providing similar benefits;

(B) except as may be required pursuant to existing employment, collective bargaining, pension, supplemental pension or termination policies or agreements (each of which are in writing and copies of which have been provided to the Purchaser prior to the date hereof), (1) grant, accelerate, increase or otherwise amend any payment, award, compensation or other benefit payable in any form to any officer, director, consultant or employee, (2) make or agree to make any loan to any officer, director, consultant or employee, (3) grant, accelerate, increase or otherwise amend the amount, value or terms of any change of control, severance, separation, retention or termination pay to, or enter into any employment, change of control, severance, retention or termination agreement with any officer, director, consultant or employee of the Company or any of its Subsidiaries, or (4) take or propose any action to effect any of the foregoing; or

(C) grant any general salary increases, except in the ordinary course of business or as may be required pursuant to the terms of an existing employment agreement or collective bargaining agreement;

(b) Following the Effective Date, the Purchaser covenants and agrees to recognize, or cause the Company to recognize, each Company Employee's past service with the Company or any of its Subsidiaries and any previously recognized service with any predecessor of the Company or any of its Subsidiaries, including for the purposes of determining eligibility for any entitlements to vacation, notice of termination (or pay in lieu thereof), severance, benefit plans, retirement plans and pensions plans; and

(c) Following the Effective Date, the Purchaser shall cause the Company or its relevant Subsidiary to be responsible for all liabilities and obligations relating to the employment of the Company Employees or the termination thereof, including liabilities with respect to notice of termination (or pay in lieu thereof) and severance.

5.4 Mutual Covenants

Each of the Parties covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms:

(a) subject to the terms and conditions of this Agreement (including Section 5.4(d)), it shall use its commercially reasonable efforts to, and shall cause its Subsidiaries to use their commercially reasonable efforts to, satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article 6 and to take, or cause to be taken, all other actions and to do, or cause to be done, all

other things necessary, proper or advisable under and in accordance with all applicable Laws to complete and give effect to the Arrangement as soon as reasonably practicable, including using its commercially reasonable efforts to promptly:

(i) obtain all waivers, consents and approvals required to be obtained by it from parties to loan agreements, leases and other contracts in order to maintain such loan agreements, leases and other contracts in full force and effect following completion of the Arrangement, including, without limitation, sending requests for consent to the Arrangement to the lender(s) under each of (i) the revolving credit facility dated October 25, 2018 among, *inter alios*, the Company and Royal Bank of Canada; (ii) the operating credit facility dated October 25, 2018 among, *inter alios*, the Company and Royal Bank of Canada; and (iii) the amended and restated credit agreement dated May 4, 2018 among, *inter alios*, Pacific Northern Gas Ltd. and Bank of Montreal (each, a "**Specified Lender Consent**"), in each case as soon as reasonably practicable following the date of this Agreement but in no event later than five Business Days following the date of this Agreement, in each case, on terms that are satisfactory to the Purchaser, acting reasonably, and, in the case of the Company, without paying, and without committing the Company or the Purchaser to pay, any consideration or incur any liability or obligation without the prior written consent of the Purchaser, not to be unreasonably withheld, conditioned or delayed;

(ii) obtain all necessary material exemptions, consents, approvals and authorizations as are required to be obtained by it under all applicable Laws, including, without limitation, the PPA Consent;

(iii) defend all lawsuits or other legal, regulatory or other proceedings against it (or if applicable, its directors or officers) challenging or affecting the Arrangement or this Agreement, and oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate, the Arrangement, provided that neither the Company nor any of its Subsidiaries will consent to the entry of any judgment or settlement with respect to any such proceeding without the prior written approval of the Purchaser, not to be unreasonably withheld, conditioned or delayed;

(iv) fulfill all conditions and satisfy all provisions of this Agreement and the Arrangement, including delivery of the certificates of their respective officers contemplated by Section 6.2 and Section 6.3; and

(v) carry out the terms of the Interim Order and the Final Order applicable to it and comply with all requirements imposed by applicable Laws on it or its Subsidiaries with respect to this Agreement or the Arrangement;

(b) it shall cooperate with the other Party in connection with the performance by it and its Subsidiaries of their obligations under this Section 5.4, including providing

regular status updates on its progress in obtaining any Regulatory Approval to the other Party as and when requested by the other Party, and permitting the other Party and its legal counsel a reasonable opportunity to review in advance, and to provide comments on, any proposed communications of any nature with a Governmental Entity, which comments shall be considered and given due regard;

(c) it shall use commercially reasonable efforts to, and shall cause its Subsidiaries to use commercially reasonable efforts to, satisfy (or cause the satisfaction of) the condition precedent set forth in Section 6.1(d) and Section 6.1(e), including, subject to Section 5.4(d), using commercially reasonable efforts to:

(i) obtain all Regulatory Approvals;

(ii) cooperate fully with the other Party and such other Party's legal counsel, recognizing that certain competitively sensitive information may be exchanged only on an external counsel-only basis and in accordance with the Confidentiality Agreement and any other subsequent written agreement that addresses confidentiality between the Parties;

(iii) as promptly as possible, but in any event within 30 business days of the date hereof, unless otherwise mutually agreed to in writing, make all necessary notifications or applications in respect of Regulatory Approvals, including (A) the notification required under subsection 114(1) of the Competition Act (and the Purchaser shall also file with the Commissioner a request for an advance ruling certificate or, in lieu thereof, a no-action letter either prior to or simultaneously with the submission of its notification), (B) the application for approval pursuant to section 27 of the GUA to the AUC, and (C) the application for approval pursuant to section 54 of the UCA to the BCUC, and the Parties shall supply as promptly as practicable any additional information or documentary materials that may be required or as the Parties or their legal counsel agree may be advisable pursuant to the Competition Act, the AUC Approval, the BCUC Approval or any similar Laws;

(iv) certify completeness of its response to any supplementary information request received under subsection 114(2) of the Competition Act, in respect of the Arrangement as promptly as practicable after the date of issuance of any such supplementary information request, but in no event later than 90 days after such issuance, unless otherwise mutually agreed to in writing, and to take all actions necessary to assert, defend and support its certification of the completeness of its response to such supplementary information request;

(v) respond promptly to all requests for information made by a Governmental Entity in respect of obtaining a Regulatory Approval; and

(vi) prepare and file, as promptly as practicable, all documentation to effect all necessary notices, reports and other filings and to obtain as promptly as

practicable all consents, registrations, approvals, and authorizations in respect of the Regulatory Approvals;

(d) in connection with obtaining the Key Regulatory Approvals by no later than the Outside Date, Section 5.4(a) and Section 5.4(c) shall require the Purchaser and its Subsidiaries to take all reasonable measures to obtain the Key Regulatory Approvals;

(e) except as required by Law, it shall not engage in any meetings or material communications with any Governmental Entity in relation to the Key Regulatory Approvals or the Arrangement, without legal counsel for the other Party being advised of same, and having been given the opportunity to participate in such meetings or communications, and in any event shall immediately notify and provide copies to the other Party's legal counsel of any communications to or from a Governmental Entity in relation to the Arrangement;

(f) subject to Section 5.4(d), it shall not, directly or indirectly, wilfully or intentionally take any action, refrain from taking any action or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would or would reasonably be expected to cause any condition set forth in Article 6 not to be satisfied or otherwise significantly impede the consummation of the Arrangement, or that will have, or which would reasonably be expected to have, the effect of materially delaying, impairing or impeding the granting of the Regulatory Approvals;

(g) except for non-substantive communications with securityholders or documents filed by the Company on SEDAR, and subject to its obligations under Section 2.10, it shall furnish promptly to the other Party or its legal counsel, a copy of each notice, report, schedule or other document delivered, filed or received by it in connection with: (i) the Arrangement; (ii) any filings under applicable Laws in connection with the transactions contemplated hereby; and (iii) any dealings with Governmental Entities in connection with the transactions contemplated hereby; and

(h) it shall promptly notify the other Party in writing of any material complaints, investigations or hearings (or communications indicating that the same may be contemplated) by any Governmental Entity or third party relating to the transactions contemplated herein.

5.5 Access to Information; Confidentiality

From the date hereof until the earlier of the Effective Date and the termination of this Agreement, the Company shall, and shall cause its Subsidiaries and Representatives to, subject to all applicable Laws and any confidentiality obligations owed by the Company to a third party or in respect to customer-specific or competitively sensitive information and in accordance with the Confidentiality Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, afford to the Purchaser and the Representatives of the Purchaser reasonable access at all reasonable times to their officers, employees, agents, properties,

books, records and contracts (but which shall not include any right of the Purchaser's Representatives to attend the Company's regular operations meetings), and shall furnish the Purchaser with all data and information as the Purchaser may reasonably request, subject to any confidentiality obligations owed by the Company to a third party, in respect to customer-specific or competitively sensitive information, the conditions contained in the Confidentiality Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, in order to permit the Purchaser to be in a position to expeditiously and efficiently continue the businesses and operations of the Purchaser and its Subsidiaries and the Company and its Subsidiaries immediately upon, but not prior to, the Effective Date.

5.6 Insurance and Indemnification

(a) The Purchaser agrees that it will maintain in effect, or will cause the Company or its successors to maintain in effect, without any reduction in scope or coverage for six years from the Effective Time customary policies of directors' and officers' liability insurance providing protection comparable to the current protection provided by the policies maintained by the Company and its Subsidiaries as are in effect immediately prior to the Effective Time and providing coverage on a "trailing" or "run-off" basis for all present and former directors and officers of the Company with respect to claims arising from facts or events which occurred prior to the Effective Time. Furthermore, prior to the Effective Time, the Company may, in the alternative, with the consent of the Purchaser, not to be unreasonably withheld, conditioned or delayed, purchase run-off directors' and officers' liability insurance for a period of up to six years from the Effective Time; provided that the cost of such policies shall not exceed 250% (such amount, the "**Base Premium**") of the Company's current annual aggregate premium for policies currently maintained by the Company or its Subsidiaries; provided further, however, that if such insurance can only be obtained at a premium in excess of the Base Premium, the Company may purchase the most advantageous policies of directors' and officers' liability insurance reasonably available for an annual premium not to exceed the Base Premium, and the Purchaser shall, or shall cause the Company and its Subsidiaries to, maintain such coverage for six years from the Effective Date, and in such event none of the Purchaser, the Company or any successor of the Company will have any further obligation under this Section 5.6(a).

(b) The Purchaser agrees that all rights to indemnification or exculpation now existing in favour of present and former officers and directors of the Company shall survive completion of the Arrangement and shall continue in full force and effect for a period of not less than six years from the Effective Date. Any right to indemnification pursuant to this Section 5.6 shall not be amended, repealed or otherwise modified at any time in a manner that would adversely affect the rights of such present and former officers and directors of the Company as provided herein.

5.7 Privacy Issues

(a) For the purposes of this Section 5.7, the following definitions shall apply:

(i) "**applicable law**" means, in relation to any Person, transaction or event, all applicable provisions of Laws by which such Person is bound or having application to the transaction or event in question, including applicable privacy laws;

(ii) "**applicable privacy laws**" means any and all applicable Laws relating to privacy and the collection, use and disclosure of Disclosed Personal Information in all applicable jurisdictions, including, as applicable, the *Personal Information Protection and Electronic Documents Act* (Canada) and/or any comparable federal or provincial law including the *Personal Information Protection Act* (Alberta); and

(iii) "**Disclosed Personal Information**" means information (other than business contact information when used or disclosed for the purpose of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose) about an identifiable individual disclosed or transferred to the Purchaser by the Company in accordance with this Agreement and/or as a condition of the Arrangement.

(b) The Parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws as such pertain to the collection, use or disclosure of Disclosed Personal Information.

(c) Prior to the completion of the Arrangement, neither Party shall use or disclose the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement. After the completion of the transactions contemplated herein, a Party may only collect, use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially collected from or in respect of the individual to which such Disclosed Personal Information relates or for the completion of the transactions contemplated herein, unless (i) either Party shall have first notified such individual of such additional purpose, and where required by applicable law, obtained the consent of such individual to such additional purpose, or (ii) such use or disclosure is permitted or authorized by applicable law without notice to, or consent from, such individual.

(d) Each Party acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the Parties shall proceed with the Arrangement, and that the Disclosed Personal Information relates solely to the carrying on of the business or the completion of the Arrangement.

(e) Each Party acknowledges and confirms that it has taken and shall continue to take reasonable steps to, in accordance with applicable law, prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.

(f) Subject to the following provisions, each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or representatives responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Prior to the completion of the Arrangement, each Party shall take reasonable steps to ensure that access to the Disclosed Personal Information shall be restricted to those employees or representatives of the respective Party who have a *bona fide* need to access to such information in order to complete the Arrangement.

(g) Should the Arrangement not proceed, the Purchaser shall forthwith cease all use of the Disclosed Personal Information acquired by it in connection with this Agreement and will return to the Company or, at the requesting Company's request, destroy in a secured manner, in accordance with applicable law, the Disclosed Personal Information (and any copies thereof) in its possession.

5.8 Financing Assistance

(a) Provided that the Specified Lender Consents have not been obtained (or have been withdrawn once obtained), the Company shall, and shall cause each of its Subsidiaries to, and each shall use commercially reasonable efforts to cause its Representatives to, provide such cooperation to the Purchaser and its affiliates as they may reasonably request in connection with the arrangements by the Purchaser to obtain, syndicate, market or arrange the closing and funding of any potential debt financing for an amount not to exceed the aggregate amount outstanding (in the case of any term facilities) or available (under any revolving facilities) under any arrangement(s) to which a Specified Lender Consent has become incapable of being obtained (provided that such request is made on reasonable notice), including, as so requested:

(i) participating in a reasonable number of meetings and due diligence sessions;

(ii) cooperating with the Purchaser and its affiliates in connection with applications to obtain such consents, approvals or authorizations from any Governmental Entity which may be reasonably necessary in connection with such potential debt financing and, including, promptly upon request and furnishing at least three business days prior to the Effective Date all documentation and other information required in connection with applicable "know your customer" and anti-money laundering and

proceeds of crime Laws (provided that such request is reasonably requested at least 15 business days prior to the Effective Date);

(iii) executing and delivering any guarantees and other loan documents, indentures or other definitive financing documents and customary closing deliverables as may be reasonably requested by the Purchaser or its affiliates, provided that any obligations contained in such documents shall be effective no earlier than as of the Effective Time;

(iv) obtaining payout letters and guarantee releases, in each case, which are required as conditions precedent to the debt financing or the definitive agreement related thereto, with evidence of such payoff and release, as applicable, in a form satisfactory to the Purchaser, acting reasonably;

(v) furnishing to the Purchaser as promptly as reasonably practicable all available financial and other reasonably required or customary information regarding the Company, any of its Subsidiaries or any combination of such Persons;

(vi) assisting the Purchaser in the preparation of reasonably required authorization letters with respect to information memoranda and packages and lender and investor presentations in connection with such potential debt financing and participate in a customary and reasonable number of presentations, road shows and similar sessions in connection with such potential debt financing; and

(vii) using reasonable efforts to cause the Company's independent auditors to cooperate with such potential debt financing, including by providing required accountant's comfort letters in customary form (including "negative assurance") and any required consents from the Company's independent auditors,

in any case so long as:

(viii) it is acknowledged and agreed by the Purchaser that in no event shall the receipt or availability of any debt financing be a condition to completing the Arrangement or any of the obligations of Purchaser hereunder;

(ix) such requested cooperation or financing does not unreasonably interfere with or disrupt the ongoing operations of the Company and its Subsidiaries;

(x) such requested cooperation or potential debt financing does not impair, delay or prevent the satisfaction of any conditions set forth in Article 6;

(xi) such requested cooperation or potential debt financing does not impair, delay or prevent the consummation of the transactions contemplated by this Agreement;

(xii) such requested cooperation or potential debt financing does not require the Company to obtain the approval of the Company Shareholders or any other securityholders of the Company;

(xiii) the Company shall not be required to provide, or cause any of its Subsidiaries to provide, cooperation that involves any binding commitment by the Company or any of its Subsidiaries, which commitment is not conditional on the completion of the Arrangement and does not terminate without liability to the Company or its Subsidiaries upon the termination of this Agreement;

(xiv) the Purchaser reimburses the Company for all reasonable documented out-of-pocket costs incurred by the Company or any of its Subsidiaries in connection with any such cooperation undertaken at the request of the Purchaser and indemnifies the Company, its affiliates and their respective officers, directors, employees, agents, advisors and representatives for all direct and indirect liabilities, losses, Taxes, damages, claims, costs, expenses, interest awards, judgments and penalties that are suffered or incurred as a consequence of any such cooperation undertaken at the request of the Purchaser;

(xv) such requested cooperation or potential debt financing does not require the Company to assume liability for any offering memorandum, private placement memorandum or similar offering document;

(xvi) such requested cooperation or potential debt financing does not require the directors, officers, employees or agents of the Company or its Subsidiaries to take any action in any capacity other than as a director, officer or employee;

(xvii) such requested cooperation or potential debt financing does not require the Company or any of its Subsidiaries to disclose any information that in their reasonable judgment would violate any of their obligations or any other Persons obligations with respect to confidentiality; and

(xviii) such requested cooperation does not require the Company or any of its Subsidiaries to take any action that would reasonably be expected to conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, the certificate of incorporation or by-laws or other comparable organizational documents of Company or any of its Subsidiaries or any applicable Laws.

5.9 Pre-Acquisition Reorganization

(a) Subject to Section 5.9(b), the Company agrees that, upon request of the Purchaser, the Company shall use commercially reasonable efforts to: (i) perform such reorganizations of its corporate structure, capital structure, business, operations and assets or such other transactions as the Purchaser may request, acting

reasonably (each, a "**Pre-Acquisition Reorganization**"), and (ii) cooperate with the Purchaser and its advisors to determine the nature of the Pre-Acquisition Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken.

(b) The Company will not be obligated to participate in any Pre-Acquisition Reorganization under Section 5.9(a) unless such Pre-Acquisition Reorganization:

(i) is not prejudicial to the Company or the Company Shareholders or any other securityholder of the Company in any material respect;

(ii) does not impair, impede, delay or prevent the satisfaction of any conditions set forth in Article 6 or the ability of the Company or the Purchaser to consummate, and will not delay the consummation of, the Arrangement;

(iii) can be effected as close as reasonably practicable prior to the Effective Time and, in any event, following receipt of the Key Regulatory Approvals;

(iv) will not require approval from any Governmental Entity;

(v) does not require the Company or any of its Subsidiaries to take any action that could reasonably be expected to result in Taxes being imposed on, or any adverse Tax or other consequences to, the Company Shareholders or any other securityholder of the Company incrementally greater than the Taxes or other consequences to such party in connection with the completion of the Arrangement in the absence of action being taken pursuant to Section 5.9(a);

(vi) does not result in any breach by the Company or any of its Subsidiaries of any material contract or any breach by the Company or any of its Subsidiaries of their respective constating documents, organizational documents or Law;

(vii) does not, in the opinion of the Company, acting reasonably, interfere with the ongoing operations of the Company or any of its Subsidiaries;

(viii) will not have an adverse effect on the Company or any of its Subsidiaries or their respective businesses or assets in any material respect;

(ix) does not require the directors, officers, employees or agents of the Company or its Subsidiaries to take any action in any capacity other than as a director, officer, employee or agent; and

(x) does not become effective unless the Purchaser has waived or confirmed in writing the satisfaction of all conditions in its favour under Article 6 and shall have confirmed in writing that each of them is prepared to promptly and without condition (other than compliance with Section 5.9(a)) proceed to effect the Arrangement.

(c) The Purchaser must provide written notice to the Company of any proposed Pre-Acquisition Reorganization at least 15 business days prior to the Effective Date. Upon receipt of such notice, the Company and the Purchaser shall work cooperatively and use their commercially reasonable efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Acquisition Reorganization, including any amendment to this Agreement or the Plan of Arrangement (provided that such amendments do not require the Company to obtain approval of the Company Shareholders or any other securityholder of the Company).

(d) If the Arrangement is not completed, other than due to a breach by the Company of the terms and conditions of this Agreement, the Purchaser shall (i) forthwith reimburse the Company for all reasonable out-of-pocket costs and expenses incurred in connection with any proposed Pre-Acquisition Reorganization, including any reasonable costs incurred by the Company in order to restore the organizational structure of the Company to a substantially identical structure of the Company as at the date hereof; and (ii) indemnify the Company, its affiliates and their respective officers, directors, employees, agents, advisors and representatives for all direct and indirect liabilities, losses, Taxes, damages, claims, costs, expenses, interest awards, judgements and penalties suffered or incurred by any of them in connection with or as a result of any Pre-Acquisition Reorganization (other than those costs and expenses reimbursed in accordance with the foregoing).

(e) The Purchaser agrees that any Pre-Acquisition Reorganization will not be considered in determining whether a representation or warranty of the Company under this Agreement has been breached (including where any such Pre-Acquisition Reorganization requires the consent of any third party under a contract).

ARTICLE 6
CONDITIONS

6.1 Mutual Conditions

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Time or such other time specified, of the following conditions, any of which may be waived by the mutual consent of such Parties without prejudice to their right to rely on any other of such conditions:

(a) the Interim Order shall have been obtained on terms consistent with the Arrangement and in form and substance satisfactory to each of the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;

(b) the Arrangement Resolution shall have been passed by the Company Shareholders at the Company Shareholders' Meeting in accordance with the Interim Order;

(c) the Final Order shall have been obtained on terms consistent with the Arrangement and in form and substance satisfactory to each of the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;

(d) each of the AUC Approval and the BCUC Approval shall have been made, given, obtained or occurred, as the case may be, and each such approval shall be in full force and effect, shall not have been modified or invalidated in any manner and shall be acceptable to the Purchaser, subject to the Purchaser's obligations under Section 5.4;

(e) all Regulatory Approvals (other than the Key Regulatory Approvals) required to be obtained, shall have been made, given, obtained or occurred, as the case may be, on terms and conditions acceptable to the Parties, each acting reasonably, and such Regulatory Approvals shall be in full force and effect, and all applicable domestic and foreign statutory and regulatory waiting periods necessary to complete the Arrangement shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made, except where the failure or failures to obtain such Regulatory Approvals, or for the applicable waiting periods to have expired or terminated, would not be reasonably expected to have a Material Adverse Effect;

(f) no Law (whether temporary, preliminary or permanent), regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of Law) shall be in effect or shall have been enacted, promulgated, amended or applied by any Governmental Entity, which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Purchaser or the Company from consummating the Arrangement; and

(g) no act, action, suit, proceeding, objection, opposition, order or injunction shall have been taken, entered, threatened or promulgated by any Governmental Entity, whether or not having the force of Law, which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins Purchaser or the Company from consummating the Arrangement or that would be reasonably expected to have a Material Adverse Effect.

6.2 Purchaser Conditions

The obligation of the Purchaser to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Time or such other time specified, of the following conditions:

(a) the representations and warranties made by the Company:

(i) in paragraphs (a), (b), (h), (i), (j), (s)(i) and (kk) of Schedule D shall be true and correct (other than *de minimis* inaccuracies) as of the Effective Date as if made on such date (except to the extent such representations and warranties speak as of an earlier date, in which case they will be evaluated as of such date, and except it being understood that the number of Company Common Shares may increase from the number outstanding on the date of this Agreement solely as a result of vesting of the Company Share Options or Company Awards and that the number of Company DSUs or Company Awards may change due to the requirements (or deeming provisions) of the Company DSUP or the Company MTIP, as applicable, or their vesting, expiry or termination in accordance with their terms or as affected by transactions contemplated or permitted by this Agreement);

(ii) in paragraph (e) of Schedule D shall be true and correct in all material respects as of the Effective Date as if made on such date; and

(iii) in the remainder of Schedule D shall be true and correct as of the Effective Date as if made on such date (except to the extent such representations and warranties speak as of an earlier date, in which case they will be evaluated as of such date, or except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result in a Material Adverse Change (and for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored);

and the Company shall have provided to the Purchaser a certificate of two executive officers of the Company (on the Company's behalf and without personal liability) certifying the foregoing on the Effective Date;

(b) the Company shall have complied in all material respects with its covenants herein to be complied with by it on or prior to the Effective Time, and the Company shall have provided to the Purchaser a certificate of two executive officers of the Company (on behalf of the Company and without personal liability) certifying compliance with such covenants on the Effective Date; and

(c) holders of less than 5% of the outstanding Company Common Shares shall have validly exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date;

(d) the Competition Act Approval shall have been made, given, obtained or occurred, as the case may be, shall be in full force and effect, and shall not have been modified or invalidated in any manner; and

(e) since the date of this Agreement there shall not have occurred a Material Adverse Effect.

The conditions set forth in this Section 6.2 are for the exclusive benefit of the Purchaser and may be asserted by the Purchaser regardless of the circumstances or may be waived in writing by the Purchaser in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

6.3 Company Conditions

The obligation of the Company to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Time or such other time specified, of the following conditions:

(a) the representations and warranties made by the Purchaser in Schedule C shall be true and correct as of the Effective Date as if made on such date, except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not materially impede the completion of the Arrangement, and the Purchaser shall have provided to the Company a certificate of two executive officers of the Purchaser (on the Purchaser's behalf and without personal liability) certifying the foregoing on the Effective Date; and

(b) the Purchaser shall have complied in all material respects with its covenants herein to be complied with by it on or prior to the Effective Time, and the Purchaser shall have provided to the Company a certificate of two executive officers of the Purchaser (on behalf of Purchaser and without personal liability) certifying compliance with such covenants on the Effective Date.

The conditions set forth in this Section 6.3 are for the exclusive benefit of the Company and may be asserted by the Company regardless of the circumstances or may be waived by the Company, in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Company may have.

6.4 Notice and Cure Provisions

Each Party will give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event, state of facts, circumstance or change in circumstances (actual, anticipated, contemplated, or to the knowledge of such Party, threatened) which would, or would reasonably be expected to:

(a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect (or, in the case of any representations or warranties that are not subject to materiality qualifications in respect of the conditions contained in Section 6.2(a)(i) and 6.3(a), cause any of such representations or warranties of such Party to be untrue or inaccurate in any respect); or

(b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party,

and it shall in good faith discuss with the other Party any event, state of facts, circumstance or change in circumstances (actual, anticipated, contemplated, or to the knowledge of such Party, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other Party pursuant to this Section 6.4. The delivery of any notice pursuant to this Section 6.4 shall not limit or otherwise affect the representations, warranties, covenants, conditions or agreements of the Parties under this Agreement or any remedies available pursuant to this Agreement with respect thereto to the Party receiving that notice.

Neither Party may elect to terminate this Agreement pursuant to Section 8.1(b)(iii) *[Failure to Satisfy Mutual Conditions]*, Section 8.1(c)(i) *[Company Reps and Warranties and Covenants Condition]* or Section 8.1(d)(i) *[Purchaser Reps and Warranties and Covenants Condition]*, as applicable, unless promptly, and in any event prior to the issuance of the Certificate by the Director, the Party intending to terminate this Agreement (the "**Terminating Party**") has delivered a written notice (a "**Termination Notice**") to the other Party (the "**Receiving Party**") specifying in reasonable detail all breaches of covenants, inaccuracies of representations and warranties, inability to satisfy conditions or other matters which the Terminating Party is asserting as the basis for termination. If any Termination Notice is delivered: (a) if such matter is capable of being cured prior to the Outside Date, the Terminating Party may not exercise such termination until the earlier of (i) the expiration of a period of 15 business days from the date of receipt of the Termination Notice by the Receiving Party, and (ii) the Outside Date, if such matter has not been cured by such date; provided *however* that, if the Receiving Party is proceeding diligently to cure any such matter, the Terminating Party may not exercise such termination until the Outside Date; and (b) if such matter is incapable of being cured prior to the Outside Date, the Terminating Party must exercise such termination not later than the end of the 10th business day from the date of receipt of the Termination Notice by the Receiving Party, following which such Terminating Party shall be deemed to have waived its termination right under Section 8.1(b)(iii) *[Failure to Satisfy Mutual Conditions]*, Section 8.1(c)(i) *[Company Reps and Warranties and Covenants Condition]* or Section 8.1(d)(i) *[Purchaser Reps and Warranties and Covenants Condition]*, as applicable, in respect of the breach or failure of condition to which such Termination Notice relates. If a Termination Notice has been delivered to the Company within 10 business days prior to the date of the Company Shareholders' Meeting, the Company may elect to postpone the Company Shareholders Meeting until the expiry of such period.

6.5 Frustration of Conditions

Neither the Purchaser nor the Company may rely, either as a basis for not consummating the conditions contemplated by this Agreement or terminating this Agreement and abandoning the Arrangement, on the failure of any condition set forth in Sections 6.1, 6.2 or 6.3, as the case may be, to be satisfied if such failure was primarily caused by, or primarily resulted from, such Party's failure to perform any of its covenants or agreements under this Agreement.

6.6 Merger of Conditions

Subject to applicable Law, the conditions set out in Sections 6.1, 6.2 and 6.3 shall be conclusively deemed to have been satisfied, waived or released upon the issuance of a Certificate in respect of the Arrangement.

ARTICLE 7
ADDITIONAL COVENANTS REGARDING NON-SOLICITATION

7.1 Company Covenant Regarding Non-Solicitation

(a) The Company shall immediately cease and cause to be terminated all existing solicitations, discussions or negotiations (including through any Representatives on its behalf), if any, with any Person (other than the Purchaser and its Representatives) with respect to any Acquisition Proposal and, in connection therewith, the Company shall discontinue access to any of its confidential information (including any data room), and shall promptly request the return or destruction of all information respecting the Company or any of its Subsidiaries provided to any Person (other than the Purchaser or its Representatives) who has entered into a confidentiality agreement with the Company or any of its Subsidiaries relating to an Acquisition Proposal in the last six months and shall use commercial reasonable efforts to ensure that such requests are honoured. The Company and its Subsidiaries shall take commercially reasonable actions to enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar agreements or covenants that the Company or any of its Subsidiaries has entered into and that the Company enters into after the date of this Agreement in accordance with and subject to the terms of this Agreement (it being acknowledged by the Purchaser that the Company shall not be obligated to enforce any standstill, non-disclosure, non-disturbance, non-solicitation and similar agreements or covenants that are automatically terminated or released as a result of entering into and announcing this Agreement).

(b) Except as provided in this Article 7, the Company shall not, directly or indirectly, do or authorize or permit any of its Representatives to do, any of the following:

(i) solicit, initiate or knowingly encourage or otherwise facilitate (including by way of furnishing information) any Acquisition Proposal or any inquiries, proposals or offers relating to any Acquisition Proposal;

(ii) enter into or participate in any discussions or negotiations regarding any Acquisition Proposal, or furnish to any other Person any information with respect to its businesses, properties, operations, prospects or conditions (financial or otherwise) in connection with any Acquisition Proposal or any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing; provided that the Company may (A) communicate with any Person for the purposes of clarifying the terms of any inquiry, proposal or offer made by such Person that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal, (B) advise any Person of the restrictions of this Agreement, and (C) advise any Person making an Acquisition Proposal that the Company Board has determined that such Acquisition Proposal does not constitute a Superior Proposal;

(iii) waive, terminate, amend, modify or release any third party or enter into or participate in any discussions, negotiations or agreements to waive, terminate, amend, modify or release any third party from any rights or other benefits under confidentiality and/or standstill agreements relating to an Acquisition Proposal entered into in the last six months (which, for greater certainty, does not prohibit the automatic release of a party or termination of such provisions in accordance with the pre-existing and express terms of any standstill provision);

(iv) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five business days will not be considered to be in violation of this Section 7.1(b)(iv)); or

(v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal (other than a confidentiality agreement contemplated under Section 7.1(b)(vi));

provided, however, that notwithstanding any other provision hereof, the Company and its Representatives may, prior to the approval of the Arrangement Resolution at the Company Shareholders' Meeting:

(vi) enter into or participate in any discussions or negotiations with a third party that is not in breach of any confidentiality or standstill agreement and that, without any solicitation, initiation or knowing encouragement or facilitation, directly or indirectly, after the date of this Agreement, by the Company or any of its Representatives, seeks to initiate such discussions or negotiations and, subject to execution of a confidentiality agreement in favour of the Company that is on terms that the Company Board determines in good faith are no less favourable to the Company than those found in the Confidentiality Agreement (provided that such confidentiality agreement shall (A) allow for disclosure thereof, along with all information provided thereunder, to the Purchaser as set out below, (B) allow disclosure to the Purchaser of the making and terms of any Acquisition Proposal made by the third party as contemplated herein, and (C) not contain any provision restricting the Company from complying with this Section 7.1) may furnish to such third party any information concerning the Company and its Subsidiaries and their businesses, properties and assets, in each case if, and only to the extent that:

(A) the third party has first made a written *bona fide* Acquisition Proposal, which did not result from a breach of this Section 7.1, and in respect of which the Company Board determines in good faith, after consultation with its outside legal and financial advisors,

constitutes or could reasonably be expected to lead to a Superior Proposal (disregarding, for the purposes of such determination, any due diligence or access condition to which such Acquisition Proposal is subject); and

(B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party regarding the Acquisition Proposal, the Company shall:

(1) provide prompt notice to the Purchaser to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such third party, together with a copy of the confidentiality agreement referenced above and, if not previously provided to the Purchaser, copies of all information provided to such third party concurrently with the provision of such information to such third party;

(2) promptly notify the Purchaser, at first orally, and then as soon as practicable (and in any event within 24 hours) in writing, of any inquiries, offers or proposals with respect to an actual or contemplated Superior Proposal (which written notice shall include the identity of the Person making it and a summary of the material terms of such proposal (and any amendments or supplements thereto)) and shall include copies of any such inquiries, offers or proposals made in writing and any amendments to any of the foregoing; and

(3) keep the Purchaser promptly informed of the status and reasonable details of any such inquiry, offer or proposal and answer the Purchaser's reasonable questions with respect thereto; and

(vii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party or make a Change in Recommendation, but only if prior to such acceptance, recommendation, approval or implementation or making such Change in Recommendation, the Company Board concludes in good faith, after considering all proposals to adjust the terms and conditions of this Agreement as contemplated by Section 7.1(c) and after receiving the advice of outside legal counsel that the failure by the Company Board to take such action would be inconsistent with its fiduciary duties under applicable Laws, and the Company (A) complies with its obligations set forth in this Section 7.1, (B) terminates this Agreement in accordance with Section 8.1(d)(ii), and (C) concurrently therewith pays the amount required by Section 8.3(b)(ii) to the Purchaser.

(c) Following determination by the Company Board that an Acquisition Proposal constitutes a Superior Proposal, the Company shall give the Purchaser, orally and in writing, at least five complete business days advance notice of any decision by the Company Board to accept, recommend, approve or enter into an agreement to implement a Superior Proposal or to make a Change in Recommendation, which notice shall confirm that the Company Board has determined that such Acquisition Proposal constitutes a Superior Proposal and shall identify the third party making the Superior Proposal and the Company shall provide the Purchaser with a true and complete copy thereof and the agreement to implement the Superior Proposal and any amendments thereto, as well as notice as to the value in financial terms that the Company Board has, in consultation with its financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal. During such five business day period, the Company agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not make a Change in Recommendation. In addition, during such five business day period the Company shall, and shall cause its financial and legal advisors to, negotiate in good faith with the Purchaser and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable the Company to proceed with the Arrangement as amended rather than the Superior Proposal. In the event the Purchaser proposes to amend this Agreement and the Arrangement on a basis such that the Company Board determines that the alternative proposed transaction is no longer a Superior Proposal and so advises the board of directors of the Purchaser prior to the expiry of such five business day period, the Company Board shall not accept, recommend, approve or enter into any agreement to implement such Acquisition Proposal and shall not release the party making the Acquisition Proposal from any standstill provisions and shall not make a Change in Recommendation. In the event that the Company provides the notice contemplated by this Section 7.1(c) on a date which is less than five business days prior to the Company Shareholders' Meeting, the Company may, and the Purchaser shall be entitled to require the Company to adjourn or postpone the Company Shareholders' Meeting to a date that is not more than 10 business days after the date of such notice.

(d) Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Company Shareholders or other material terms or condition thereof, shall constitute a new Acquisition Proposal for the purposes of Section 7.1(c), and the Purchaser shall be afforded a new five business day period from the date on which the Purchaser received all of the materials set forth in Section 7.1(c) with respect to the new Superior Proposal from the Company.

(e) the Company shall ensure that its affiliates and Representatives are aware of the provisions of this Section 7.1. The Company shall be responsible for any breach of this Section 7.1 by the Company's affiliates or the Company's Representatives.

(f) Nothing in this Agreement shall prohibit the Company, the Company Board or the Company Independent Committee from complying with Part 2 – Division 3 of NI 62-104 and making appropriate disclosure with respect thereto to the Company's securityholders.

ARTICLE 8
TERMINATION AND FEES AND EXPENSES

8.1 Termination

This Agreement may be terminated at any time prior to the Effective Date:

(a) by mutual written agreement of the Purchaser and the Company;

(b) by either the Purchaser or the Company if:

(i) the Arrangement Resolution shall have failed to receive the requisite vote of the Company Shareholders to approve such resolution at the Company Shareholders' Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order;

(ii) the Effective Time shall not have occurred on or prior to the Outside Date, except that the right to terminate this Agreement under this Section 8.1(b)(ii) shall not be available to any Party whose failure to fulfill any of its covenants or obligations or whose breach of any of its representations or warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by the Outside Date; or

(iii) any condition in Section 6.1 (other than the condition in Section 6.1(b) *[Arrangement Resolution Passed]*) becomes incapable of being satisfied by the Outside Date, except that the right to terminate this Agreement under this Section 8.1(b)(iii) (A) must be exercised by the Terminating Party no later than the end of the 10th business day from the date of receipt of the Termination Notice by the Receiving Party, following which such Terminating Party shall be deemed to have waived its termination right under this Section 8.1(b)(iii) in respect of the matter specified in such Termination Notice that causes the inability to satisfy the applicable condition, and (B) shall not be available to any Party whose failure to fulfill any of its covenants or obligations or whose breach of any of its representations or warranties under this Agreement has been the cause of, or resulted in, the failure of such condition to be satisfied;

(c) by the Purchaser if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company set forth in this Agreement occurs that would cause the condition in Section 6.2(a)

[Company Reps and Warranties Condition] or Section 6.2(b) *[Company Covenants Condition]* not to be satisfied, and such breach or failure is incapable of being cured by the Outside Date or is not cured in accordance with the terms of Section 6.4; provided that (A) any fraudulent, wilful or intentional breach shall be deemed to be incapable of being cured, (B) the Purchaser is not then in breach of this Agreement so as to cause any condition in Section 6.3(a) *[Purchaser Reps and Warranties Condition]* or Section 6.3(b) *[Purchaser Covenants Condition]* not to be satisfied, and (C) any termination pursuant to this Section 8.1(c)(i) is subject to and satisfies the provisions of Section 6.4; or

(ii) (A) the Company Board or any committee of the Company Board fails to unanimously recommend or withdraws, amends, modifies, changes or qualifies, or publicly proposes or states an intention to withdraw, amend, modify, change or qualify, the recommendations or determinations referred to in Section 2.2(a) in a manner adverse to the Purchaser or shall have resolved to do so prior to the Effective Date (and such action is not subsequently withdrawn), (B) the Company Board or any committee of the Company Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend, an Acquisition Proposal or publicly takes no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five business days (any action set forth in subclauses (A) or (B) of this Section 8.1(c)(ii), a "**Change in Recommendation**"), (C) the Company Board or any committee of the Company Board accepts or enters into or publicly proposes to accept or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal (other than a confidentiality agreement permitted by and in accordance with Section 7.1(b)(vi)); (D) the Company Board or any committee of the Company Board fails to publicly reconfirm the recommendations or determinations referred to in Section 2.2(a) upon the reasonable request of the Purchaser prior to the earlier of five business days following such request or five business days prior to the Company Shareholders' Meeting or (E) the Company breaches Article 7 in any material respect.

(d) by the Company if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser set forth in this Agreement occurs that would cause the condition in Section 6.3(a) *[Purchaser Reps and Warranties Condition]* or Section 6.3(b) *[Purchaser Covenants Condition]* not to be satisfied, and such breach or failure is incapable of being cured by the Outside Date or is not cured in accordance with the terms of Section 6.4; provided that (A) any fraudulent, wilful or intentional breach shall be deemed to be incapable of being cured, (B) the Company is not then in breach of this Agreement so as to cause any

condition in Section 6.2(a) *[Company Reps and Warranties Condition]* or Section 6.2(b) *[Company Covenants Condition]* not to be satisfied, and (C) any termination pursuant to this Section 8.1(d)(i) is subject to and satisfies the provisions of Section 6.4; or

(ii) prior to the approval by the Company Shareholders of the Arrangement Resolution, the Company Board authorizes the Company to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 7.1(b)(vi)) with respect to, or the Company accepts, recommends or enters into any agreement to implement, a Superior Proposal in accordance with Section 7.1, provided the Company is then in compliance with Section 7.1 and that prior to or concurrent with such termination the Company pays the amount required pursuant to and in accordance with Section 8.3(b)(ii).

8.2 Term and Effect of Termination

(a) This Agreement shall be effective from the date hereof until the earlier of (i) the Effective Time, and (ii) the termination of this Agreement in accordance with its terms.

(b) In the event of the termination of this Agreement pursuant to Section 8.1 or Section 8.2(a) as a result of the Effective Date occurring, this Agreement shall forthwith become void and have no further force or effect, and neither Party (nor its Representatives or securityholders) shall have any liability or further obligation to the other Party hereunder, except:

(i) in the event of termination pursuant to Section 8.1, the provisions and obligations set forth in Section 5.1(c), Section 5.1(d), Section 5.7, Section 5.8(a)(xiv), Section 5.9(d), this Section 8.2, Section 8.3, Section 8.4 and Section 8.5 (in each case to the extent applicable) and Article 9 shall survive any termination; and

(ii) in the event of the Effective Date occurring, the provisions and obligations set forth in Section 5.6, Section 5.7, and Article 9 shall survive any termination.

(c) For greater certainty and notwithstanding anything in this Agreement to the contrary other than being subject to Section 8.4, nothing contained in this Section 8.2 shall relieve either Party from liability for (i) failure to consummate the Arrangement when required pursuant to this Agreement, or (ii) fraud or any wilful or intentional breach of any provision of this Agreement. No termination of this Agreement shall affect the obligations of the Parties pursuant to the Confidentiality Agreement or any other subsequent written agreement that addresses confidentiality between the Parties, except to the extent specified therein.

8.3 Termination Fees

(a) Despite any other provision in this Agreement relating to the payment of fees and expenses, if a Company Termination Fee Event occurs, the Company shall pay the Purchaser the Company Termination Fee in accordance with Section 8.3(c) and if a Purchaser Termination Fee Event occurs, the Purchaser shall pay the Company the Purchaser Termination Fee in accordance with Section 8.3(e).

(b) For the purposes of this Agreement, "**Company Termination Fee**" means $38 million, and "**Company Termination Fee Event**" means the termination of this Agreement:

(i) by the Purchaser, pursuant to Section 8.1(c)(ii) *[Change in Recommendation]*;

(ii) by the Company, pursuant to Section 8.1(d)(ii) *[To enter into a Superior Proposal]*;

(iii) by the Purchaser or the Company pursuant to Section 8.1(b)(i) *[Failure of the Company Shareholders to Approve]* or, provided a Purchaser Termination Fee Event is not triggered by such termination, Section 8.1(b)(ii) *[Effective Time not prior to Outside Date]* if:

(A) at any time after the execution of this Agreement and prior to such termination, an Acquisition Proposal is made, proposed, offered, publicly announced or otherwise publicly disclosed by any Person (other than the Purchaser or its affiliates) or any Person (other than the Purchaser or its affiliates) shall have publicly announced an intention to make an Acquisition Proposal; and

(B) within 12 months following the date of such termination (1) an Acquisition Proposal is consummated or effected (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above), or (2) the Company or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into an agreement in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above) and such Acquisition Proposal is later consummated or effected (whether or not such Acquisition Proposal is later consummated or effected within 12 months after such termination).

For purposes of the foregoing, the term "Acquisition Proposal" shall have the meaning assigned to such term in Section 1.1, except that references to "20% or more of the voting securities of the Company" shall be deemed to be references to "50% or more", and "20% or more" in relation to the Company's revenues or earnings on a consolidated basis shall instead be construed to refer to "50% or more".

(c) If a Company Termination Fee is payable pursuant to Section 8.3(b)(i), the Company Termination Fee shall be paid within three business days following such Company Termination Fee Event. If a Company Termination Fee is payable pursuant to Section 8.3(b)(ii), the Company Termination Fee shall be paid prior to or concurrently with the occurrence of such Company Termination Fee Event. If a Company Termination Fee is payable pursuant to Section 8.3(b)(iii), the Company Termination Fee shall be paid upon the consummation of the Acquisition Proposal referred to therein. Any Company Termination Fee shall be paid by the Company to the Purchaser (or as the Purchaser may direct by notice in writing), by wire transfer in immediately available Canadian funds to an account designated by the Purchaser.

(d) For the purposes of this Agreement, "**Purchaser Termination Fee**" means $38 million and "**Purchaser Termination Fee Event**" means the termination of this Agreement by the Purchaser or the Company pursuant to Section 8.1(b)(ii) *[Occurrence of Outside Date]* or Section 8.1(b)(iii) *[Failure to Satisfy Mutual Condition to Close]* if, as of the time of termination, the only conditions set forth in Section 6.1 *[Mutual Conditions]*, Section 6.2 *[Purchaser Conditions]* and Section 6.3 *[Company Conditions]* that have not been satisfied or waived (other than those conditions that by their terms are to be satisfied at the Effective Time and that are capable of being satisfied) are one or more of: (i) Section 6.1(d) *[Utility Approvals]*; (ii) Section 6.2(d) *[Competition Act Approval]*; (iii) Section 6.1(f) *[Illegality]* only insofar as such Law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of Law) is related to any Key Regulatory Approval and/or (iv) Section 6.1(g) *[No Legal Action]* only insofar as the act, action, suit, proceeding, objection, opposition, order or injunction is related to any Key Regulatory Approval, provided that the Purchaser Termination Fee will not be payable if the failure of such condition(s) to be satisfied has been caused by, or is a result of, the failure of the Company to perform any of its covenants or agreements under this Agreement.

(e) If a Purchaser Termination Fee is payable pursuant to any provision of Section 8.3(d), the Purchaser Termination Fee shall be paid within five business days following such Purchaser Termination Fee Event. Any Purchaser Termination Fee shall be paid by the Purchaser to the Company (or as the Company may direct by notice in writing), by wire transfer in immediately available Canadian funds to an account designated by the Company.

8.4 Liquidated Damages

(a) The Parties acknowledge that the agreements contained in Section 8.3 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the Purchaser would not enter into this Agreement, and that the Company Termination Fee and the Purchaser Termination Fee represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, which the Purchaser or the Company, as applicable, will suffer or incur as a result of the event giving rise to such damages and resultant

termination of this Agreement, and are not penalties. Each of the Company and the Purchaser irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive.

(b) Each Party agrees that the payment of the Company Termination Fee or the Purchaser Termination Fee in the manner provided in Section 8.3 is the sole monetary remedy of the Purchaser or the Company, respectively, in respect of the event giving rise to such payment; provided that this limitation shall not (i) apply in the event of fraud or wilful or intentional breach of this Agreement by the Company as set forth in Section 8.2, and (ii) prior to any termination of this Agreement, preclude the Purchaser from seeking injunctive relief to restrain any breach or threatened breach by the other Party of its covenants in this Agreement, or otherwise obtain specific performance of any of such covenants in accordance with Section 9.8.

(c) For the avoidance of doubt, in no event shall the Company be obligated to pay the Company Termination Fee, nor shall the Purchaser be obligated to pay the Purchaser Termination Fee, more than once.

8.5 Fees and Expenses

Each Party shall pay all fees, costs and expenses incurred by such Party in connection with this Agreement and the Arrangement; provided that the Purchaser and the Company shall share equally any filing fees and applicable Taxes payable for or in respect of any application, notification or other filing made in respect of any regulatory process in respect of the transactions contemplated by the Arrangement, including under the Key Regulatory Approvals.

ARTICLE 9
GENERAL PROVISIONS

9.1 Amendment

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Company Shareholders' Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, subject to the Interim Order, the Final Order and applicable Laws.

9.2 Waiver

Either Party may: (a) extend the time for the performance of any of the obligations or other acts of the other Party; (b) waive compliance with any of the other Party's agreements or the fulfillment of any conditions to its own obligations contained herein; and (c) waive inaccuracies in any of the other Party's representations or warranties contained herein or in any document delivered by the other Party; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party and such waiver shall apply only to the specific matters identified in such instrument.

9.3 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by email, or as of the following business day if sent by prepaid overnight courier, to the Parties at the following addresses (or at such other addresses as shall be specified by either Party by notice to the other Party given in accordance with these provisions):

(a) if to the Purchaser:

Public Sector Pension Investment Board
1250 René-Lévesque Blvd. West, Suite 1400
Montréal, Québec H3B 5E9

Email: *[redacted]*

and to

Alberta Teachers' Retirement Fund Board
600 Barnett House
11010 142 Street NW
Edmonton, Alberta T5N 2R1

Attention: *[redacted]*
Email: *[redacted]*

with a copy to (which shall not constitute notice):

Blake, Cassels & Graydon LLP
199 Bay St., Suite 4000
Toronto, Ontario M5L 1A9

Attention: Jeff Lloyd
Telephone: (416) 863-5848
Email: jeff.lloyd@blakes.com

(b) if to the Company:

AltaGas Canada Inc.
2100, 444 5th Avenue SW
Calgary, Alberta T2P 2T8

Attention: *[redacted]*
Telephone: *[redacted]*
Email: *[redacted]*

with a copy to (which shall not constitute notice):

Stikeman Elliott LLP
4300 Bankers Hall West
888 - 3rd Street SW
Calgary, Alberta T2P 5C5

Attention: Christopher Nixon
Telephone: 403-266-9017
Email: cnixon@stikeman.com

9.4 Entire Agreement; Binding Effect

This Agreement: (a) together with the Equity Commitment Letters and the Confidentiality Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof; and (b) shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

9.5 Assignment

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the Parties hereto without the prior written consent of the other Party.

9.6 Time of Essence

Time shall be of the essence in this Agreement.

9.7 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

9.8 Specific Performance

(a) The Purchaser and the Company agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement or the Confidentiality Agreement or any other subsequent written agreement that addresses confidentiality between the Parties were not performed by the other Party in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each Party shall be entitled to an injunction or injunctions and other equitable relief to prevent breaches or threatened breaches of the provisions of this Agreement or the Confidentiality Agreement or any other subsequent written agreement that addresses confidentiality between the Parties or to otherwise obtain specific

performance of any such provisions, any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief hereby being waived.

(b) Notwithstanding anything to the contrary in this Agreement, it is acknowledged and agreed that the Company shall be entitled to seek specific performance as a third party beneficiary of the Purchaser's rights against the Sponsors under the Equity Commitment Letters and/or to seek specific performance to cause the Purchaser to enforce the obligations of the Sponsors under the Equity Commitment Letters, as set out in Section 9.8(a).

9.9 Third Party Beneficiaries

The provisions of Section 5.3(b), Section 5.6, Section 5.8(a)(xiv) and Section 5.9(d): (a) are intended for the irrevocable benefit of the Persons referenced therein, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such Persons and his or her heirs, executors administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and the Purchaser shall hold the rights and benefits of Section 5.3(b), Section 5.6, Section 5.8(a)(xiv) and Section 5.9(d) in trust for and on behalf of the Third Party Beneficiaries and the Purchaser hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries; and (b) are in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise. Except as provided in this Section 9.9, this Agreement shall not: (a) confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns; (b) constitute or create an employment agreement with any employee, create any right to employment or continued employment or service, or to a particular term or condition of employment; or (c) be construed to establish, amend, or modify any Company Employee Plan, Employee Plan or any other benefit or compensation plan, program, agreement or arrangement.

9.10 Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Alberta and the Laws of Canada applicable therein, and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

9.11 No Liability

No director or officer of the Purchaser shall have any personal liability whatsoever to the Company under this Agreement, or any other document delivered in connection with the transactions contemplated hereby on behalf of the Purchaser. No director or officer of the Company shall have any personal liability whatsoever to the Purchaser under this Agreement, or any other document delivered in connection with the transactions contemplated hereby on behalf of the Company.

9.12 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

(a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and

(b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

9.13 Counterparts

This Agreement may be executed by electronic signature and in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

[The remainder of this page is left blank intentionally]

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

PSPIB CYCLE INVESTMENTS INC.

By: (signed) *"Patrick Samson"*
Name: Patrick Samson
Title: Authorized Signatory

By: (signed) *"Samuel Langleben"*
Name: Samuel Langleben
Title: Authorized Signatory

ALTAGAS CANADA INC.

By: (signed) *"Greg Aarssen"*
Name: Greg Aarssen
Title: Lead Director

By: (signed) *"Jared Green"*
Name: Jared Green
Title: President and
Chief Executive Officer

SCHEDULE A
PLAN OF ARRANGEMENT
PLAN OF ARRANGEMENT UNDER SECTION 192
OF THE *CANADA BUSINESS CORPORATIONS ACT*

ARTICLE 1
INTERPRETATION

1.1 Definitions

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

"**Arrangement**" means the arrangement under Section 192 of the CBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of Section 5.1, in accordance with the Arrangement Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement made as of October 20, 2019 between the Purchaser and the Company (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

"**Arrangement Resolution**" means the special resolution approving this Plan of Arrangement to be considered at the Company Shareholders' Meeting by Company Shareholders, substantially in the form attached as Schedule B to the Arrangement Agreement.

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement, required under subsection 192(6) of the CBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form satisfactory to the Company and the Purchaser, each acting reasonably.

"**Business Day**" means a day other than a Saturday, a Sunday or a statutory holiday or other day when banks in the Cities of Calgary, Alberta or Montréal, Québec are not open for business.

"**CBCA**" means the *Canada Business Corporations Act*.

"**Certificate**" means the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement giving effect to the Arrangement.

"**Company**" means AltaGas Canada Inc., a corporation incorporated under the laws of Canada.

"**Company Awards**" means restricted share units and performance share units each granted pursuant to the Company MTIP;

"**Company Common Share Consideration**" means $33.50 in cash per Company Common Share.

"**Company Common Shares**" means the common shares in the capital of the Company.

"**Company DSUP**" means the Company's Deferred Share Unit Plan;

"**Company DSUs**" means deferred share units granted pursuant to the Company DSUP;

"**Company Information Circular**" means the notice of the Company Shareholders' Meeting to be sent to the Company Shareholders and the management information circular to be prepared in connection with the Company Shareholders' Meeting, together with any amendment thereto or supplements thereof from time to time in accordance with the terms of the Arrangement Agreement.

"**Company MTIP**" means the Company's Mid-Term Incentive Plan;

"Company Share Option Plan" means the Company's Share Option Plan.

"**Company Share Options**" means share options to purchase Company Common Shares granted pursuant to the Company Share Option Plan.

"**Company Shareholders**" means the registered and/or beneficial holders of Company Common Shares, as the context requires.

"**Company Shareholders' Meeting**" means the special meeting of the Company Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution.

"**Court**" means the Court of Queen's Bench of Alberta.

"**Depositary**" means such Person as the Purchaser may appoint to act as depositary for the Company Common Shares in relation to the Arrangement, with the approval of the Company, acting reasonably.

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA.

"**Dissent Rights**" has the meaning specified in Section 3.1.

"**Dissenting Holder**" means a registered Company Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Company Common Shares in respect of which Dissent Rights are validly exercised by such registered Company Shareholder.

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

"**Encumbrance**" includes any mortgage, pledge, collateral assignment, charge, lien, security interest, adverse interest in property, other third party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

"**Final Order**" means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal.

"**Governmental Entity**" means any: (a) multinational, federal, provincial, territory, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body (including any securities commission or similar regulatory authority) exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) the TSX.

"**Interim Order**" means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Shareholders' Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

"**Law**" means all laws, by-laws, statutes, rules, regulations, principles of law, decisions, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity (including the TSX) or self-regulatory authority; and the term "applicable" with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Persons or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities.

"**Letter of Transmittal**" means the letter of transmittal sent to holders of Company Common Shares for use in connection with the Arrangement.

"**Parties**" means the Company and the Purchaser and "**Party**" means any one of them.

"**Person**" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity).

"**Plan of Arrangement**" means this plan of arrangement proposed under Section 192 of the CBCA, and any amendments or variations made in accordance with the Arrangement

Agreement or Section 5.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Purchaser**" means PSPIB Cycle Investments Inc., a corporation incorporated under the laws of Canada.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**TSX**" means The Toronto Stock Exchange.

1.2 Certain Rules of Interpretation

In this Plan of Arrangement, unless otherwise specified:

(a) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.

(b) **Currency.** All references to dollars or to $ are references to Canadian dollars, unless specified otherwise.

(c) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

(d) **Certain Phrases, etc.** The words (i) "including", "includes" and "include" mean "including (or includes or include) without limitation," (ii) "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of," and (iii) unless stated otherwise, "Article" and "Section" followed by a number or letter mean and refer to the specified Article or Section of this Plan of Arrangement.

(e) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

(f) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

(g) **Time References.** References to time herein or in any Letter of Transmittal are to local time, Calgary, Alberta.

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the Arrangement Agreement.

2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate, will become effective, and be binding on the Purchaser, the Company, all holders and beneficial owners of Company Common Shares (including Dissenting Holders), all holders of Company Share Options, Company Awards and Company DSUs, the transfer agent and registrar of the Company, the Depositary and all other Persons, at and after, the Effective Time without any further act or formality required on the part of any Person.

2.3 Arrangement

At the Effective Time, each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting immediately following the Effective Time:

(a) each Company Share Option outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the Company Share Option Plan, shall be deemed to be unconditionally vested and exercisable, and such Company Share Option shall, without any further action by or on behalf of the holder of the Company Share Option, be deemed to be assigned and transferred by such holder to the Company (free and clear of all Encumbrances) in exchange for a cash payment from the Company equal to the amount equal to the product of: (i) the amount by which the Company Common Share Consideration exceeds the exercise price per Company Common Share of such Company Share Option; and (ii) the number of Company Common Shares into which such Company Share Option is exercisable; provided that in the event the foregoing calculation would result in a product less than $0.01, the consideration to be received in respect of such Company Share Option shall be $0.01, and:

(i) each holder of Company Share Options shall cease to be a holder of such Company Share Options;

(ii) such holder's name shall be removed from the register of the Company Share Options;

(iii) the Company Share Option Plan and all agreements relating to the Company Share Options shall be terminated and shall be of no further force and effect; and

(iv) such holder shall thereafter have only the right to receive the consideration to which they are entitled pursuant to this Section 2.3(a);

(b) each Company Award outstanding immediately prior to the Effective Time (whether vested or unvested) shall be deemed to be unconditionally vested, and such Company Award shall, without any further action by or on behalf of the holder of the Company Award, be deemed to be assigned and transferred by such holder to the Company (free and clear of all Encumbrances) in exchange for a cash payment from the Company equal to the Company Common Share Consideration, and:

(i) each holder of Company Awards shall cease to be a holder of such Company Awards;

(ii) such holder's name shall be removed from the register of the Company Awards;

(iii) the Company MTIP and all agreements relating to the Company Awards shall be terminated and shall be of no further force and effect; and

(iv) such holder shall thereafter have only the right to receive the consideration to which they are entitled pursuant to this Section 2.3(b);

(c) each Company DSU outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of the holder of the Company DSU, be deemed to be assigned and transferred by such holder to the Company (free and clear of all Encumbrances) in exchange for a cash payment from the Company equal to the Company Common Share Consideration, and:

(i) each holder of Company DSUs shall cease to be a holder of such Company DSUs;

(ii) such holder's name shall be removed from the register of the Company DSUs;

(iii) the Company DSUP and all agreements relating to the Company DSUs shall be terminated and shall be of no further force and effect; and

(iv) such holder shall thereafter have only the right to receive the consideration to which they are entitled pursuant to this Section 2.3(c);

(d) each Company Common Share held by Dissenting Holders in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn shall, without any further action by or on behalf of the Dissenting Holder, be deemed to have been assigned and transferred by such Dissenting Holder to the Purchaser (free and clear of all Encumbrances) in consideration for a debt claim against the Purchaser for the amount determined under Article 3, and:

(i) such Dissenting Holders shall cease to be the holders of such Company Common Shares and to have any rights as holders of such Company Common Shares other than the right to be paid fair value for such Company Common Shares as set out in Section 3.1;

(ii) such Dissenting Holders' names shall be removed as the holders of such Company Common Shares from the register of Common Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be deemed to be the legal and beneficial owner of such Company Common Shares (free and clear of all Encumbrances) and shall be entered in the register of Company Common Shares maintained by or on behalf of the Company; and

(e) each Company Common Share outstanding immediately prior to the Effective Time, other than Company Common Shares held by a Dissenting Holder in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn, shall, without any further action by or on behalf of the holder of the Company Common Share, be deemed to be assigned and transferred by the holder thereof to the Purchaser (free and clear of all Encumbrances) in exchange for the Company Common Share Consideration for each Company Common Share held, and:

(i) the holders of such Company Common Shares shall cease to be the holders thereof and to have any rights as holders of such Company Common Shares other than the right to be paid the Company Common Share Consideration for each Company Common Share formerly held in accordance with this Plan of Arrangement;

(ii) such holders' names shall be removed from the register of the Company Common Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be deemed to be the legal and beneficial owner of such Company Common Shares (free and clear of all Encumbrances) and shall be entered in the register of the Company Common Shares maintained by or on behalf of the Company.

ARTICLE 3
RIGHTS OF DISSENT

3.1 Rights of Dissent

Registered Company Shareholders may exercise dissent rights with respect to the Common Shares held by such holders ("**Dissent Rights**") in connection with the Arrangement pursuant to and in the manner set forth in Section 190 of the CBCA, as modified by the Interim Order and this Section 3.1; provided that, notwithstanding subsection 190(5) of the CBCA, the written objection to the Arrangement Resolution referred to in subsection 190(5) of the CBCA must be received by the Company at its registered office not later than 5:00 p.m. (Calgary time)

two Business Days immediately preceding the date of the Company Shareholders' Meeting. Dissenting Holders shall be deemed to have transferred the Company Common Shares held by them in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn to the Purchaser free and clear of all Encumbrances, as provided in Section 2.3(d) and if they:

(a) ultimately are entitled to be paid fair value for such Company Common Shares: (i) shall be deemed not to have participated in the transactions in Article 2 (other than Section 2.3(d)); (ii) will be entitled to be paid the fair value of such Company Common Shares which fair value, notwithstanding anything to the contrary contained in Part XV of the CBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Company Common Shares; or

(b) ultimately are not entitled, for any reason, to be paid fair value for such Company Common Shares shall be deemed to have participated in the Arrangement on the same basis as a Company Shareholder that is not a Dissenting Holder and shall be entitled only to receive the consideration contemplated in Section 2.3(e).

3.2 Recognition of Dissenting Holders

(a) In no circumstances shall the Purchaser, the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Company Common Shares in respect of which such rights are sought to be exercised.

(b) For greater certainty, in no case shall the Purchaser, the Company or any other Person be required to recognize Dissenting Holders as holders of Company Common Shares in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn after the completion of the transfer under Section 2.3(d) and the names of such Dissenting Holders shall be removed from the register of the Company Common Shares, in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn at the same time as the event described in Section 2.3(d) occurs.

(c) In addition to any other restrictions under Section 190 of the CBCA, none of the following shall be entitled to exercise Dissent Rights: (i) holders of Company Share Options, Company Awards or Company DSUs (in respect of such Company Options, Company Awards or Company DSUs); and (ii) Company Shareholders who vote or have instructed a proxyholder to vote any Company Common Shares in favour of the Arrangement Resolution.

ARTICLE 4
CERTIFICATES AND PAYMENTS

4.1 Payment of Company Common Share Consideration

(a) Prior to the filing of the Articles of Arrangement the Purchaser shall deposit, or arrange to be deposited, for the benefit of former holders of Company Common Shares if the Arrangement is completed, cash with the Depositary in the aggregate amount equal to the payments in respect thereof required by this Plan of Arrangement, with the amount per Company Common Share in respect of which Dissent Rights have been exercised being deemed to be the Company Common Share Consideration for this purpose, net of applicable withholdings. The cash deposited with the Depositary by or on behalf of the Purchaser shall be held in an interest-bearing account, and any interest earned on such funds shall be for the account of the Purchaser.

(b) Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Company Common Shares that were transferred pursuant to Section 2.3(e), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the former Company Shareholder surrendering such certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such former Company Shareholder, the cash which such former Company Shareholder has the right to receive under the Arrangement for the Company Common Shares formerly represented by such certificate, less any amounts withheld pursuant to Section 4.3, and any certificate so surrendered shall forthwith be cancelled.

(c) As soon as practicable after the Effective Date, the Company shall pay the amounts, net of applicable withholdings, to be paid to holders of Company Share Options, Company Awards and Company DSUs pursuant to Section 2.3, either (i) pursuant to the normal payroll practices and procedures of the Company, or (ii) in the event that payment pursuant to the normal payroll practices and procedures of the Company is not practicable for any such holder, by cheque (delivered to the address of such holder of Company Share Options as reflected on the register maintained by or on behalf of the Company in respect of the Company Share Options, Company Awards or Company DSUs, as applicable).

(d) Until surrendered as contemplated by this Section 4.1, each certificate that immediately prior to the Effective Time represented Company Common Shares shall be deemed after the Effective Time to represent only the right to receive upon such surrender a cash payment in lieu of such certificate as contemplated in this Section 4.1, less any amounts withheld pursuant to Section 4.3. Any such certificate formerly representing Company Common Shares not duly surrendered on or before the second anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Company Common Shares of any kind or nature against or in the Company or the Purchaser. On such date, all cash to which such former holder was entitled shall be deemed to

have been surrendered to the Purchaser or the Company, as applicable, and shall be paid over by the Depositary to the Purchaser or as directed by the Purchaser.

(e) Any payment made by way of cheque by the Depositary (or the Company or the Purchaser, if applicable) pursuant to this Plan of Arrangement that has not been deposited or has been returned to the Depositary (or the Company or the Purchaser), in each case, on or before (or that otherwise remains unclaimed on) the second anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the second anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Company Common Shares, the Company Options, the Company Awards and the Company DSUs pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Company, as applicable, for no consideration.

(f) No holder of Company Common Shares, Company Share Options, Company Awards or Company DSUs shall be entitled to receive any consideration with respect to such Company Common Shares, Company Share Options, Company Awards or Company DSUs other than any cash payment to which such holder is entitled to receive in accordance with Section 2.3 and this Section 4.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Common Shares that were transferred pursuant to Section 2.3 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed and who was listed immediately prior to the Effective Time as the registered holder thereof on the register of holders of Company Common Shares maintained by or on behalf of the Company, the Depositary will deliver, in exchange for the Company Common Shares previously represented by such lost, stolen or destroyed certificate, the cash payable pursuant to Section 2.3 in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered shall as a condition precedent to the delivery of such cash, give a bond satisfactory to the Purchaser and the Depositary (acting reasonably) in such sum as the Purchaser may direct, or otherwise indemnify the Depositary, the Purchaser and the Company in a manner satisfactory to the Depositary, the Purchaser and the Company, each acting reasonably, against any claim that may be made against the Depositary, the Purchaser or the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Withholding Rights

The Purchaser, the Company or the Depositary shall be entitled to deduct and withhold from any amount payable to any Person under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 3.1), such amounts as the Purchaser, the

Company or the Depositary determines, acting reasonably, are required or permitted to be deducted and withheld with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any other Law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate taxing authority.

4.4 No Encumbrances

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of all Encumbrances or other claims of third parties of any kind.

4.5 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Company Common Shares, Company Options, Company Awards and Company DSUs issued or outstanding prior to the Effective Time; (b) the rights and obligations of the holders of Company Common Shares, holders of Company Share Options, holders of Company Awards, holders of Company DSUs, the Company, the Purchaser, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement; and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Company Common Shares, Company Options, Company Awards or Company DSUs shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 5
AMENDMENTS

5.1 Amendments to Plan of Arrangement

(a) The Company and the Purchaser may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must: (i) be set out in writing; (ii) be approved by the Company and the Purchaser, each acting reasonably; (iii) be filed with the Court and, if made following the Company Shareholders' Meeting, approved by the Court; and (iv) communicated to the Company Shareholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company or the Purchaser at any time prior to or at the Company Shareholders' Meeting (provided that the Company or the Purchaser, as applicable, shall have consented thereto in writing, acting reasonably) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Shareholders' Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Shareholders' Meeting shall be effective only if: (i) it is consented to in writing by each of the Company and the Purchaser (in each case, acting reasonably); and (ii) if required by the Court, it is consented to by some or all of the Company Shareholders voting in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement.

ARTICLE 6
FURTHER ASSURANCES

6.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

SCHEDULE B
FORM OF ARRANGEMENT RESOLUTION

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

(1) The arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving AltaGas Canada Inc. (the "**Company**"), as more particularly described and set forth in the management information circular (the "**Circular**") of the Company accompanying the notice of this meeting, as the Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.

(2) The plan of arrangement (the "**Plan of Arrangement**") involving the Company, the full text of which is set out as Schedule A to the Arrangement Agreement made as of October 20, 2019 between PSPIB Cycle Investments Inc. and the Company (the "**Arrangement Agreement**"), as the Plan of Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.

(3) The Arrangement Agreement, the actions of the directors of the Company in approving the Arrangement Agreement and the actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.

(4) Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the Company Shareholders (as defined in the Arrangement Agreement) or that the Arrangement has been approved by the Court of Queen's Bench of Alberta, the directors of the Company are hereby authorized and empowered, without further notice to or approval of the Company Shareholders (a) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement and the Plan of Arrangement, and (b) subject to the terms of the Arrangement Agreement, to disregard the Company Shareholders' approval and not proceed with the Arrangement.

(5) Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute, under the corporate seal of the Company or otherwise, and to deliver to the Director under the CBCA for filing articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.

(6) Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE C
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

(a) Organization and Qualification. The Purchaser (i) is an entity duly existing under the Laws of Canada, (ii) has all necessary corporate power and authority to own its respective properties and carry on the business as respectively presently carried on thereby, and (iii) is duly licensed, registered or qualified in all necessary jurisdictions, except where a failure to be so licensed, registered or qualified would not prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement.

(b) Authority Relative this Agreement. The Purchaser has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by the Purchaser in the Arrangement contemplated hereby have been duly authorized by the board of directors of the Purchaser and no other corporate proceedings on the part of the Purchaser (including any vote or approval by or on behalf of any class of securities of the Purchaser) are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

(c) No Violation; Absence of Defaults.

(i) neither the Purchaser nor any of its Subsidiaries is in violation of its constating documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, Encumbrance, contract or other instrument or obligation to which the Purchaser or any of its Subsidiaries is a party or to which any of them, or any of their respective properties or assets, may be subject or by which the Purchaser or any of its Subsidiaries is bound, except for such violations or defaults which would not prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement;

(ii) neither the execution and delivery of this Agreement by the Purchaser nor the consummation of the Arrangement contemplated hereby nor compliance by the Purchaser with any of the provisions hereof will: (A) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under any of the terms, conditions or provisions of (1) the Purchaser's or any of its Subsidiaries' constating documents, or (2) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, Encumbrance, contract or other instrument or obligation to which the Purchaser or any of its Subsidiaries is a party or to which any of them, or any of their respective properties

or assets, may be subject or by which the Purchaser or any of its Subsidiaries is bound; or (B) subject to compliance with the statutes and regulations referred to below and receipt of the Regulatory Approvals, violate any Laws, judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to the Purchaser, any of its Subsidiaries or any of their respective properties or assets; or (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect, except, in the case of each of clauses (A)(2), (B) or (C) above, for such violations, conflicts, breaches, defaults, suspensions or revocations which, or any consents, approvals or notices which if not given or received, would not prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement; and

(iii) other than in connection with or in compliance with the provisions of applicable Canadian Securities Laws, the CBCA, the Competition Act Approval, the AUC Approval, the BCUC Approval, the PPA Consent, the terms of the Interim Order and the Final Order in respect of the Arrangement and the filing of the Articles of Arrangement, (A) there is no legal impediment to the Purchaser's consummation of the Arrangement, and (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of the Purchaser in connection with the consummation of the Arrangement.

(d) Compliance with Laws. The Purchaser and its Subsidiaries have complied with and are not in violation of any applicable Laws, other than non-compliance or violations which would not, individually or in aggregate, prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement.

(e) Investigation. The Purchaser hereby acknowledges and affirms that (i) the Purchaser (directly or through its Representatives) has completed its own independent investigation, analysis and evaluation of the Company, its Subsidiaries and the Non-Controlled Entities, made all such reviews and inspections of the Purchased Business, assets, results of operations, condition (financial or otherwise) and prospects of the Company, its Subsidiaries and the Non-Controlled Entities as the Purchaser has deemed necessary or appropriate and acknowledges that it has been provided access to the personnel, properties, premises and records of the Company and its Subsidiaries for such purpose, and (ii) in making its decision to enter into this Agreement, it has relied solely on the representations and warranties of the Company set forth in Schedule D of this Agreement and the Purchaser's own independent investigation, analysis and evaluation.

(f) Funds Available.

(i) The Purchaser has delivered to the Company true and correct copies of executed equity commitment letters (the "**Equity Commitment Letters**") delivered to the Purchaser by the Sponsors pursuant to which the Sponsors are to provide the Purchaser, subject to the terms therein, with equity financing in the amounts set

forth therein (the "**Equity Financings**") for the purpose of funding the transactions and obligations contemplated by this Agreement.

(ii) The Equity Commitment Letters are valid and in full force and effect, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

(iii) The Equity Commitment Letters have not been withdrawn or terminated or otherwise amended or modified in any respect, and no such amendment or modification is contemplated or pending, in each case by the Purchaser, or, to the knowledge of the Purchaser, the other parties thereto. No event has occurred which, with or without notice, lapse of time or both, would constitute a material default or breach on the part of the Purchaser under any term or condition of the Equity Commitment Letters.

(iv) There are no conditions precedent or other contingencies related to the funding of the full amount of the Equity Financings, other than as expressly set forth in the Equity Commitment Letters, and none of the Equity Commitment Letters provide that the parties thereto may impose additional conditions or other contingences to such funding. There are no side letters or agreements to which the Purchaser or any of its affiliates is a party related to the funding or investing, as applicable, of the Equity Financings that could reasonably be expected to adversely affect the availability of the Equity Financings other than as expressly set forth in the Equity Commitment Letters delivered to the Company on or prior to the date of this Agreement. The Purchaser has fully paid any and all commitment fees or other fees required by the Equity Commitment Letters to be paid by it.

(v) The Purchaser is not aware of any fact or occurrence that, with or without notice, lapse of time or both, would reasonably be expected to (A) result in any of the terms or conditions in the Equity Commitment Letters not being satisfied, (B) cause any of the Equity Commitment Letters to be ineffective or (C) otherwise result in the Equity Financings not being available such that it would delay the Purchaser's ability to fund the transactions and obligations contemplated by this Agreement.

(vi) The net proceeds from the Equity Financings will be sufficient to fund the transactions and obligations contemplated by this Agreement.

(g) Litigation. There is no litigation or governmental or other proceeding or investigation before any Governmental Entity, in progress, pending or, to the Purchaser's knowledge, threatened (and the Purchaser does not know of any basis therefor) against, or involving, the Purchaser or any of its Subsidiaries, nor are there any matters under discussion with any Governmental Entity relating to Taxes, governmental charges, orders or assessments asserted by any such authority, which would, individually or in the aggregate, (i) challenge the validity or enforceability of the Purchaser's obligations under this Agreement or (ii) seek to prevent or delay,

or otherwise would prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement.

(h) Investment Canada Act. The Purchaser is not a non-Canadian within the meaning of the Investment Canada Act.

SCHEDULE D
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

(a) Organization and Qualification. Each of the Company, its Subsidiaries and the Non-Controlled Entities (i) is an entity duly existing under the Laws of its jurisdiction, (ii) has all necessary corporate or partnership, as applicable, power and authority to own its respective properties and carry on the business as respectively presently carried on thereby, and (iii) is duly licensed, registered or qualified in all necessary jurisdictions, except where a failure to be so licensed, registered or qualified would not reasonably be expected to result in a Material Adverse Effect. Copies of the constating documents of the Company and its Subsidiaries, together with all amendments to the date hereof, have been provided to the Purchaser and are accurate and complete in all material respects as of the date hereof and have not been amended or superseded.

(b) Authority Relative this Agreement. The Company has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by the Company in the Arrangement contemplated hereby have been duly authorized by the Company Board and, subject to such approval of the Company Shareholders as is stipulated by the Court in the Interim Order, no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

(c) Subsidiaries. (i) Except as disclosed in the Company Disclosure Letter, the Company does not have any Subsidiaries; and (ii) the Company is not, directly or indirectly, "affiliated" with or any other "body corporate" (within the meaning of those terms in the CBCA), and, except in relation to the Non-Controlled Entities and as disclosed in the Company Disclosure Letter, the Company is not, directly or indirectly, a partner of any partnerships, limited partnerships or joint ventures. Other than as contemplated in this Agreement or as provided in the constating documents of the applicable Subsidiary, none of the Company's Subsidiaries is currently prohibited, directly or indirectly, from paying any dividends to the Company or any of its Subsidiaries, from making any other distribution on such Subsidiary's securities or other ownership interests, or from repaying to the Company or any of its Subsidiaries any loans or advances to such Subsidiary from the Company or any of its Subsidiaries.

(d) Ownership of Subsidiaries and Non-Controlled Entities. The Company is the beneficial direct or indirect owner of all of the outstanding securities and other ownership interests of the Company's Subsidiaries and the beneficial direct or indirect owner of the securities of Northwest Hydro GP Inc., Northwest Hydro Limited Partnership and Inuvik Gas Ltd. as disclosed in the Company Disclosure Letter, in each case with good title thereto free and clear of any and all Encumbrances (other than Permitted Encumbrances). Except as disclosed in the Company Disclosure Letter, no Person has any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Company, directly or indirectly, of any securities of any of the Company's Subsidiaries and

none of the outstanding securities of the Company's Subsidiaries were issued in violation of or subject to the pre-emptive or similar rights of any Person. All outstanding securities or other ownership interests of the Company's Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive right.

(e) No Violation; Absence of Defaults.

(i) neither the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities is in violation of its constating documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, Encumbrance, contract or other instrument or obligation to which the Company, any of its Subsidiaries or any of the Non-Controlled Entities is a party or to which any of them, or any of their respective properties or assets, may be subject or by which the Company, any of its Subsidiaries or any of the Non-Controlled Entities is bound, except for such violations or defaults which would not result in a Material Adverse Effect;

(ii) except as disclosed in the Company Disclosure Letter, neither the execution and delivery of this Agreement by the Company nor the consummation of the Arrangement contemplated hereby nor compliance by the Company with any of the provisions hereof will: (A) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance (other than Permitted Encumbrances) upon any of the properties or assets of the Company, any of its Subsidiaries or any of the Non-Controlled Entities or cause any indebtedness to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of (1) their respective constating documents (including any applicable partnership, shareholder or operating agreements), or (2) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, Encumbrance, contract or other instrument or obligation to which the Company, any of its Subsidiaries or any of the Non-Controlled Entities is a party or to which any of them, or any of their respective properties or assets, may be subject or by which the Company, any of its Subsidiaries or any of the Non-Controlled Entities is bound; or (B) subject to compliance with the statutes and regulations referred to below, violate any Laws, judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to the Company, any of its Subsidiaries or any of the Non-Controlled Entities or any of their respective properties or assets; or (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect, except, in the case of each of clauses (A)(2), (B) or (C) above, for such violations, conflicts, breaches, defaults, terminations, accelerations, creations of Encumbrances, suspensions or revocations which, or any consents, approvals or notices which if not given or received would not have a Material Adverse Effect; and

(iii) except as disclosed in the Company Disclosure Letter, other than in connection with or in compliance with the provisions of applicable Canadian Securities Laws, the CBCA, the Company Shareholder approval of the Arrangement Resolution, the Competition Act Approval, the AUC Approval, the BCUC Approval, the PPA Consent, the terms of the Interim Order and the Final Order in respect of the Arrangement and the filing of the Articles of Arrangement, (A) there is no legal impediment to the Company's consummation of the Arrangement, and (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of the Company in connection with the consummation of the Arrangement.

(f) Litigation. (i) There is no material litigation or governmental or other proceeding or investigation before any Governmental Entity, in progress, pending or, to the knowledge of the Company, threatened (and the Company does not know of any basis therefor) against, or involving, the Company, any of its Subsidiaries or any of the Non-Controlled Entities, and (ii) there are no material matters under discussion with any Governmental Entity relating to material Taxes, governmental charges, orders or assessments asserted by any such authority involving the Company, any of its Subsidiaries or any of the Non-Controlled Entities.

(g) Taxes. (i) All Tax Returns required to be filed by the Company, any of its Subsidiaries or any of the Non-Controlled Entities have been filed and are true and correct in all material respects, and no material fact has been omitted therefrom; (ii) all Taxes and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to Tax or penalties applicable thereto of the Company, any of its Subsidiaries or any of the Non-Controlled Entities due or claimed to be due by any Governmental Entity, if any, have been paid by the applicable entity, whether or not assessed by the appropriate Governmental Entity, other than non-material amounts or those being contested in good faith and for which the Company, its applicable Subsidiary or the applicable Non-Controlled Entity believes adequate reserves have been provided; (iii) neither the Company, any of its Subsidiaries nor any of the Non-Controlled Entities is a party to any agreement, waiver or arrangement with any Governmental Entity which relates to any extension of time with respect to the filing of any Tax Returns, elections, designations or similar filings relating to Taxes, any payment of Taxes or any assessment or collection thereof; (iv) each of the Company, its Subsidiaries and the Non-Controlled Entities has timely collected the amounts on account of sales or transfer Taxes required by Law to be collected by it, if any, and has timely remitted to the appropriate Governmental Entity any such amounts required to be remitted by it, if any; (v) except as disclosed in the Company Disclosure Letter, there are no audits or investigations in progress, pending or, to the knowledge of the Company, threatened, against the Company, any of its Subsidiaries or any of the Non-Controlled Entities in respect of Taxes; (vi) there are no Encumbrances for Taxes, except for Taxes not yet due and payable, upon any of the Company's, any of its Subsidiaries' or any of the Non-Controlled Entities' assets;

(h) Status. The Company is a reporting issuer (where such concept exists) in all provinces and territories of Canada and is in material compliance with all applicable Canadian Securities Laws therein. The Company Common Shares are listed and posted for trading on the TSX, and the Company is in material compliance with the rules of the TSX.

(i) Capitalization. The Company has authorized share capital consisting of an unlimited number of Company Common Shares and an unlimited number of preferred shares issuable in series limited in number to not more than 50% of the number of issued and outstanding Company Common Shares at the time of issuance of any such preferred shares, of which 30,000,000 Company Common Shares are issued and outstanding as of the date hereof. Other than the Company Common Shares issuable upon vesting of the Company Awards or the Company Share Options or as required (or deemed to have been granted) under the terms and conditions of the Company DSUP or the Company MTIP, each on the terms as publicly disclosed on or prior to the date hereof or as disclosed in the Company Disclosure Letter, there are no options, warrants or other rights, shareholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by the Company of any securities of the Company or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of the Company. All outstanding Company Common Shares and Company MTNs have, as applicable, been duly authorized and validly issued, are fully paid and non-assessable (in respect only of the Company Common Shares) and are not subject to, nor were they issued in violation of, any pre-emptive rights, and all the Company Common Shares issuable upon the settlement of the Company Awards and the Company Share Options, in accordance with their respective terms, will be validly issued as fully paid and non-assessable and will not be subject to any pre-emptive rights.

(j) Equity Monetization Plans. Other than the Company DSUs, the Company Awards and the Company Share Options as disclosed in the Company Disclosure Letter, there are no outstanding stock appreciation rights, phantom equity, profit sharing plan or similar rights, agreements, arrangements or commitments payable to any director, officer, employee or consultant of the Company, its Subsidiaries or the Non-Controlled Entities and which are based upon the share price, revenue, value, income or any other attribute of the Company, its Subsidiaries or the Non-Controlled Entities and all such Company DSUs, Company Awards and Company Share Options outstanding are subject only to the terms and conditions of the Company DSUP, the Company MTIP or the Company Share Option Plan, as applicable (copies of which have been made available to the Purchaser) and the applicable grant agreements pursuant to which such Company DSUs, Company Awards and Company Share Options were granted (forms of which have been made available to the Purchaser and none of the grant agreements entered into in respect of outstanding Company DSUs, Company Awards and Company Share Options contain any material departures from such forms of agreement).

(k) No Orders. No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the Company Common Shares or any other securities of the Company has been issued by any Governmental Entity and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of the Company, are contemplated or threatened under any applicable Laws or by any other Governmental Entity.

(l) Material Agreements. Each of the material contracts in respect of the Purchased Business and the Non-Controlled Entities has been duly executed and delivered by the Company, its applicable Subsidiary or the applicable Non-Controlled Entity and, to the knowledge of the Company, by the applicable counterparty thereto, and is enforceable against the counterparty in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally

and by the application of equitable principles when equitable remedies are sought and subject to the fact that rights of indemnity and contribution may be limited by applicable Law; all material contracts in respect of the Purchased Business and the Non-Controlled Entities are in good standing in all material respects and, to the knowledge of the Company, no counterparty to such agreements or contracts is in material default or breach under such agreements or contracts, and the Company has no knowledge of any event which has occurred which, with notice or lapse of time or both, would constitute such a material default or breach by an applicable counterparty, in each case except as disclosed in the Company Disclosure Letter.

(m) Non-Competition Agreements. Neither the Company nor any of its Subsidiaries is a party to or bound by any non-competition agreement, exclusivity agreement or any other agreement, commitment, understanding or obligation which purports to limit the manner or the localities or regions in which all or any portion of the Purchased Business is or is reasonably expected to be conducted following completion of the Arrangement, and the execution, delivery and performance of this Agreement and the completion of the Arrangement does not and will not result in the restriction of the Company or any of its Subsidiaries from engaging in their business or from competing with any Person as described above following completion of the Arrangement.

(n) Books and Records. The records and minute books of the Company and its Subsidiaries and their respective predecessors have been maintained substantially in accordance with all applicable Laws and are complete and accurate in all material respects and have been provided to the Purchaser, in their entirety, prior to the date hereof.

(o) Reports. The Company has filed with the Canadian Securities Administrators, a true and complete copy of all financial statements, annual information forms, material change reports, news releases, and other material forms, reports, schedules, statements, certifications and other documents required to be filed by it under applicable Laws (collectively, the "**Company Disclosure Documents**"). The Company Disclosure Documents filed since December 31, 2018, as of their respective dates or if amended, as of the date of such amendment, did not contain any Misrepresentation and complied in all material respects with all applicable Laws. The Company has not filed any material change reports which continue to be confidential.

(p) Financial Statements. The Company's audited consolidated financial statements as at and for the fiscal years ended December 31, 2018 and 2017 and unaudited condensed interim consolidated financial statements as at and for the three and six months ended June 30, 2019 (together, the "**Company Financial Statements**") have been prepared in conformity with GAAP (except (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited financial statements, in the related report of the Company's independent auditors or (ii) in the case of unaudited interim statements, to the extent they are subject to normal year-end adjustments) applied on a consistent basis throughout the periods involved and present fairly in all material respects and as applicable: (A) the financial position, changes in shareholders' equity, results of operations and cash flows of the Company as at the dates of and for the periods referred to in such statements, and (B) the financial position of the Company as at the date referred to in the balance sheet of the Company, subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments and to disclosures that would be made in the notes thereto if they were audited financial statements.

(q) Internal Controls. The Company has in place, as required under applicable Canadian Securities Laws, processes to provide the Chief Executive Officer and Chief Financial Officer with sufficient knowledge to support the certifications required to be made under the Canadian Securities Laws and is in compliance therewith.

(r) Absence of Undisclosed Liabilities. The Company has no material obligations or liabilities of any nature (matured or unmatured, fixed or contingent) that would be required to be reflected or reserved against on a consolidated balance sheet of the Company prepared in accordance with GAAP or the notes thereto, other than:

(i) those set forth or adequately provided for in the balance sheet included in the Company Financial Statements, subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments and to disclosures that would be made in the notes thereto if they were audited financial statements;

(ii) those which do not have a Material Adverse Effect, are incurred in the ordinary course of business and not required to be set forth in the Company Financial Statements;

(iii) those incurred in the ordinary course of business since the date of the Company Financial Statements as at and for the period ended June 30, 2019 and consistent with past practice; and

(iv) those incurred in connection with the execution of this Agreement.

(s) Absence of Certain Changes. Since December 31, 2018:

(i) there has not occurred any Material Adverse Change; and

(ii) the Company and its Subsidiaries have carried on their businesses in all material respects in the ordinary and normal course.

(t) Environmental.

(i) Except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect (A) none of the Company, any of its Subsidiaries or any of the Non-Controlled Entities is in violation of any Environmental Laws in any material respect; (B) each of the Company, its Subsidiaries and the Non-Controlled Entities has all material permits, authorizations and approvals required under any applicable Environmental Laws to operate the Purchased Business as presently conducted or for the ownership and use of the assets forming part of the Purchased Business in material compliance with all applicable Laws and are in material compliance with their requirements; and (C) there are no pending administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Encumbrances, orders, directions, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Law against the Company, any of its Subsidiaries or any of the Non-Controlled Entities that would be material to the Purchased Business and the

Company has reasonably concluded that there are no facts or circumstances which would reasonably be expected to form the basis for any such administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Encumbrances, orders, directions, notices of non-compliance or violation, investigation or proceedings, that would have a Material Adverse Effect.

(ii) The Company has made available to the Purchaser all material environmental reports, assessments, audits and documents pertaining to the Purchased Business and the Company.

(u) Title. Except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect (i) the Company, its Subsidiaries and the Non-Controlled Entities have good and sufficient title (subject to the Permitted Encumbrances) to their material personal property and real property interests, including, as applicable, a fee simple estate of and in real property, a leasehold estate of and in real property, easements, rights of way, permits or licenses from landowners or authorities permitting the use of land by the Company, its Subsidiaries and the Non-Controlled Entities necessary to permit the operation of their respective businesses as presently owned and conducted, and (ii) to the knowledge of the Company, there are no defects, failures or impairments in the title of, or adverse claims against the title, including expropriation proceedings, (subject to the Permitted Encumbrances) of, the Company, its Subsidiaries or the Non-Controlled Entities to their assets, whether or not an action, suit, proceeding or inquiry is pending or threatened or whether or not discovered by any third party.

(v) Facilities. To the knowledge of the Company, the material equipment, facilities, buildings, structures, improvements and other appurtenances on or under real property owned or used by the Company, its Subsidiaries or the Non-Controlled Entities, are in good operating condition and in a good state of maintenance and repair, each has been constructed and operated and maintained in accordance with good industry practice, each is adequate and suitable for the purpose for which it is currently being used and in the ordinary course of business, and (subject to the Permitted Encumbrances) none thereof, nor the operations or maintenance thereof, violates, in any way so as to cause a Material Adverse Effect, any restrictive covenant or any applicable Law or encroaches on any property owned by the others.

(w) No Encumbrances. (i) Except for Encumbrances which are not material in the aggregate, the properties and assets of the Company, its Subsidiaries and the Non-Controlled Entities are free and clear of all Encumbrances other than the Permitted Encumbrances, and (ii) neither the Company, any of its Subsidiaries nor any of the Non-Controlled Entities has done any act or suffered or permitted any action whereby any Person has acquired or may acquire an interest in or to the Company's, any of its Subsidiaries' or any of the Non-Controlled Entities' assets, nor has it done any act, omitted to do any act or permitted any act to be done that would materially adversely affect or defeat its title to any of such assets.

(x) Licenses. Except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, each of the Company, its Subsidiaries and the Non-Controlled Entities possesses such permits, licenses, approvals, certificates, consents, orders, grants and other authorizations (collectively, "**Governmental Licenses**"), and

each of the Company, its Subsidiaries and the Non-Controlled Entities possesses such Governmental Licenses, in each case issued by Governmental Entities necessary to conduct the Purchased Business and the business of the Non-Controlled Entities as presently conducted or for the ownership and use of the assets forming part of the Purchased Business and the business of the Non-Controlled Entities in compliance with all applicable Laws, except in each case where the failure to so possess would not, individually or in the aggregate, have a Material Adverse Effect, and all such Governmental Licenses are valid and existing and in good standing except where the failure to be valid and existing and in good standing would not, individually or in the aggregate have a Material Adverse Effect. Each of the Company, its Subsidiaries and the Non-Controlled Entities, as applicable, is in compliance with the terms and conditions of all such Governmental Licenses, except where the failure to so comply would not, individually or in the aggregate, have a Material Adverse Effect.

(y) Pre-emptive Rights. Except as disclosed in the Company Disclosure Letter, there are no outstanding rights of first refusal, rights of first offer, pre-emptive rights of purchase, consents to transfer, recall rights or other pre-emptive rights or similar rights of purchase which entitle any Person to acquire any of the material rights, title, interests, property, licenses or assets of the Company or its Subsidiaries, or to the knowledge of the Company, that will be triggered or accelerated by the Arrangement.

(z) Compliance with Laws. The Company, its Subsidiaries and the Non-Controlled Entities have complied with and are not in violation of any applicable Laws, other than non-compliance or violations which would not, individually or in aggregate, reasonably be expected to have a Material Adverse Effect.

(aa) Long-Term and Derivative Transactions. Except as disclosed in the Company Financial Statements or the Company Disclosure Letter, the Company and its Subsidiaries have no material obligations or liabilities, direct or indirect, vested or contingent in respect of any financial hedging agreement or any other similar derivative transaction (including any option with respect to any of these transactions or any combination of these transactions).

(bb) Employee Benefit Plans. The Company has made available to the Purchaser copies of each material health, medical, dental, welfare, supplemental unemployment benefit, bonus, profit sharing, option, insurance, incentive, incentive compensation, deferred compensation, share purchase, share-based compensation, disability, pension, retirement or supplemental retirement plan and each other employee or director compensation or benefit plan, agreement or arrangement whether written or unwritten, tax-qualified or non-qualified, funded or unfunded, for the benefit of officers, directors, consultants or employees (or former officers, directors, consultants or employees) of the Company and/or its Subsidiaries, which are: (i) sponsored or maintained by the Company or any of its Subsidiaries (collectively, the "**Company Employee Plans**") or (ii) contributed to by the Company or any of its Subsidiaries, or in respect of which the Company or any of its Subsidiaries has any actual or potential liability, whether or not sponsored or maintained by the Company or any of its Subsidiaries (collectively, the "**Employee Plans**") and:

(i) each Company Employee Plan has been established, maintained, registered (where required by applicable Laws) and administered in material compliance with its terms and in accordance with applicable Laws;

(ii) all required employer contributions or premiums under any Company Employee Plan or Employee Plan have been made by the Company and any of its applicable Subsidiaries in material compliance with the terms thereof, any applicable collective bargaining agreement and applicable Laws;

(iii) to the knowledge of the Company, there are no material claims, suits, actions or other litigation or proceedings in existence or threatened against or otherwise involving any of the Company Employee Plans (excluding claims for benefits incurred in the ordinary course of the Company Employee Plan activities);

(iv) except as disclosed in the Disclosure Letter, no Company Employee Plan is a "registered pension plan" or a "retirement compensation arrangement", each as defined in subsection 248(1) of the Tax Act; and

(v) all contributions, reserves or premium payments required to be made to the Company Employee Plans have been made or accrued for in the books and records of the Company or its Subsidiaries, as applicable, in all material respects.

(cc) Employment Agreements and Collective Agreements.

(i) Except as would not, individually or in the aggregate, have a Material Adverse Effect, neither the Company nor any Subsidiary of the Company is a party to any written employment agreement with any Company Employee or any written agreement or policy providing for severance, termination or change of control payments to any Company Employee upon the consummation of, or relating to the transactions contemplated by this Agreement, including a change of control of the Company or any of its Subsidiaries; provided that, severance or termination payments made to non-officer Company Employees in the ordinary course of business shall not be subject to the foregoing.

(ii) The Company or any Subsidiary (A) has not paid nor will be required to pay any retention bonus, fee, distribution, remuneration or other compensation to any Person (other than salaries, wages or bonuses paid or payable in the ordinary course of business in accordance with current compensation levels and practices), (B) has not forgiven nor will it be required to forgive any indebtedness to any person, or (C) has not increased not will it be required to increase any benefits otherwise payable by the Company or any Subsidiary, as a result of the transactions contemplated in this Agreement.

(iii) Except as disclosed in the Company Disclosure Letter, neither the Company nor any of its Subsidiaries is a party to, or is bound by, any collective bargaining or other union or employee association agreement, any actual or, to the knowledge of the Company, threatened application for certification or bargaining rights or letter of understanding, with respect to any current or former employee of the

Company or any of its Subsidiaries; and to the knowledge of the Company no trade union, council of trade unions, labor union, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the Company or any of its Subsidiaries employees by way of certification, interim certification, voluntary recognition, or succession rights.

(iv) To the knowledge of the Company, as of the date of this Agreement, there has been is no labour strike, dispute, lock-out, work slowdown or stoppage and no such labour strike, dispute, lock out, work slowdown or stoppage is pending to the knowledge of the Company, threatened against the Company or any of its Subsidiaries. No trade union has applied to have the Company or any of its Subsidiaries declared a related successor, or common employer pursuant to the *Labour Relations Code* (Alberta) or any similar legislation in any jurisdiction in which the Company or any of its Subsidiaries carries on business.

(v) To the knowledge of the Company, the Company is in material compliance with all terms and conditions of employment and all Laws respecting employment and labour, including pay equity, human rights, privacy, employment standards, worker's compensation and occupational health and safety, and there are no outstanding actual or threatened claims, complaints, investigations or orders under any such Laws.

(vi) There are no material outstanding assessments, penalties, fines liens, charges, surcharges, or other amounts due or owing by the Company or any of its Subsidiaries pursuant to any workers' compensation legislation and none of the Company or any of its Subsidiaries has been reassessed under such legislation in the past three years and, to the knowledge of the Company, no audit of any of the Company or any of its Subsidiaries is currently being performed pursuant to any applicable worker's compensation Laws.

(vii) There are no pending or threatened charges against the Company or any Subsidiary nor have there been any fatal or critical accidents which have occurred which might lead to charges under any applicable occupational health and safety Laws.

(dd) Insurance. The Company has made available to the Purchaser prior to the date hereof copies of policies of insurance naming the Company or its applicable Subsidiary as an insured with respect to the Purchased Business, and such policies are in force and effect (subject to taking into account insurance market conditions and offerings and industry practices) and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement, other than such cancellations as would not, individually or in the aggregate, have a Material Adverse Effect.

(ee) Indebtedness To and By Officers, Directors and Others. None of the Company or any of its Subsidiaries is indebted to any of the officers, directors, consultants, or employees of the Company or any of its Subsidiaries or any of their respective associates or affiliates or other parties not at arm's length to the Company or any of its Subsidiaries, except for amounts due as

compensation or reimbursement of ordinary business expenses, nor is there any indebtedness owing by any such parties to the Company.

(ff) Customers and Suppliers. Except as disclosed in the Company Disclosure Letter and except for such matters as would not, individually or in aggregate, reasonably be expected to have a Material Adverse Effect:

(i) none of the Company or any of its Subsidiaries has received notice of, and there is not, to the knowledge of the Company, any intention on the part of any principal customer to cease doing business with the Company or any of its Subsidiaries or to modify or change in any material manner any existing arrangement with the Company or any of its Subsidiaries for the purchase or supply of any products or services;

(ii) the relationships of the Company and its Subsidiaries with their principal suppliers and customers are satisfactory, and there are no material unresolved disputes with any such supplier or customer;

(iii) no contract with any principal supplier or customer contains terms under which the execution or performance of this Agreement would give the supplier or customer the right to terminate or adversely change the terms of that contract;

(iv) since December 31, 2018, there has been no termination or cancellation of, and no modification or change in, the business relationship of the Company or any of its Subsidiaries with any principal customer; and

(v) the Company has no reason to believe that the benefits of any relationship with any of the principal customers or suppliers of the Company or any of its Subsidiaries will not continue after the consummation of the transactions hereunder in substantially the same manner as prior to the date of this Agreement.

(gg) Possession of Intellectual Property. Except as disclosed in the Company Disclosure Letter and except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) the Company and its Subsidiaries collectively own all rights in or have obtained valid and enforceable licenses or other rights to use the patents, patent applications, inventions, copyrights, know how (including trade secrets and other proprietary or confidential information), trade-marks (both registered and unregistered), trade names or any other intellectual property (collectively, "**Intellectual Property**") which is necessary for the conduct of the Purchased Business as presently conducted or for the use of the assets forming part of the Purchased Business in compliance with applicable Laws, free and clear of any Encumbrances other than Permitted Encumbrances or other adverse claims or interest of any kind or nature affecting the assets of the Company or any of its Subsidiaries; (ii) to the knowledge of the Company, there is no infringement by third parties of any Intellectual Property to be then owned, licensed or commercialized by the Company or any of its Subsidiaries; and (iii) neither the Company nor any of its Subsidiaries has received any written notice or claim challenging the Company or its Subsidiaries respecting the validity of, use of or ownership of the processes and technology forming part of the Intellectual Property, and to the knowledge of the Company, there are no facts upon which such a challenge could be made.

(hh) Funds Available. The Company has sufficient funds available to pay the amounts that may be payable pursuant to Section 8.3 of this Agreement.

(ii) Corrupt Practices Legislation.

(i) Neither the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities has, directly or indirectly, (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Entity of any jurisdiction or any official of any public international organization or (B) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the U.S. *Foreign Corrupt Practices Act of 1977*, as amended, the *Corruption of Foreign Public Officials Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the *Criminal Code* (Canada) or the rules and regulations promulgated thereunder;

(ii) During the periods of the Company Financial Statements, the operations of the Company, its Subsidiaries and the Non-Controlled Entities are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "**Money Laundering Laws**"). To the knowledge of the Company, no action, suit or proceeding by or before any court or Governmental Entity or body or any arbitrator involving the Company, any of its Subsidiaries or any of the Non-Controlled Entities with respect to the Money Laundering Laws is pending or threatened; and

(iii) Neither the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company, or any of its Subsidiaries or any of the Non-Controlled Entities has had any sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department imposed upon such Person; and neither the Company, nor any of its Subsidiaries nor any of the Non-Controlled Entities is in violation of any of the economic sanctions of the United States administered by OFAC or any Law or executive order relating thereto.

(jj) Off-Balance Sheet Arrangements. The Company does not have any off-balance sheet arrangements except for those disclosed in the Company Disclosure Documents.

(kk) Financial Advisor. Except for TD Securities and Beacon Securities no financial advisor, broker, finder or investment banker has been retained by the Company or any of its Subsidiaries that is entitled to any brokerage, finder's or other fee or commission, or to the reimbursement of any of its expenses, in connection with the Arrangement. The Company has provided to the Purchaser prior to the date hereof a correct and complete copy of all agreements relating to the

arrangements between it and its financial advisors as are in existence (whether in connection with the Arrangement or otherwise) as of the date hereof.

APPENDIX C
PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT
PLAN OF ARRANGEMENT UNDER SECTION 192
OF THE *CANADA BUSINESS CORPORATIONS ACT*

ARTICLE 1
INTERPRETATION

1.1 Definitions

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

"**Arrangement**" means the arrangement under Section 192 of the CBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of Section 5.1, in accordance with the Arrangement Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement made as of October 20, 2019 between the Purchaser and the Company (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

"**Arrangement Resolution**" means the special resolution approving this Plan of Arrangement to be considered at the Company Shareholders' Meeting by Company Shareholders, substantially in the form attached as Schedule B to the Arrangement Agreement.

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement, required under subsection 192(6) of the CBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form satisfactory to the Company and the Purchaser, each acting reasonably.

"**Business Day**" means a day other than a Saturday, a Sunday or a statutory holiday or other day when banks in the Cities of Calgary, Alberta or Montréal, Québec are not open for business.

"**CBCA**" means the *Canada Business Corporations Act*.

"**Certificate**" means the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement giving effect to the Arrangement.

"**Company**" means AltaGas Canada Inc., a corporation incorporated under the laws of Canada.

"**Company Awards**" means restricted share units and performance share units each granted pursuant to the Company MTIP;

"**Company Common Share Consideration**" means $33.50 in cash per Company Common Share.

"**Company Common Shares**" means the common shares in the capital of the Company.

"**Company DSUP**" means the Company's Deferred Share Unit Plan;

"**Company DSUs**" means deferred share units granted pursuant to the Company DSUP;

"**Company Information Circular**" means the notice of the Company Shareholders' Meeting to be sent to the Company Shareholders and the management information circular to be prepared in connection with the Company Shareholders' Meeting, together with any amendment thereto or supplements thereof from time to time in accordance with the terms of the Arrangement Agreement.

"**Company MTIP**" means the Company's Mid-Term Incentive Plan;

"Company Share Option Plan" means the Company's Share Option Plan.

"**Company Share Options**" means share options to purchase Company Common Shares granted pursuant to the Company Share Option Plan.

"**Company Shareholders**" means the registered and/or beneficial holders of Company Common Shares, as the context requires.

"**Company Shareholders' Meeting**" means the special meeting of the Company Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution.

"**Court**" means the Court of Queen's Bench of Alberta.

"**Depositary**" means such Person as the Purchaser may appoint to act as depositary for the Company Common Shares in relation to the Arrangement, with the approval of the Company, acting reasonably.

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA.

"**Dissent Rights**" has the meaning specified in Section 3.1.

"**Dissenting Holder**" means a registered Company Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Company Common Shares in respect of which Dissent Rights are validly exercised by such registered Company Shareholder.

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

"**Encumbrance**" includes any mortgage, pledge, collateral assignment, charge, lien, security interest, adverse interest in property, other third party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

"**Final Order**" means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal.

"**Governmental Entity**" means any: (a) multinational, federal, provincial, territory, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body (including any securities commission or similar regulatory authority) exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) the TSX.

"**Interim Order**" means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Shareholders' Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

"**Law**" means all laws, by-laws, statutes, rules, regulations, principles of law, decisions, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity (including the TSX) or self-regulatory authority; and the term "applicable" with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Persons or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities.

"**Letter of Transmittal**" means the letter of transmittal sent to holders of Company Common Shares for use in connection with the Arrangement.

"**Parties**" means the Company and the Purchaser and "**Party**" means any one of them.

"**Person**" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity).

"**Plan of Arrangement**" means this plan of arrangement proposed under Section 192 of the CBCA, and any amendments or variations made in accordance with the Arrangement

Agreement or Section 5.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Purchaser**" means PSPIB Cycle Investments Inc., a corporation incorporated under the laws of Canada.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**TSX**" means The Toronto Stock Exchange.

1.2 Certain Rules of Interpretation

In this Plan of Arrangement, unless otherwise specified:

(a) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.

(b) **Currency.** All references to dollars or to $ are references to Canadian dollars, unless specified otherwise.

(c) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

(d) **Certain Phrases, etc.** The words (i) "including", "includes" and "include" mean "including (or includes or include) without limitation," (ii) "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of," and (iii) unless stated otherwise, "Article" and "Section" followed by a number or letter mean and refer to the specified Article or Section of this Plan of Arrangement.

(e) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

(f) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

(g) **Time References.** References to time herein or in any Letter of Transmittal are to local time, Calgary, Alberta.

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the Arrangement Agreement.

2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate, will become effective, and be binding on the Purchaser, the Company, all holders and beneficial owners of Company Common Shares (including Dissenting Holders), all holders of Company Share Options, Company Awards and Company DSUs, the transfer agent and registrar of the Company, the Depositary and all other Persons, at and after, the Effective Time without any further act or formality required on the part of any Person.

2.3 Arrangement

At the Effective Time, each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting immediately following the Effective Time:

(a) each Company Share Option outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the Company Share Option Plan, shall be deemed to be unconditionally vested and exercisable, and such Company Share Option shall, without any further action by or on behalf of the holder of the Company Share Option, be deemed to be assigned and transferred by such holder to the Company (free and clear of all Encumbrances) in exchange for a cash payment from the Company equal to the amount equal to the product of: (i) the amount by which the Company Common Share Consideration exceeds the exercise price per Company Common Share of such Company Share Option; and (ii) the number of Company Common Shares into which such Company Share Option is exercisable; provided that in the event the foregoing calculation would result in a product less than $0.01, the consideration to be received in respect of such Company Share Option shall be $0.01, and:

(i) each holder of Company Share Options shall cease to be a holder of such Company Share Options;

(ii) such holder's name shall be removed from the register of the Company Share Options;

(iii) the Company Share Option Plan and all agreements relating to the Company Share Options shall be terminated and shall be of no further force and effect; and

(iv) such holder shall thereafter have only the right to receive the consideration to which they are entitled pursuant to this Section 2.3(a);

(b) each Company Award outstanding immediately prior to the Effective Time (whether vested or unvested) shall be deemed to be unconditionally vested, and such Company Award shall, without any further action by or on behalf of the holder of the Company Award, be deemed to be assigned and transferred by such holder to the Company (free and clear of all Encumbrances) in exchange for a cash payment from the Company equal to the Company Common Share Consideration, and:

(i) each holder of Company Awards shall cease to be a holder of such Company Awards;

(ii) such holder's name shall be removed from the register of the Company Awards;

(iii) the Company MTIP and all agreements relating to the Company Awards shall be terminated and shall be of no further force and effect; and

(iv) such holder shall thereafter have only the right to receive the consideration to which they are entitled pursuant to this Section 2.3(b);

(c) each Company DSU outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of the holder of the Company DSU, be deemed to be assigned and transferred by such holder to the Company (free and clear of all Encumbrances) in exchange for a cash payment from the Company equal to the Company Common Share Consideration, and:

(i) each holder of Company DSUs shall cease to be a holder of such Company DSUs;

(ii) such holder's name shall be removed from the register of the Company DSUs;

(iii) the Company DSUP and all agreements relating to the Company DSUs shall be terminated and shall be of no further force and effect; and

(iv) such holder shall thereafter have only the right to receive the consideration to which they are entitled pursuant to this Section 2.3(c);

(d) each Company Common Share held by Dissenting Holders in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn shall, without any further action by or on behalf of the Dissenting Holder, be deemed to have been assigned and transferred by such Dissenting Holder to the Purchaser (free and clear of all Encumbrances) in consideration for a debt claim against the Purchaser for the amount determined under Article 3, and:

(i) such Dissenting Holders shall cease to be the holders of such Company Common Shares and to have any rights as holders of such Company Common Shares other than the right to be paid fair value for such Company Common Shares as set out in Section 3.1;

(ii) such Dissenting Holders' names shall be removed as the holders of such Company Common Shares from the register of Common Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be deemed to be the legal and beneficial owner of such Company Common Shares (free and clear of all Encumbrances) and shall be entered in the register of Company Common Shares maintained by or on behalf of the Company; and

(e) each Company Common Share outstanding immediately prior to the Effective Time, other than Company Common Shares held by a Dissenting Holder in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn, shall, without any further action by or on behalf of the holder of the Company Common Share, be deemed to be assigned and transferred by the holder thereof to the Purchaser (free and clear of all Encumbrances) in exchange for the Company Common Share Consideration for each Company Common Share held, and:

(i) the holders of such Company Common Shares shall cease to be the holders thereof and to have any rights as holders of such Company Common Shares other than the right to be paid the Company Common Share Consideration for each Company Common Share formerly held in accordance with this Plan of Arrangement;

(ii) such holders' names shall be removed from the register of the Company Common Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be deemed to be the legal and beneficial owner of such Company Common Shares (free and clear of all Encumbrances) and shall be entered in the register of the Company Common Shares maintained by or on behalf of the Company.

ARTICLE 3
RIGHTS OF DISSENT

3.1 Rights of Dissent

Registered Company Shareholders may exercise dissent rights with respect to the Common Shares held by such holders ("**Dissent Rights**") in connection with the Arrangement pursuant to and in the manner set forth in Section 190 of the CBCA, as modified by the Interim Order and this Section 3.1; provided that, notwithstanding subsection 190(5) of the CBCA, the written objection to the Arrangement Resolution referred to in subsection 190(5) of the CBCA must be received by the Company at its registered office not later than 5:00 p.m. (Calgary time)

two Business Days immediately preceding the date of the Company Shareholders' Meeting. Dissenting Holders shall be deemed to have transferred the Company Common Shares held by them in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn to the Purchaser free and clear of all Encumbrances, as provided in Section 2.3(d) and if they:

(a) ultimately are entitled to be paid fair value for such Company Common Shares: (i) shall be deemed not to have participated in the transactions in Article 2 (other than Section 2.3(d)); (ii) will be entitled to be paid the fair value of such Company Common Shares which fair value, notwithstanding anything to the contrary contained in Part XV of the CBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Company Common Shares; or

(b) ultimately are not entitled, for any reason, to be paid fair value for such Company Common Shares shall be deemed to have participated in the Arrangement on the same basis as a Company Shareholder that is not a Dissenting Holder and shall be entitled only to receive the consideration contemplated in Section 2.3(e).

3.2 Recognition of Dissenting Holders

(a) In no circumstances shall the Purchaser, the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Company Common Shares in respect of which such rights are sought to be exercised.

(b) For greater certainty, in no case shall the Purchaser, the Company or any other Person be required to recognize Dissenting Holders as holders of Company Common Shares in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn after the completion of the transfer under Section 2.3(d) and the names of such Dissenting Holders shall be removed from the register of the Company Common Shares, in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn at the same time as the event described in Section 2.3(d) occurs.

(c) In addition to any other restrictions under Section 190 of the CBCA, none of the following shall be entitled to exercise Dissent Rights: (i) holders of Company Share Options, Company Awards or Company DSUs (in respect of such Company Options, Company Awards or Company DSUs); and (ii) Company Shareholders who vote or have instructed a proxyholder to vote any Company Common Shares in favour of the Arrangement Resolution.

ARTICLE 4
CERTIFICATES AND PAYMENTS

4.1 Payment of Company Common Share Consideration

(a) Prior to the filing of the Articles of Arrangement the Purchaser shall deposit, or arrange to be deposited, for the benefit of former holders of Company Common Shares if the Arrangement is completed, cash with the Depositary in the aggregate amount equal to the payments in respect thereof required by this Plan of Arrangement, with the amount per Company Common Share in respect of which Dissent Rights have been exercised being deemed to be the Company Common Share Consideration for this purpose, net of applicable withholdings. The cash deposited with the Depositary by or on behalf of the Purchaser shall be held in an interest-bearing account, and any interest earned on such funds shall be for the account of the Purchaser.

(b) Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Company Common Shares that were transferred pursuant to Section 2.3(e), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the former Company Shareholder surrendering such certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such former Company Shareholder, the cash which such former Company Shareholder has the right to receive under the Arrangement for the Company Common Shares formerly represented by such certificate, less any amounts withheld pursuant to Section 4.3, and any certificate so surrendered shall forthwith be cancelled.

(c) As soon as practicable after the Effective Date, the Company shall pay the amounts, net of applicable withholdings, to be paid to holders of Company Share Options, Company Awards and Company DSUs pursuant to Section 2.3, either (i) pursuant to the normal payroll practices and procedures of the Company, or (ii) in the event that payment pursuant to the normal payroll practices and procedures of the Company is not practicable for any such holder, by cheque (delivered to the address of such holder of Company Share Options as reflected on the register maintained by or on behalf of the Company in respect of the Company Share Options, Company Awards or Company DSUs, as applicable).

(d) Until surrendered as contemplated by this Section 4.1, each certificate that immediately prior to the Effective Time represented Company Common Shares shall be deemed after the Effective Time to represent only the right to receive upon such surrender a cash payment in lieu of such certificate as contemplated in this Section 4.1, less any amounts withheld pursuant to Section 4.3. Any such certificate formerly representing Company Common Shares not duly surrendered on or before the second anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Company Common Shares of any kind or nature against or in the Company or the Purchaser. On such date, all cash to which such former holder was entitled shall be deemed to

have been surrendered to the Purchaser or the Company, as applicable, and shall be paid over by the Depositary to the Purchaser or as directed by the Purchaser.

(e) Any payment made by way of cheque by the Depositary (or the Company or the Purchaser, if applicable) pursuant to this Plan of Arrangement that has not been deposited or has been returned to the Depositary (or the Company or the Purchaser), in each case, on or before (or that otherwise remains unclaimed on) the second anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the second anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Company Common Shares, the Company Options, the Company Awards and the Company DSUs pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Company, as applicable, for no consideration.

(f) No holder of Company Common Shares, Company Share Options, Company Awards or Company DSUs shall be entitled to receive any consideration with respect to such Company Common Shares, Company Share Options, Company Awards or Company DSUs other than any cash payment to which such holder is entitled to receive in accordance with Section 2.3 and this Section 4.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Common Shares that were transferred pursuant to Section 2.3 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed and who was listed immediately prior to the Effective Time as the registered holder thereof on the register of holders of Company Common Shares maintained by or on behalf of the Company, the Depositary will deliver, in exchange for the Company Common Shares previously represented by such lost, stolen or destroyed certificate, the cash payable pursuant to Section 2.3 in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered shall as a condition precedent to the delivery of such cash, give a bond satisfactory to the Purchaser and the Depositary (acting reasonably) in such sum as the Purchaser may direct, or otherwise indemnify the Depositary, the Purchaser and the Company in a manner satisfactory to the Depositary, the Purchaser and the Company, each acting reasonably, against any claim that may be made against the Depositary, the Purchaser or the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Withholding Rights

The Purchaser, the Company or the Depositary shall be entitled to deduct and withhold from any amount payable to any Person under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 3.1), such amounts as the Purchaser, the

Company or the Depositary determines, acting reasonably, are required or permitted to be deducted and withheld with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any other Law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate taxing authority.

4.4 No Encumbrances

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of all Encumbrances or other claims of third parties of any kind.

4.5 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Company Common Shares, Company Options, Company Awards and Company DSUs issued or outstanding prior to the Effective Time; (b) the rights and obligations of the holders of Company Common Shares, holders of Company Share Options, holders of Company Awards, holders of Company DSUs, the Company, the Purchaser, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement; and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Company Common Shares, Company Options, Company Awards or Company DSUs shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 5
AMENDMENTS

5.1 Amendments to Plan of Arrangement

(a) The Company and the Purchaser may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must: (i) be set out in writing; (ii) be approved by the Company and the Purchaser, each acting reasonably; (iii) be filed with the Court and, if made following the Company Shareholders' Meeting, approved by the Court; and (iv) communicated to the Company Shareholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company or the Purchaser at any time prior to or at the Company Shareholders' Meeting (provided that the Company or the Purchaser, as applicable, shall have consented thereto in writing, acting reasonably) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Shareholders' Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Shareholders' Meeting shall be effective only if: (i) it is consented to in writing by each of the Company and the Purchaser (in each case, acting reasonably); and (ii) if required by the Court, it is consented to by some or all of the Company Shareholders voting in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement.

ARTICLE 6
FURTHER ASSURANCES

6.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

APPENDIX D
INTERIM ORDER AND ORIGINATING APPLICATION

Clerk's stamp

COURT FILE NUMBER	1901-15966
COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, RSC 1985, c C-44, AS AMENDED AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ALTAGAS CANADA INC., PSPIB CYCLE INVESTMENTS INC. AND CERTAIN OTHER PERSONS
APPLICANT	ALTAGAS CANADA INC.
RESPONDENT	NOT APPLICABLE
DOCUMENT	**INTERIM ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**STIKEMAN ELLIOTT LLP** **Barristers and Solicitors** 4300 Bankers Hall West 888 – 3rd Street S.W. Calgary, Alberta T2P 5C5 Attention: Geoffrey D. Holub Telephone: 403-266-9022 Facsimile: 403-266-9034 Email: gholub@stikeman.com File: 144567.1005

DATE ON WHICH ORDER WAS PRONOUNCED:	November 19, 2019
NAME OF JUDGE WHO MADE THIS ORDER:	Justice R. A. Neufeld
LOCATION OF HEARING:	Calgary Courts Centre

UPON the Originating Application (the "**Originating Application**") of AltaGas Canada Inc. (the "**Applicant**") for an Interim Order pursuant to section 192 of the *Canada Business Corporations Act*, as amended (the "**CBCA**");

AND UPON reading the Originating Application, the affidavit of Mr. Jared Green sworn November 13, 2019 (the "**Affidavit**") and the documents referred to therein;

AND UPON noting that the director appointed under section 260 of the CBCA (the "**Director**") having been given notice of this application as required by subsection 192(5) of the CBCA;

AND UPON hearing counsel for the Applicant;

FOR THE PURPOSES OF THIS ORDER:

(a) the capitalized terms not defined in this Order (the "**Order**") shall have the meanings attributed to them in the draft management information circular and proxy statement of the Applicant (the "**Information Circular**"), which is attached as Exhibit "**A**" to the Affidavit; and

(b) all references to "**Arrangement**" used herein mean the arrangement as set forth in the Plan of Arrangement attached as Appendix C to the Information Circular.

IT IS HEREBY ORDERED THAT:

General

1. The Applicant shall seek approval of the Arrangement by holders (the "**Shareholders**") of common shares (the "**Common Shares**") in the capital of the Applicant, in the manner set forth below.

The Meeting

2. The Applicant shall call and conduct a special meeting (the "**Meeting**") of the Shareholders on or about December 19, 2019.

3. At the Meeting, the Shareholders will consider and vote on a resolution to approve the Arrangement in substantially the form attached as Appendix A to the Information Circular (the "**Arrangement Resolution**") and transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.

4. A quorum at the Meeting shall be Shareholders, present in person or represented by proxy, at the opening of the Meeting, together holding not less than 25% of the Common Shares entitled to be voted at the Meeting and at least two persons entitled to vote at the Meeting actually present at the Meeting.

5. A quorum of Shareholders shall be required for the Meeting to proceed. If within 30 minutes of the time appointed for the Meeting, a quorum is not present, the Meeting shall stand adjourned to a date not less than two and not more than 30 days later, as may be determined by the Chair of the Meeting. No notice of the adjourned meeting shall be required and, if at such adjourned meeting a quorum is not present, the Shareholders present at the adjourned meeting in person or represented by proxy shall constitute a quorum for all purposes.

6. Each Common Share entitled to be voted at the Meeting will entitle the holder to one vote at the Meeting in respect of the Arrangement Resolution and any other matters to be considered at the Meeting.

7. The record date for Shareholders entitled to receive notice of and vote at the Meeting is November 12, 2019 (the "**Record Date**"). Only Shareholders whose names had been entered on the register of holders of Common Shares as at the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting. The Record Date for Shareholders entitled to receive notice of and to vote at the Meeting will not change in respect of or as a consequence of any adjournment or postponement of the Meeting.

8. The Chair of the Meeting shall be the Chair of the Company Board or the Chair of the Company Independent Committee. If no such person is present at the Meeting, the Chair of the Meeting shall be determined in accordance with the applicable provisions of the by-laws of the Applicant.

Conduct of the Meeting

9. The Meeting shall be called, held and conducted in accordance with the applicable provisions of the CBCA, the articles and by-laws of the Applicant in effect at the relevant time, the Information Circular, the rulings and directions of the Chair of the Meeting, this Order and any further Order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the CBCA or the articles or by-laws of the Applicant, the terms of this Order shall govern.

10. The only persons entitled to attend the Meeting shall be Shareholders entitled to vote thereat or their authorized proxy holders, holders of Company Share Options, Company

Awards and Company DSUs (collectively, the "**Company Incentive Security Holders**"), the Applicant's directors and officers and its auditors, the scrutineer (and its representatives for that purpose), the Applicant's legal counsel, financial advisors, representatives, PSPIB Cycle Investments Inc. (the "**Purchaser**") and its legal counsel, financial advisors and representatives (including representatives of the Public Sector Pension Investment Board and the Alberta Teachers' Retirement Fund Board) and legal counsel of persons subject to the Arrangement, and such other persons who may be permitted to attend by the Chair of the Meeting.

11. The number of votes required to pass the Arrangement Resolution shall be not less than 66⅔% of the votes cast by Shareholders entitled to vote thereon present in person or represented by proxy at the Meeting.

12. To be valid, proxies must be deposited with Computershare Investor Services Inc. as described in the Information Circular.

13. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the Meeting.

14. The Applicant is authorized to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present, if applicable) and for such period or periods of time as the Applicant deems advisable, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders in respect of the adjournment or postponement, provided that such adjournment or postponement is made in compliance with the arrangement agreement (the "**Arrangement Agreement**") attached as Appendix B to the Information Circular. Notice of such adjournment or postponement may be given by such method as the Applicant determines is appropriate in the circumstances. If the Meeting is adjourned or postponed in accordance with this Order (including paragraph 5 herein), the references to the Meeting in this Order shall be deemed to be the Meeting as adjourned or postposed, as the context allows.

Amendments to the Arrangement

15. The Applicant and the Purchaser, are authorized to make such amendments, revisions or supplements to the Arrangement as they may together determine necessary or desirable, provided that such amendments, revisions or supplements are made in accordance with

and in the manner contemplated by the Arrangement and the Arrangement Agreement. The Arrangement so amended, revised or supplemented shall be deemed to be the Arrangement submitted to the Meeting and the subject of the Arrangement Resolution, without need to return to this Court to amend this Order.

Amendments to Meeting Materials

16. The Applicant is authorized to make such amendments, revisions or supplements ("**Additional Information**") to the Information Circular, the form of proxy for use by Shareholders at the Meeting (the "**Shareholder Proxy**"), the notice of the Meeting (the "**Notice of the Meeting**"), the form of letter of transmittal for registered Shareholders (the "**Letter of Transmittal**") and the notice of Originating Application (the "**Notice of Originating Application**") as it may determine, provided such amendments, revisions or supplements are made in accordance with the Arrangement Agreement. The Applicant may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by the Applicant. Without limiting the generality of the foregoing, if any material change or material fact arises between the date of this Order and the date of the Meeting, which change or fact, if known prior to mailing of the Information Circular, would have been required to be disclosed in the Information Circular, then:

    (a) the Applicant shall advise the Shareholders and the Company Incentive Security Holders of the material change or material fact by disseminating a news release (a "**News Release**") in accordance with applicable securities laws and the policies of the Toronto Stock Exchange; and

    (b) provided that the News Release describes the applicable material change or material fact in reasonable detail, the Applicant shall not be required to deliver an amendment to the Information Circular to the Shareholders and the Company Incentive Security Holders or otherwise give notice to the Shareholders and the Company Incentive Security Holders of the material change or material fact other than dissemination and filing of the News Release as aforesaid.

Dissent Rights

17. Registered Shareholders are, subject to the provisions of this Order and the Plan of Arrangement, accorded the right to dissent under section 190 of the CBCA with respect

to the Arrangement Resolution and the right to be paid the fair value of their Common Shares by the Purchaser in respect of which such right to dissent was validly exercised and has not been withdrawn or deemed to have been withdrawn.

18. In order for a registered Shareholder (a "**Dissenting Shareholder**") to exercise such right to dissent under section 190 of the CBCA:

(a) the Dissenting Shareholder's written objection to the Arrangement Resolution must be received by the Company's registered office, Suite 2100, 444 – 5th Avenue S.W., Calgary, Alberta T2P 2T8 attention: Autumn Howell, no later than 5:00 p.m. (Calgary time) on December 17, 2019;

(b) a Dissenting Shareholder shall, no later than the date on which it delivers its objection as contemplated by paragraph 18(a) herein, send the certificates representing the Common Shares in respect of which the Dissenting Shareholder dissents to the Applicant or its transfer agent;

(c) a vote against the Arrangement Resolution, whether in person or by proxy, shall not constitute a written objection to the Arrangement Resolution as required under paragraph 18(a) herein;

(d) a Dissenting Shareholder shall not have voted his or her Common Shares at the Meeting either by proxy or in person, in favour of the Arrangement Resolution;

(e) a Dissenting Shareholder may dissent only with respect to all of the Common Shares held by such Dissenting Shareholder, or on behalf of any one beneficial owner and registered in the Dissenting Shareholder's name and, except in respect of a dissent of all of the Common Shares held in respect of a beneficial owner, a Dissenting Shareholder shall not exercise the right of dissent in respect of only a portion of the Dissenting Shareholder's Common Shares; and

(f) the exercise of such right to dissent must otherwise comply with the requirements of section 190 of the CBCA, as modified and supplemented by this Order and the Plan of Arrangement.

19. The fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be determined as of the close of business on the day before the

day on which the Arrangement Resolution was adopted and provided that the Arrangement is completed in respect of the Shareholders.

20. Dissenting Shareholders who validly exercise their right to dissent, as set out in paragraphs 17 and 18 herein, and who:

(i) are determined to be entitled to be paid the fair value of their Common Shares shall be deemed to have transferred such Common Shares as of the completion of the transfer under section 2.3(d) of the Plan of Arrangement (free and clear of any encumbrance) to the Purchaser without any further act or formality and shall only be entitled to be paid by the Purchaser the fair value of the holders' Common Shares; or

(ii) are, for any reason (including, for clarity, any withdrawal or deemed withdrawal by any Dissenting Shareholder of their dissent) determined not to be entitled to be paid the fair value for their Common Shares shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Shareholder;

but in no event shall the Applicant, the Purchaser or any other person be required to recognize such Dissenting Shareholders as holders of Common Shares after the completion of the transfer under section 2.3(d) of the Plan of Arrangement, and the names of such Dissenting Shareholders shall be removed from the register of Common Shares.

21. Subject to further order of this Court, the rights available to registered Shareholders under the CBCA and the Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient dissent rights for such Shareholders with respect to the Arrangement Resolution.

22. Notice to the Shareholders of their rights to dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the CBCA, this Order and the Plan of Arrangement, the fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be sufficiently given by including information with respect to these rights as set forth in the Information Circular which is to be sent to Shareholders in accordance with paragraph 23 herein.

Notice

23. The Information Circular, substantially in the form attached as Exhibit "**A**" to the Affidavit, with such amendments thereto as counsel to the Applicant may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), and including the Notice of the Meeting, the Shareholder Proxy, the Notice of Originating Application and this Order, together with any other communications or documents determined by the Applicant to be necessary or advisable including the Letter of Transmittal (collectively, the "**Meeting Materials**"), shall be sent to those Shareholders whose names had been entered in the register of holders of Common Shares as at the close of business on the Record Date, the Company Incentive Security Holders, the directors of the Applicant, the auditors of the Applicant and the Director, by one or more of the following methods:

(a) in the case of registered Shareholders, by pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of the Applicant as at the close of business on the Record Date not later than 21 days prior to the Meeting;

(b) in the case of Company Incentive Security Holders, by email, pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of the Applicant as at the close of business on the Record Date or at the head office of the Applicant not later than 21 days prior to the Meeting;

(c) in the case of beneficial Shareholders, by providing sufficient copies of the applicable Meeting Materials to intermediaries, in accordance with National Instrument 54 -101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

(d) in the case of the directors and auditors of the Applicant, by email, pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to the individual directors or firm of auditors, as applicable, not later than 21 days prior to the Meeting; and

(e) in the case of the Director, by facsimile or other electronic means, by courier or by delivery in person, addressed to the Director not later than 21 days prior to the Meeting.

24. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon the Shareholders, the Company Incentive Security Holders, the directors of the Applicant, the auditors of the Applicant and the Director of:

(a) the Originating Application;

(b) this Order;

(c) the Notice of the Meeting; and

(d) the Notice of Originating Application.

Final Application

25. Subject to further order of this Court, and provided that the Shareholders have approved the Arrangement in the manner directed by this Court and the directors of the Applicant have not revoked their approval, the Applicant may proceed with an application for a final Order of the Court approving the Arrangement (the "**Final Order**") on December 20, 2019 at 10:00 a.m. (Calgary time) or so soon thereafter as counsel may be heard. Subject to the Final Order and to the issuance of the Certificate, the Applicant, the Purchaser, all Shareholders, all Company Incentive Security Holders and all other persons affected thereby will be bound by the Arrangement in accordance with its terms.

26. Any Shareholder or other interested party (each an "**Interested Party**") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon the Applicant, by service on the Applicant's counsel so that it is received before 5:00 pm (Calgary time) on December 17, 2019, a notice of intention to appear (the "**Notice of Intention to Appear**") including the Interested Party's address for service, indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service of this Notice of Intention to Appear to the Applicant's counsel shall be effected by delivery to:

Stikeman Elliott LLP
Suite 4300, Bankers Hall West Tower
888 – 3rd Street S.W.
Calgary, Alberta T2P 5C5

Attention: Geoffrey D. Holub

27. If the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 26 herein, shall have notice of the adjourned date.

Leave to Vary Interim Order

28. The Applicant is entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct

"*Justice R. A. Neufeld*"

Justice of the Court of Queen's
Bench of Alberta

Clerk's stamp

COURT FILE NUMBER	1901-15966
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, RSC 1985, c C-44, AS AMENDED AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING ALTAGAS CANADA INC., PSPIB CYCLE INVESTMENTS INC. AND CERTAIN OTHER PERSONS
APPLICANT	ALTAGAS CANADA INC.
RESPONDENT	NOT APPLICABLE
DOCUMENT	**ORIGINATING APPLICATION**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**STIKEMAN ELLIOTT LLP** **Barristers and Solicitors** 4300 Bankers Hall West 888 – 3rd Street S.W. Calgary, Alberta T2P 5C5 Attention: Geoffrey D. Holub Telephone: 403-266-9022 Facsimile: 403-266-9034 Email: gholub@stikeman.com

Interim Order Application		**Final Order Application**	
Date:	November 19, 2019	Date:	December 20, 2019
Time:	3:00 p.m.	Time:	10:00 a.m.
Where:	Calgary Courts Centre	Where:	Calgary Courts Centre
Before Whom:	Justice R. A. Neufeld	Before Whom:	Justice R. A. Neufeld

Basis for this Originating Application:

1. The Applicant, AltaGas Canada Inc. (the "**Company**") is a corporation existing under the *Canada Business Corporations Act*, RSC 1985, c C-44, as amended (the "**CBCA**"). The Company has its registered and head offices in Calgary, Alberta. The Company owns diversified rate-regulated natural gas distribution and transmission utilities assets and long-term contracted renewable power generation assets.

2. The Company's authorized share capital consists of an unlimited number of common shares (the "**Common Shares**") and such number of preferred shares issuable in series at any time as have aggregate voting rights either directly or on conversion or exchange that in the aggregate represent less than 50% of the voting rights attaching to the then issued and outstanding Common Shares. The Common Shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "ACI". There are currently no preferred shares issued and outstanding.

3. PSPIB Cycle Investments Inc. (the "**Purchaser**") is a corporation existing under the CBCA in which, upon completion of the Arrangement, the Public Sector Pension Investment Board will hold a majority indirect economic interest and the Alberta Teachers' Retirement Fund Board will hold a minority indirect economic interest.

4. The Company seeks approval of this Honourable Court pursuant to section 192 of the CBCA for a plan of arrangement (the "**Arrangement**") involving the Company, the Purchaser, the holders of Common Shares (the "**Shareholders**"), the holders of share options to purchase Common Shares granted pursuant to the Company's Share Option Plan (the "**Company Share Options**"), the holders of restricted share units and performance share units (collectively, the "**Company Awards**") each granted pursuant to the Company's Mid-Term Incentive Plan, the holders of deferred share units of the Company (the "**Company DSUs**") granted pursuant to the Company's Deferred Share Unit Plan (the holders of Company Share Options, Company Awards and Company DSUs hereinafter referred to as the "**Company Incentive Security Holders**") and certain other persons as described therein.

5. The Arrangement is proposed pursuant to the terms of an arrangement agreement dated October 20, 2019 (the "**Arrangement Agreement**") between the Company and the Purchaser.

6. In general, the Arrangement will, through a sequence of events, result in the acquisition by the Purchaser of all of the issued and outstanding Common Shares and the acquisition by the Company of all of the issued and outstanding Company Share Options, Company Awards and Company DSUs. Following completion of the Arrangement, it is anticipated that the Common Shares will be delisted from the TSX.

7. Pursuant to the Arrangement, on the effective date of the Arrangement:

   (a) holders of Common Shares (other than those who have validly exercised and not withdrawn or been deemed to have withdrawn dissent rights) will receive, for each Common Share held, a cash payment of $33.50;

   (b) holders of Company Share Options will receive, for each Company Share Option held, a cash payment equal to the amount equal to the product of: (i) the amount by which $33.50 exceeds the exercise price per Common Share of such Company Share Option; and (ii) the number of Common Shares into which such Company Share Option is exercisable; provided that in the event the foregoing calculation would result in a product less than $0.01, the consideration to be received in respect of such Company Share Option shall be $0.01;

   (c) holders of Company Awards will receive, for each Company Award held, a cash payment of $33.50; and

   (d) holders of Company DSUs will receive, for each Company DSU held, a cash payment of $33.50.

8. It is impracticable to effect the result contemplated by the Arrangement under any provision of the CBCA other than section 192 thereof.

9. The Arrangement is fair to the persons affected.

10. Notice of this Application has been given to the director appointed under section 260 of the CBCA (the "**Director**") as required by subsection 192(5) of the CBCA.

Remedy sought:

11. The Applicant seeks the following relief:

(a) an Interim Order providing directions for the calling, giving of notice, and holding of a special meeting of the Shareholders to consider and vote on the Arrangement, for the manner of conducting the vote in respect of such meeting and for such other matters as may be required for the proper consideration of the Arrangement;

(b) an order approving the Arrangement pursuant to the provisions of section 192 of the CBCA and pursuant to the terms and conditions of the Arrangement Agreement;

(c) an order declaring that the registered holders of Common Shares shall have the right to dissent from the Arrangement pursuant to the provisions of section 190 of the CBCA, as modified by the Interim Order and the Arrangement;

(d) a declaration that the Arrangement will, upon sending the Articles of Arrangement to the Director and the issuance of a certificate of arrangement by the Director, pursuant to the provisions of section 192 of the CBCA, be effective in accordance with its terms and shall be binding on and after the Effective Time, as defined in the Arrangement; and

(e) a declaration that the terms and conditions of the Arrangement, and its procedures, are fair to the Shareholders, the Company Incentive Security Holders and other affected persons, both from a substantive and procedural perspective.

Affidavit or other evidence to be used in support of this Originating Application:

12. The Affidavit of Mr. Jared Green, sworn on November 13, 2019, to be filed.

Applicable Acts and regulations:

13. The CBCA, including, without limitation, sections 190 and 192.

14. The *Alberta Rules of Court*, including, without limitation, Rule 3.8.

APPENDIX E
TD FAIRNESS OPINION

TD Securities
TD Securities Inc.
66 Wellington Street West
TD Bank Tower, 7th Floor
Toronto, Ontario M5K 1A2

PRIVILEGED & CONFIDENTIAL

October 20, 2019

The Board of Directors of AltaGas Canada Inc.
2100, 444 – 5th Avenue SW
Calgary, Alberta
T2P 2T8

To the Board of Directors of AltaGas Canada Inc.:

TD Securities Inc. ("TD Securities") understands that AltaGas Canada Inc. ("ACI") is considering entering into an arrangement agreement (the "Arrangement Agreement") with PSPIB Cycle Investments Inc. (the "Purchaser"), an entity in which the Public Sector Pension Investment Board ("PSP") will hold a majority indirect economic interest and the Alberta Teachers' Retirement Fund Board ("ATRF") will hold a minority indirect economic interest on closing of the Arrangement, pursuant to which the Purchaser would, among other things, acquire all of the issued and outstanding common shares (the "Common Shares") of ACI pursuant to a plan of arrangement under the *Canada Business Corporations Act* (the "Arrangement"). AltaGas Ltd. ("ALA") owns approximately 37% of the Common Shares. Pursuant to the terms of the Arrangement Agreement, the holders of Common Shares (the "ACI Shareholders") will receive $33.50 in cash per Common Share (the "Consideration"). The above description is summary in nature. The specific terms and conditions of the Arrangement are set out in the Arrangement Agreement and are to be more fully described in the notice of special meeting of ACI Shareholders and management information circular which is to be sent to ACI Shareholders in connection with the Arrangement.

ENGAGEMENT OF TD SECURITIES

TD Securities was initially contacted by ACI on May 16, 2019 regarding a potential advisory assignment. TD Securities was formally engaged as a financial advisor by ACI pursuant to an engagement agreement (the "Engagement Agreement") effective May 16, 2019, to provide financial advisory services to ACI in connection with the Arrangement.

Pursuant to the Engagement Agreement, ACI has asked TD Securities to prepare and deliver to the Board of Directors of ACI (the "Board") an opinion (the "Opinion") as to the fairness, from a financial point of view, of the Consideration to be received by ACI Shareholders pursuant to the Arrangement. TD Securities has not prepared a valuation of ACI or any of their respective securities or assets and this Opinion should not be construed as such.

The terms of the Engagement Agreement provide that TD Securities will receive a fee for its services, a portion of which is payable on delivery of this Opinion and a portion of which is contingent on completion of the Arrangement and will be reimbursed for its reasonable out-of-pocket expenses. Furthermore, ACI has agreed to indemnify TD Securities, in certain circumstances, against certain expenses, losses, claims, actions, suits, proceedings, investigations, damages and liabilities, joint or several which may arise directly or indirectly from services performed by TD Securities in connection with the Engagement Agreement.

On October 20, 2019, at the request of the Board, TD Securities orally delivered the Opinion to the Board based upon and subject to the scope of review, assumptions and limitations and other matters described

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herein and contemplated by the Engagement Agreement. This Opinion provides the same opinion, in writing, as that given orally by TD Securities on October 20, 2019.

CREDENTIALS OF TD SECURITIES

TD Securities is one of Canada's largest investment banking firms with operations in a broad range of investment banking activities including corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. TD Securities also has significant international operations. TD Securities has been a financial advisor in a large number of transactions involving public and private companies in various industry sectors and has extensive experience in preparing valuations and fairness opinions.

This Opinion represents the opinion of TD Securities and its form and content have been approved by a committee of senior investment banking professionals of TD Securities, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

RELATIONSHIP WITH INTERESTED PARTIES

Neither TD Securities nor any of its affiliated entities is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of ACI, ALA, the Purchaser, PSP, ATRF or any of their respective associates or affiliates (collectively, the "Interested Parties", or individually an "Interested Party"). Neither TD Securities nor any of its affiliates is an advisor to any of the Interested Parties with respect to the Arrangement other than to ACI pursuant to the Engagement Agreement.

TD Securities and its affiliates have not been engaged to provide any financial advisory services, have not acted as lead or co-lead manager on any offering of securities of ACI, ALA, PSP, ATRF or any other Interested Party, and have not had a material financial interest in any transaction involving ACI, ALA, PSP, ATRF or any other Interested Party during the 24 months preceding the date on which TD Securities was first contacted with respect to the engagement of TD Securities by ACI, other than as described herein. TD Securities acted as: (i) joint bookrunner on ACI's $275 million initial public offering in October 2018; (ii) co-lead arranger and joint bookrunner on ACI's outstanding $200 million revolving credit facility and $250 million term loan; (iii) joint financial advisor to ALA on the sale of its 35% interest in the entities that own the three run-of-river hydroelectric facilities located in northwest British Columbia, being Forrest Kerr, McLymont Creek and Volcano Creek (the "Northwest Hydro Facilities") for $922 million in June 2018 and the sale of ALA's 55% interest in the entities that own the Northwest Hydro Facilities for $1.39 billion in December 2018; (iv) financial advisor to ALA for its acquisition of WGL Holdings, Inc. for $9.0 billion announced in January 2017 and closed in July 2018; (v) joint bookrunner on ALA's $2.6 billion offering of subscription receipts announced in January 2017 and of which funds were released from escrow in July 2018; (vi) co-lead arranger and joint bookrunner on ALA's outstanding $1.4 billion and US$1.2 billion credit facilities; (vii) participated in ALA's $150 million unsecured five-year extendible revolving letter of credit facility; and (viii) joint bookrunner on the $1.25 billion offering of 3.00% Notes in November 2018 by PSP Capital Inc., a wholly-owned subsidiary of PSP.

The Toronto-Dominion Bank ("TD Bank"), the parent company of TD Securities, directly or through one or more affiliates, provides banking services and other financing services to entities related to ACI, ALA, PSP and ATRF in the normal course of business.

TD Securities and its affiliates act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of any Interested

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Party, and, from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it may have received or may receive compensation. As an investment dealer, TD Securities conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Arrangement, ACI, ALA, PSP, ATRF or any other Interested Party.

The fees paid to TD Securities in connection with the foregoing activities, together with the fees payable to TD Securities pursuant to the Engagement Agreement, are not financially material to TD Securities. No understandings or agreements exist between TD Securities and any Interested Party with respect to future financial advisory or investment banking business, other than those that may arise as a result of the Engagement Agreement. TD Securities may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for ACI, ALA, PSP, ATRF or any other Interested Party. TD Bank may continue to provide in the future, in the ordinary course of business, banking services and other financing services to entities related to ACI, ALA, PSP and ATRF in the normal course of business.

SCOPE OF REVIEW

In connection with the Opinion, TD Securities reviewed and relied upon (without attempting to verify independently the completeness or accuracy of) or carried out, among other things, the following:

1. ACI's audited financial statements and related management's discussion and analysis, for the year ended December 31, 2018;

2. ACI's unaudited financial statements and related management's discussion and analysis for the periods ended March 31 and June 30, 2019;

3. annual information forms for ACI for the year ended December 31, 2018;

4. other securities regulatory filings of ACI for the year ended December 31, 2018;

5. operating and financial models for ACI prepared by ACI management;

6. various financial and operational information regarding ACI;

7. presentation materials provided to TD Securities regarding ACI;

8. a draft of the Arrangement Agreement dated as of October 19, 2019;

9. representations contained in a certificate dated October 20, 2019 from senior officers of ACI (the "Certificate");

10. discussions with senior management of ACI and its subsidiaries with respect to various risks and opportunities, long-term prospects and other issues and matters considered relevant by TD Securities;

11. various research publications prepared by industry and equity research analysts regarding ACI and other selected public entities considered relevant;

12. various credit rating agency reports regarding ACI;

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13. public information relating to the business, operations, financial performance and security trading history of ACI and other selected public entities considered relevant;

14. public information with respect to certain other transactions of a comparable nature considered relevant; and

15. such other corporate, industry, and financial market information, investigations and analyses as TD Securities considered necessary or appropriate in the circumstances.

TD Securities has not, to the best of its knowledge, been denied access by ACI to any information requested by TD Securities. TD Securities did not meet with the auditors of ACI and has assumed the accuracy, completeness and fair presentation of, and has relied upon, without independent verification, the financial statements of ACI and any reports of the auditors thereon.

PRIOR VALUATIONS

Senior officers of ACI, on behalf of ACI and not in their personal capacities, have represented to TD Securities in the Certificate that, among other things, to the best of their knowledge, information and belief after due inquiry, there have been no valuations or appraisals relating to ACI or any affiliate or any of their respective material assets or liabilities made in the preceding 24 months and in the possession or control of ACI other than those which have been provided to TD Securities or, in the case of valuations known to ACI which it does not have within its possession or control, notice of which has not been given to TD Securities.

ASSUMPTIONS AND LIMITATIONS

With ACI's acknowledgement and agreement as provided for in the Engagement Agreement, TD Securities has relied upon the accuracy, completeness and fair presentation of all financial and other data and information provided to it by or on behalf of ACI or its representatives in respect of ACI or its subsidiaries, filed by ACI with securities regulatory or similar authorities (including on the System for Electronic Document Analysis and Retrieval ("SEDAR")), or otherwise obtained by TD Securities, including the Certificate identified above, in connection with the Arrangement (collectively, the "Information"). The Opinion is conditional upon such accuracy, completeness and fair presentation of the Information. Subject to the exercise of professional judgment, and except as expressly described herein, TD Securities has not attempted to verify independently the accuracy, completeness or fair presentation of any of the Information.

ACI represented to TD Securities, in the Certificate, among other things, that to the best of their knowledge, information and belief after due inquiry: (i) that ACI has no information or knowledge of any facts public or otherwise not specifically provided to TD Securities relating to ACI which would reasonably be expected to affect materially the Opinion to be given by TD Securities; (ii) with the exception of forecasts, projections or estimates referred to in subparagraph (iv) below, the Information is or, in the case of historical Information was, at the date of preparation, true, complete and accurate and did not and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the Information not misleading in the light of circumstances in which it was presented; (iii) to the extent that any of the Information identified in subparagraph (ii) above is historical, there have been no changes in any material facts or new material facts since the respective dates thereof which have not been disclosed to TD Securities or updated by more current information not provided to TD Securities by ACI and there has been no material change, financial or otherwise in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of ACI and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion; and (iv) any portions of the Information provided to TD Securities (or filed on SEDAR) which

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constitute forecasts, projections or estimates were prepared using the assumptions identified therein, which, in the reasonable opinion of ACI, are (or were at the time of preparation and continue to be) reasonable in the circumstances.

In preparing the Opinion, TD Securities has made a number of assumptions, including that all final or executed versions of agreements and documents will conform in all material respects to the drafts provided to TD Securities, that all conditions precedent to the consummation of the Arrangement can and will be satisfied, that all approvals, authorizations, consents, permissions, exemptions or orders of relevant regulatory authorities, courts of law, or third parties required in respect of or in connection with the Arrangement will be obtained in a timely manner, in each case without adverse condition, qualification, modification or waiver, that all steps or procedures being followed to implement the Arrangement are valid and effective and comply in all material respects with all applicable laws and regulatory requirements, that all required documents have been or will be distributed to ACI Shareholders in accordance with applicable laws and regulatory requirements, and that the disclosure in such documents is or will be complete and accurate in all material respects and such disclosure complies or will comply in all material respects with the requirements of all applicable laws and regulatory requirements. In its analysis in connection with the preparation of the Opinion, TD Securities made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of TD Securities, ACI, ALA, the Purchaser, PSP, ATRF and their respective subsidiaries and affiliates or any other party involved in the Arrangement. Among other things, TD Securities has assumed the accuracy, completeness and fair presentation of and has relied upon the financial statements forming part of the Information. The Opinion is conditional on all such assumptions being correct.

The Opinion has been provided for the exclusive use of the Board in connection with the Arrangement. The Opinion may not be used or relied upon by any other person or for any other purpose without the express prior written consent of TD Securities. The Opinion does not address the relative merits of the Arrangement as compared to other transactions or business strategies that might be available to ACI, nor does it address the underlying business decision to implement the Arrangement or any other term or aspect of the Arrangement or any other agreements entered into or amended in connection with the Arrangement. In considering fairness, from a financial point of view, TD Securities considered the Arrangement from the perspective of ACI generally and did not consider the specific circumstances of ACI Shareholders or any particular ACI Shareholder. TD Securities expresses no opinion with respect to future trading prices of securities of ACI. The Opinion is rendered as of October 20, 2019 on the basis of securities markets, economic and general business and financial conditions prevailing on that date and the condition and prospects, financial and otherwise, of ACI and its subsidiaries and affiliates as they were reflected in the Information provided to TD Securities. Any changes therein may affect the Opinion and, although TD Securities reserves the right to change, withdraw or supplement the Opinion in such event, it disclaims any undertaking or obligation to advise any person of any such change that may come to its attention, or to change, withdraw or supplement the Opinion after such date. TD Securities is not an expert on, and did not provide advice to the Board regarding, legal, accounting, regulatory or tax matters. The Opinion may not be summarized, published, reproduced, disseminated, quoted from or referred to without the express written consent of TD Securities.

The preparation of a fairness opinion, such as the Opinion, is a complex process and is not necessarily amenable to partial analysis or summary description. TD Securities believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create an incomplete or misleading view of the process underlying the Opinion. Accordingly, the Opinion should be read in its entirety.

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CONCLUSION

Based upon and subject to the foregoing and such other matters that TD Securities considered relevant, TD Securities is of the opinion that, as of October 20, 2019, the Consideration to be received by ACI Shareholders pursuant to the Arrangement is fair, from a financial point of view, to ACI Shareholders.

Yours very truly,

TD Securities Inc.

TD SECURITIES INC.

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APPENDIX F
BEACON FAIRNESS OPINION

October 20, 2019

Beacon Securities Limited
66 Wellington St. West, Suite 4050
Toronto, Ontario, Canada M5K 1H1

The Board of Directors of AltaGas Canada Inc.
2100, 444 5th Avenue SW
Calgary, Alberta T2P 2T8

To the Board of Directors of AltaGas Canada Inc.:

Beacon Securities Limited ("**Beacon**") understands that AltaGas Canada Inc. ("**ACI**") intends to enter into an arrangement agreement (the "**Agreement**") with PSPIB Cycle Investments Inc. (the "**Purchaser**") (an entity in which the Public Sector Pension Investment Board ("**PSP**") will hold a majority indirect economic interest and the Alberta Teachers' Retirement Fund Board ("**ATRF**") will hold a minority indirect economic interest on closing of the Proposed Transaction) pursuant to which the Purchaser, subject to the execution of the Agreement, will, among other things, acquire all of ACI's issued and outstanding common shares (the "**ACI Shares**") for cash consideration of $33.50 per ACI Share by way of a plan of arrangement under the *Canada Business Corporations Act* (the "**Proposed Transaction**"). The terms and conditions of the Proposed Transaction will be summarized in ACI's management information circular (the "**Circular**") to be mailed to holders of ACI Shares in connection with a special meeting of holders of ACI Shares to be held to consider and, if deemed advisable, approve the Proposed Transaction.

Beacon further understands that the Board of Directors of ACI (the "**Board of Directors**") has established an independent committee of the Board of Directors (the "**Independent Committee**") to evaluate, supervise and oversee the Proposed Transaction. ACI, at the direction of the Independent Committee, has engaged Beacon to render an opinion (the "**Opinion**"), addressed to the Board of Directors, as to the fairness, from a financial point of view, of the consideration to be received by holders of ACI Shares pursuant to the Proposed Transaction. On October 20, 2019, at the request of the Board of Directors, Beacon orally delivered the Opinion to the Board of Directors upon and subject to the assumptions, explanations and limitations described herein. This Opinion provides the same opinion, in writing, as that given orally by Beacon on October 20, 2019.

Beacon Engagement and Background

On September 24, 2019, Beacon was notified that ACI had engaged TD Securities Inc. as financial advisor to assist ACI in considering a range of strategic and financial options and that the Board of Directors had established the Independent Committee. Beacon was formally engaged by ACI, at the direction of the Independent Committee pursuant to an agreement between ACI and Beacon dated September 26, 2019 (the "**Engagement Agreement**"). Under the terms of the Engagement Agreement, Beacon agreed to prepare and deliver the Opinion to the Board of Directors in connection with the Proposed Transaction during the term of the Engagement Agreement. The terms of the Engagement Agreement provide that Beacon is to be paid a fixed fee for providing the Opinion, payable on the earlier of the oral or written submission of the Opinion. In the event that ACI requests, and Beacon consents to, modify, supplement or amend the Opinion in any material respect or to materially updated the Opinion, an additional fee will be payable by ACI to Beacon upon delivery of such updated, supplemented, modified or amended Opinion,

as the case may be. ACI has also agreed to reimburse all reasonable out-of-pocket expenses incurred by Beacon in connection with its engagement under the Engagement Agreement. No other fees are payable to Beacon pursuant to the Engagement Agreement. In addition, ACI has agreed to indemnify Beacon, its affiliates, and their respective present and former directors, officers, employees and agents against certain losses, claims, damages and liabilities arising from the Engagement Agreement. The fee payable to Beacon in connection with the Opinion is not contingent upon the completion of the Proposed Transaction or the conclusions reached in the Opinion.

Subject to the terms of the Engagement Agreement, Beacon consents to the inclusion of the Opinion in its entirety, together with a summary thereof in a form acceptable to Beacon, acting reasonably, in any notice of meeting and management information circular of ACI, including the Circular. if such document is required to be mailed to holders of ACI Shares or any other securityholders in connection with seeking their approval of the Proposed Transaction and documents filed with or requested by the securities commissions or similar regulatory authorities in each relevant province and territory of Canada.

Credentials and Independence of Beacon

Beacon is a Canadian independent investment banking firm with a sales, trading, research and corporate finance focus providing services for both institutional investors and corporations. Beacon was founded in 1988 and is a member of the Toronto Stock Exchange, the TSX Venture Exchange and Investment Industry Regulatory Organization of Canada. Beacon has participated in many transactions involving both public and private companies.

The Opinion expressed herein represents the opinion of Beacon and the form and content thereof have been approved for release by a committee of officers and other professionals of Beacon, who are collectively experienced in mergers, business combinations, divestitures, valuation and fairness opinion matters.

None of Beacon, its associates or affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules or policies promulgated thereunder) of ACI, the Purchaser, PSP or ATRF or any of their respective subsidiaries, associates or affiliates (collectively, the "**Interested Parties**").

As of the date hereof, Beacon:

- and/or its officers, directors and/or employees own, directly or indirectly, securities in ACI which in aggregate represent less than 1% of the issued and outstanding common shares of ACI on a fully-diluted basis;

- has not been engaged as an advisor to any person or company other than ACI with respect to the Proposed Transaction;

- has not provided any financial advisory services to ACI, the Purchaser, PSP or ATRF or any of their respective associates or affiliates, for which it has received compensation; and

- has participated in certain debt and equity financings by ACI in which Beacon acted as agent or underwriter and for which Beacon received a customary agency/underwriting commission.

Other than as set forth above, there are no understandings, agreements or commitments between Beacon and the Interested Parties with respect to any future financial advisory or investment banking services which would be material to the Opinion. Beacon may, in the ordinary course of its business, provide financial advisory or investment banking services to the Interested Parties from time to time.

During the ordinary course of business, Beacon may actively trade common shares and other securities of the Interested Parties for its own account and for the accounts of its clients and, accordingly, may at any time hold a long or short position in such securities.

As an investment dealer, Beacon conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including those related to any of ACI, PSP, ATRF or the Proposed Transaction, in compliance with applicable laws, regulations, policies and rules.

Scope of the Review

In connection with rendering this Opinion, Beacon has reviewed and relied upon and in some cases carried out, among other things, the following:

i. the final draft execution copy of the Agreement and related schedules dated October 20, 2019, together with the disclosure letter relating thereto;

ii. other documents, letters and agreements related to the Proposed Transaction;

iii. a senior credit facility commitment letter from a Canadian bank to PSP and ATRF dated September 20, 2019;

iv. ACI's audited consolidated financial statements, which comprise the consolidated statements of financial position as at December 31, 2018 and December 31, 2017 and the consolidated statements of income, cash flows and equity for the years ended December 31, 2018 and December 31, 2017;

v. ACI's management's discussion and analysis for the year ended December 31, 2018;

vi. ACI's condensed interim unaudited consolidated financial statements and management's discussion and analysis as at and for the: (i) three and six months ended June 30, 2019; (ii) three months ended March 31, 2019 and 2018; and (iii) three and nine months ended September 30, 2018 and 2017;

vii. ACI's notice of meeting and management information circular dated March 1, 2019 and May 9, 2019, respectively;

viii. ACI's Final Long Form Prospectus in connection with ACI's Initial Public Offering dated October 18, 2018, which incorporates: (i) certain audited combined financial statements and management's discussion and analysis as of and for the years ended December 31, 2017, 2016 and 2015, and (ii) certain condensed interim combined unaudited combined financial statements and management's discussion and analysis as of and for the three and six months ended June 30, 2018 and 2017;

ix. ACI's press releases and other public documents filed by ACI on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") since September 12, 2018, the date of ACI's Preliminary Long Form Prospectus filed in connection with its Initial Public Offering;

x. ACI's investor presentation dated June, 2019;

xi. certain non-public information in respect of ACI contained in ACI's virtual data room;

xii. certain internal financial, operational, corporate and other information prepared or provided by the management team of ACI or its third-party advisors relating to the business, operations and financial condition of ACI;

xiii. certain internal management forecasts, projections, estimates and budgets prepared or provided by or on behalf of the management team of ACI;

xiv. various verbal and oral representations obtained from senior representatives of ACI as to matters of fact considered by Beacon to be relevant;

xv. selected public market trading statistics and relevant business and financial information of ACI and other comparable publicly traded entities;

xvi. information with respect to selected precedent transactions considered by Beacon to be relevant;

xvii. various reports published by equity research analysts and industry sources deemed relevant by Beacon;

xviii. such other corporate, industry and financial market information, investigations and analyses as Beacon considered necessary or appropriate in the circumstances; and

xix. representations contained in a certificate addressed to Beacon and dated the date hereof, from senior officers of ACI as to certain factual matters and the completeness and accuracy of the information upon which the Opinion is based and certain other matters.

Beacon has also participated in discussions with members of ACI's senior management team regarding ACI's past and current business operations and financial condition and prospects. Beacon has not, to the best of its knowledge, been denied access by ACI to any information requested.

Assumptions and Limitations

The Opinion is subject to the assumptions, explanations and limitations set forth below.

Beacon has not been asked to prepare and has not prepared a formal valuation or appraisal of ACI or any of its securities or assets and the Opinion should not be construed as such. Beacon has assumed, with ACI's agreement, that the Proposed Transaction is not a "related party transaction" nor an "insider bid" as defined in Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**") and, accordingly, that the Proposed Transaction is not subject to the formal valuation requirements under MI 61-101. Beacon has, however, conducted such analyses as it considered necessary in the circumstances. The Opinion is not, and should not be construed as, advice as to the price at which securities of ACI may trade at any future date. Beacon is not a legal, tax or accounting expert, has not been engaged to review any legal, tax or accounting aspects of the Proposed Transaction and expresses no

opinion concerning any legal, tax or accounting matters concerning the Proposed Transaction. Without limiting the generality of the foregoing, Beacon has not reviewed and is not opining upon the tax treatment under the Proposed Transaction to the holders of ACI Shares. Beacon has relied upon, without independent verification, the assessment by ACI and its legal and tax advisors with respect to such matters.

With the approval of the Independent Committee and as provided in the Engagement Agreement, Beacon has relied, without independent verification, upon all financial and other information, data, advice, opinions and representations that were obtained from public sources or that were provided to Beacon by ACI and its affiliates, associates, advisors or otherwise and has relied upon the representations of management of ACI to confirm that such information, data, advice, opinions and representations reflect all material information relating to ACI and its business, operations and assets. Beacon has assumed that such information, data, advice, opinions and representations were complete, accurate and fairly presented as of the date thereof and did not omit to state any material fact or any fact necessary to be stated to make such information, data, advice, opinions and representations not misleading. This Opinion is conditional upon such completeness, accuracy and fair presentation. In accordance with the terms of the Engagement Agreement, but subject to the exercise of its professional judgment, Beacon has not conducted any independent investigation to verify the completeness, accuracy or fair presentation of such information, data, advice, opinions or representations. With respect to the financial forecasts and budgets provided to Beacon and used in its analysis, Beacon has assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of ACI as to the matters covered thereby. Beacon did not meet with the auditors of ACI and has assumed the accuracy and fair presentation of the audited consolidated financial statements of ACI and the reports of the auditors thereon.

Senior officers of ACI have represented to Beacon, in a certificate dated as at October 20, 2019, among other things, that (i) the information, data, advice, opinions, representations and other materials, whether in written, electronic or oral form (the "**Information**") provided to Beacon by, or on behalf of, ACI in connection with the Proposed Transaction was, at the date the Information was provided to us, and is, as at the date hereof, complete, true and correct in all material respects, that the Information did not contain any untrue statement of a material fact or omit to state a material fact in respect of ACI, its associates, affiliates or subsidiaries (as those terms are defined in the *Securities Act* (Ontario)) necessary to make the Information or any statement contained therein not misleading in light of the circumstances under which the Information was provided or any statement was made and since the date of the Information and as it relates to ACI's SEDAR filings, was, at the date the Information was filed, complete, true and correct in all material respects; (ii) except as publicly disclosed, there has been no change in any material fact which is of a nature as to render the Information untrue or misleading in any material respect except to the extent disclosed in subsequent Information and that since the dates on which the Information was provided to Beacon, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of ACI or any of its subsidiaries and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion; and (iii) any portions of the Information provided to Beacon which constitute forecasts, projections or estimates were prepared using the assumptions identified therein, which, in the reasonable belief of management of ACI, as applicable, are (or were at the time of preparation and continue to be) reasonable in the circumstances.

This Opinion is based on the securities markets, economic, general business and financial conditions prevailing as of the date of the Opinion and the conditions and prospects, financial and otherwise, of ACI as they were reflected in the Information reviewed by Beacon and as they were represented to Beacon in its discussions with management of ACI and its affiliates and advisors. In the analysis and in preparing the Opinion, Beacon has made a number of assumptions with respect to industry performance, general

business and economic conditions, and other matters, many of which are beyond the control of Beacon, ACI and any other party involved in connection with the Proposed Transaction.

Beacon has not been requested to identify, solicit, consider or develop any potential alternatives to the Proposed Transaction.

Beacon has assumed that (i) the final executed form of the Agreement will not vary in any material respect from the final draft dated October 20**,** 2019 that Beacon reviewed; (ii) the representations and warranties made by the parties in the Agreement are true and correct; (iii) all the conditions required to complete the Proposed Transaction will be met and that the Proposed Transaction will be completed in accordance with the terms of the Agreement without waiver, modification or amendment to any term or condition that is material to Beacon's analyses; and (iv) the Circular will disclose all material facts relating to the Proposed Transaction and will satisfy all applicable legal requirements.

The Opinion has been provided for the use of the Board of Directors for their exclusive use only in considering the Proposed Transaction and, except for inclusion of the Opinion in its entirety (and/or a summary thereof in a form acceptable to Beacon) in the Circular or otherwise as specifically provided under the Engagement Agreement, may not be published, disclosed or relied upon by any other person, or used for any other purpose, without Beacon's prior written consent. Except as expressly provided herein, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without Beacon's prior written consent.

The Opinion is not intended to be and does not constitute a recommendation to any ACI securityholder to accept or reject the Proposed Transaction, nor as an opinion concerning the trading price or value of securities of ACI following the announcement, completion or termination of the Proposed Transaction. In addition, the Opinion does not address the relative merits of the Proposed Transaction as compared to other business strategies or any other possible transaction involving ACI, its assets or its securities. The Opinion does not address the fairness of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of ACI or class of such persons, relative to the consideration to be received by the holders of ACI Shares pursuant to the Proposed Transaction. Beacon expresses no opinion as to whether the Proposed Transaction is consistent with the best interests of holders of ACI Shares.

The Opinion is given as of the date hereof and, although Beacon reserves the right to change or withdraw the Opinion, Beacon disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to Beacon's attention after the date hereof or to update the Opinion after such date. The Opinion is limited to Beacon's understanding of the Proposed Transaction and the Proposed Transaction as of the date hereof and Beacon assumes no obligation to update the Opinion to take into account any changes regarding the Proposed Transaction or the Proposed Transaction after the date hereof.

In preparing the Opinion, Beacon performed a variety of financial and comparative analyses. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at the Opinion, Beacon made qualitative judgments as to the significance and relevance of each analysis and factor that it considered. Accordingly, Beacon believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors, without considering

all analyses and factors or the narrative description of the analyses could create a misleading or incomplete view of the processes underlying its analyses and the Opinion.

In its analyses, Beacon considered industry performance, general business, economic, market, political and financial conditions and other matters, many of which are beyond the control of ACI. No company, transaction or business used in Beacon's analyses as a comparison is identical to ACI or the Proposed Transaction, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the business acquisition, public trading or other values of the company, business segments or transactions being analysed. The estimates contained in Beacon's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favourable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, Beacon's analyses and estimates are inherently subject to substantial uncertainty. The Opinion should be read in its entirety. The Opinion is conditional upon the correctness of all of the assumptions indicated herein.

ACI Overview

ACI is a Canadian company with rate-regulated natural gas distribution and transmission utility businesses in British Columbia, Alberta, Nova Scotia and the Northwest Territories. In addition, ACI owns the Bear Mountain Wind Park, a 102 megawatt wind power generation facility in British Columbia. ACI also holds a 10 percent indirect interest in the Northwest Hydroelectric Facilities in British Columbia ("**NWHF**").

ACI's common shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "ACI" and on the OTC Pink under the symbol "AGAAF".

Fairness Methodology

In considering the fairness, from a financial point of view, of the consideration to be received by the holders of ACI Shares pursuant to the Proposed Transaction, Beacon considered whether the value of the consideration fell within a range of fair value for the ACI Shares. To determine a range of fair value for the ACI Shares, Beacon considered, among other factors, the items and methodologies below. In arriving at our conclusion of fair value for the ACI Shares, Beacon did not attribute any particular weight to any specific approach or methodology, but evaluated the information as a whole and applied judgements based on our experience in rendering such opinions.

i. Comparable company trading analysis;
ii. Sum-of-the-parts analysis;
iii. Precedent transactions premium analysis; and
iv. Discounted cash flow analysis.

Comparable Company Trading Analysis

Beacon reviewed publicly available information on selected public companies we considered comparable to ACI in terms of operating characteristics, growth prospects, risk profile and size to derive valuation multiples for such companies based on the market trading prices of their common shares. Beacon considered price to estimated 2019 and 2020 earnings to be the primary valuation multiples when applying

the comparable company trading analysis methodology to ACI. To reflect the premium paid in a transaction for a change of control, Beacon applied a control premium based on a broad set of historical Canadian-listed public company acquisitions.

Sum-of-the-Parts Analysis

Under the sum-of-the-parts approach, Beacon analyzed each of ACI's business segments individually, utilizing asset specific valuation methodologies. Beacon reviewed publicly available information on selected transactions involving regulated utilities, wind power generation assets and NWHF to derive valuation multiples (where applicable) on such transactions. Beacon considered enterprise value to rate base and enterprise value to earnings before interest, tax, depreciation and amortization to be the primary valuation multiples when applying comparable multiples to ACI. Beacon considered certain aspects specific to ACI in assessing the fair value of ACI's stake in NWHF.

Precedent Transactions Premium Analysis

To reflect the premium paid in a transaction for a change of control, Beacon reviewed the implied transaction percentage premiums of selected merger and acquisition transactions of publicly traded companies in Canada and the United States. Specifically, Beacon considered the implied transaction percentage premiums to spot price and 20-day volume weighted average trading price.

Discounted Cash Flow Analysis

Beacon conducted a discounted cash flow analysis based on ACI's projected future cash flows. Beacon's analysis involved estimating free cash flow for each year of the projection period and discounting them at discount rates deemed reasonable by Beacon. A terminal value was also calculated by assigning a constant growth rate into perpetuity to ACI's estimated cash flow in the final projection period. This terminal value was then discounted at the same discount rates used for the cash flows in the projection period. In addition, Beacon performed a sensitivity analysis on the primary drivers of the projected free cash flows.

Based on our aforementioned analysis and methodologies, the consideration to be received by holders of ACI Shares pursuant to the Proposed Transaction is consistent with the range of fair values for the ACI Shares.

Conclusion

Based upon and subject to the foregoing and such other factors as Beacon considered relevant, Beacon is of the opinion that, as of the date hereof, the consideration to be received be holders of ACI Shares pursuant to the Proposed Transaction is fair, from a financial point of view, to such holders.

Yours very truly,

Beacon Securities Limited

Beacon Securities Limited

APPENDIX G
SECTION 190 OF THE *CANADA BUSINESS CORPORATIONS ACT*

Section 190 of the *Canada Business Corporations Act* is reproduced below. Company Shareholders will have the right to dissent from the Arrangement pursuant to the provisions of such section, as modified by the Interim Order and the Plan of Arrangement.

Right to dissent

190. (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;

(b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;

(c) amalgamate otherwise than under section 184;

(d) be continued under section 188;

(e) sell, lease or exchange all or substantially all its property under subsection 189(3); or

(f) carry out a going-private transaction or a squeeze-out transaction.

Further right

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

If one class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Payment for shares

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

Notice of resolution

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

Demand for payment

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

Share certificate

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Forfeiture

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

Endorsing certificate

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

Suspension of rights

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

(a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),

(b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or

(c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

Offer to pay

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

(a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Same terms

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

Payment

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Corporation may apply to court

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

Shareholder application to court

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

Venue

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

No security for costs

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

Parties

(19) On an application to a court under subsection (15) or (16),

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

Powers of court

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

Appraisers

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

Interest

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Notice that subsection (26) applies

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Effect where subsection (26) applies

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

(a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.