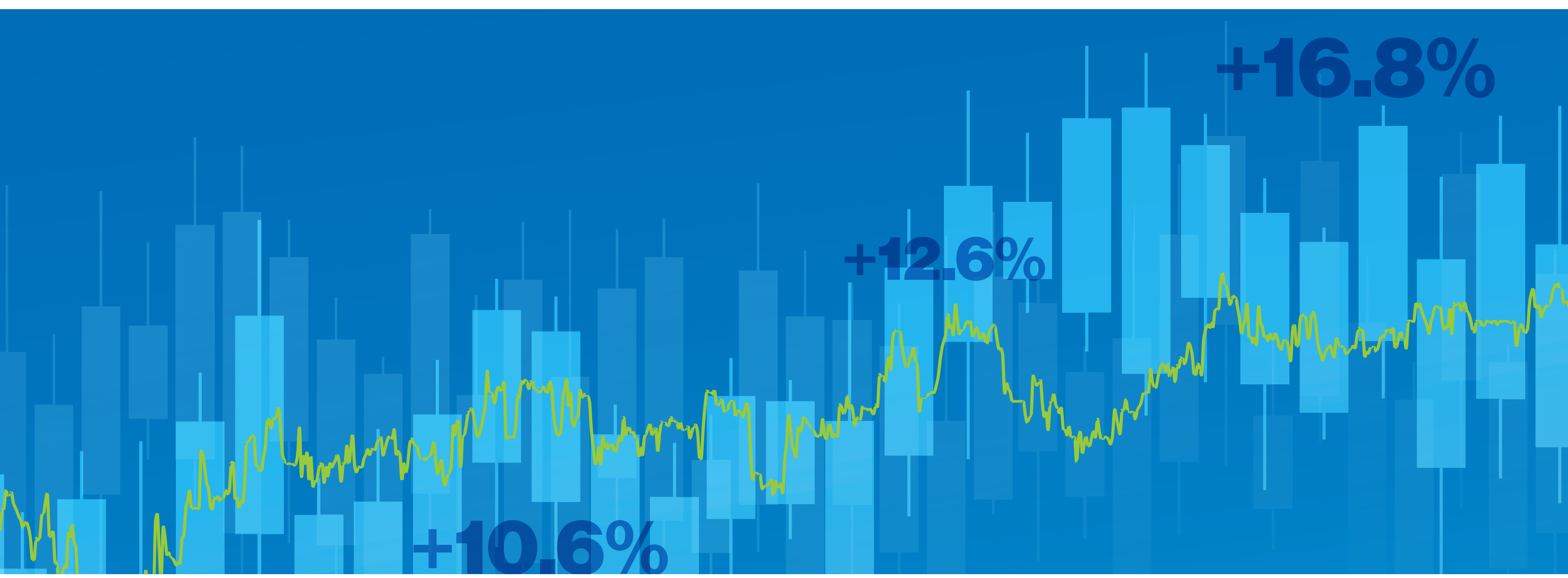
Notice of Annual Meeting of Shareholders and Management Information Circular

Thursday, May 9, 2019



AltaGas Canada

INVITATION TO SHAREHOLDERS

March 26, 2019

Dear Fellow Shareholders,

On behalf of the board and management of AltaGas Canada Inc. ("**ACI**"), it is our pleasure to invite you to attend the first annual meeting of the shareholders of ACI to be held on Thursday, May 9, 2019 at 3:00 p.m. (MDT) at The Metropolitan Conference Centre, 333 – 4th Avenue SW, Calgary, Alberta.

The Notice of Meeting and Management Information Circular attached to this letter provide details as to the formal business items to be considered at the meeting, as well as information on executive compensation and governance practices. Please take some time to read the material before voting. In addition, management will be presenting an overview of ACI's results for the financial year ended December 31, 2018 and discussing ACI's strategy for the future. The meeting is also an opportunity for you to meet the board of directors and management of ACI.

If you are unable to attend the meeting in person, we encourage you to complete the enclosed form of proxy or, if applicable, voting instruction form and return it within the time frames indicated so that your vote can be counted at the meeting. If you are unable to attend you may listen to a live webcast, which will be available on ACI's website at www.altagascanada.ca commencing at 3:00 p.m. (MDT) on May 9, 2019. You will not be able to vote or otherwise participate in the meeting via the webcast.

Information concerning ACI's consolidated financial and operational performance for the financial year ended December 31, 2018 is presented in the financial statements and management's discussion and analysis, both of which are posted under ACI's profile on SEDAR at www.sedar.com. Further information is available on ACI's website at www.altagascanada.ca.

We look forward to seeing you at the meeting.

Sincerely,

[signature]

Jared B. Green
President and Chief Executive Officer

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AltaGas Canada

NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS

When	Business of the Meeting
Thursday, May 9, 2019 3:00 p.m. (MDT)	Shareholders will be asked to:
Where	1. receive consolidated financial statements for the year ended December 31, 2018 and auditors' report thereon; 2. appoint Ernst & Young LLP as auditors of ACI and authorize the directors to fix their remuneration; 3. consider the nominees standing for election and elect seven directors; and 4. transact such other business as may properly be brought before the meeting.
The Metropolitan Conference Centre Grand Lecture Theatre 333 – 4th Avenue SW Calgary, Alberta	

You are entitled to attend and vote at the meeting if you held common shares of AltaGas Canada Inc. ("**ACI**") at the close of business on March 26, 2019 (the "**Record Date**"). No person who becomes a shareholder after the Record Date will be entitled to attend or vote at the meeting.

You can vote by proxy or in person at the meeting. The attached management information circular provides details about the items of business being considered at the meeting, as well as important annual disclosure, and includes voting instructions.

BY ORDER OF THE BOARD OF DIRECTORS,

[signature]

Shaun Toivanen
Chief Financial Officer and Corporate Secretary

Calgary, Alberta
March 26, 2019

About Notice and Access

ACI is using the notice and access rules adopted by Canadian securities regulators to reduce the use of printed materials and reduce printing and mailing costs. Instead of receiving the notice of meeting, management information circular, annual financial statements and related management's discussion and analysis (the "**Meeting Materials**") with the form of proxy or voting instruction form, beneficial shareholders will receive a notice and access notification from their intermediary that contains instructions for accessing the Meeting Materials online and for requesting paper copies. The Meeting Materials and form of proxy were sent directly by ACI to registered shareholders.

The Meeting Materials can be viewed online at https://altagascanada.ca/investors/noticeandaccess and under ACI's profile on SEDAR (www.sedar.com). If you would like to receive a printed copy of the Meeting Materials, please contact 1-877-907-7643.

Your Vote is Important!

Please submit your vote well in advance of the proxy deposit deadline specified in your form of proxy or voting instruction form.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular ("Information Circular") is furnished in connection with the solicitation of proxies by management of AltaGas Canada Inc. ("ACI") for use at the annual meeting (the "Meeting") of the holders ("Shareholders") of common shares ("Shares") of ACI to be held at The Metropolitan Conference Centre, 333 – 4th Avenue SW, Calgary, Alberta, on Thursday, May 9, 2019 at 3:00 p.m. (MDT) and at any adjournment(s) thereof for the purposes set out in the accompanying notice of meeting (the "Notice of Meeting"). Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy-related materials to the beneficial owners of the Shares.

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 regular employees or agents of ACI. ACI may also reimburse brokers and other persons holding 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 ACI.

Information contained herein is given as of March 26, 2019 unless otherwise specifically stated.

Notice and Access

ACI is relying on the notice and access provisions of NI 54-101 to send proxy-related materials to beneficial owners of Shares in connection with the Meeting. Notice and access is a set of rules developed by the Canadian Securities Administrators that are intended to reduce the volume of material mailed to Shareholders by allowing a reporting issuer to post proxy-related materials online, rather than mailing paper copies. ACI has received exemptions from Corporations Canada under subsection 151(1) and 156 of the *Canada Business Corporations Act* (the "**CBCA**") to permit it to use notice and access.

In relation to the Meeting, all registered Shareholders will receive a paper copy of the Meeting Materials and a form of proxy. Beneficial Shareholders will receive only a notice and access notification and a voting instruction form ("**VIF**"). The Meeting Materials are available under ACI's profile on SEDAR (www.sedar.com) and on ACI's website (https://altagascanada.ca/investors/noticeandaccess).

Shareholders can request a paper copy of the Meeting Materials, at no charge, for up to one year from the date this Information Circular was filed under ACI's profile on SEDAR. Requests by Shareholders must be made by calling 1-877-907-7643 prior to April 25, 2019 in order to receive a paper copy of the Meeting Materials before the Meeting on May 9, 2019. A new form of proxy or VIF will not be sent with the paper copy of the Meeting Materials, so it is important to keep the original form in order to vote.

Record Date and Voting of Shares

By a resolution of the board of directors of ACI (the "**Board**"), the record date for the Meeting has been established as March 26, 2019 (the "**Record Date**"). Only 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 Meeting. Each Share owned as of the Record Date entitles the holder to one vote. A Shareholder of record on the Record Date will be entitled to vote such Shares even though the Shareholder may subsequently dispose of such Shares. No person who has become a Shareholder after the Record Date shall be entitled to attend or vote at the Meeting or any adjournment(s) thereof.

Appointment of Proxy

A registered Shareholder who is unable to attend the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to Computershare Investor Services Inc. ("**Computershare**") (i) by mail to Proxy Department, 135 West Beaver Creek Road, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5, (ii) by hand delivery to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or (iii) by facsimile to 416-263-9524 or 1-866-249-7775. A 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 Meeting, the form of proxy must be received no later than 3:00 p.m. (MDT) on May 7, 2019 or the second business day before the day of any adjourned meeting or be deposited with the Chair of the Meeting prior to its commencement.

A 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 Shareholder at the Meeting (who need not be a Shareholder). To exercise that right, the name of the Shareholder's appointee should be legibly printed in the blank space provided. In addition, the 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 Shareholder's Shares are to be voted. The document appointing a proxy must be in writing and be executed by the Shareholder or the Shareholder's attorney or agent authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

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

Revocation of Proxy

A 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 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 Shareholder or the Shareholder's attorney or authorized agent or, if a registered Shareholder, by a new proxy that is dated later than the proxy previously submitted, and deposited with Computershare at any time up to 3:00 p.m. (MDT) on the last business day before the day of the Meeting, or any adjournment(s) thereof (i) by mail to Proxy Department, 135 West Beaver Creek Road, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5, (ii) by hand delivery to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or (iii) by facsimile to 416-263-9524 or 1-866-249-7775, or deposited with the Chair of the Meeting on the day of the Meeting or any adjournment(s) thereof, in either case prior to its commencement and, upon either of those deposits, the proxy is revoked.

Exercise of Discretion by Proxy

The Shares represented by proxy will be voted on any ballot at the Meeting and, where the Shareholder specifies a choice with respect to any matter to be voted upon, those 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 Shares will be voted "For"** the:

- appointment of Ernst & Young LLP as auditors, with remuneration to be determined by the Board; and
- election of the directors named in the Information Circular.

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

Notice to Beneficial Holders of Shares

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

Applicable regulatory policy requires intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. The intermediaries can only vote if they have received proper voting instructions from the Beneficial Shareholder. **Every intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting or any adjournment(s) thereof.** Often, the VIF supplied to a Beneficial Shareholder by its intermediary is virtually identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The VIF cannot be used to vote Shares directly. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries in the VIF. Beneficial Shareholders can also write the name of someone else whom they wish to attend at the 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 Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in VIF or this Information 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 Shareholder is requested to complete and return the VIF to Broadridge by mail. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or scan a QR code to vote the Shares held by the Beneficial Shareholder or access Broadridge's dedicated voting website at www.proxyvote.com to deliver the Beneficial Shareholder's voting instructions. Broadridge then provides the aggregate voting instructions to Computershare, ACI's transfer agent and registrar, which tabulates the results and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting or any adjournment(s) thereof.

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

- registered Shareholders can contact Computershare at 1-800-564-6253 (Toll-Free North America) or 1-514-982-7555 (International Direct; or
- beneficial Shareholders can contact Broadridge at 1-800-474-7493 (English) or 1-800-474-7501 (French).

Voting Securities and Principal Holders thereof

ACI is authorized to issue an unlimited number of Shares. As at the Record Date, 30,000,000 Shares were issued and outstanding. Shareholders of record on the Record Date are entitled to notice of, and to attend, the Meeting, in person or by proxy, and to one vote per Share held on any ballot thereat.

To the knowledge of the Board and the executive officers of ACI, as at the Record Date, the following person or company beneficially owns, or controls or directs, directly or indirectly, Shares carrying 10% or more of the votes attached to all of the issued and outstanding Shares.

Name of Holder	Type of Ownership	Number of Voting Securities Owned	Percentage of Issued and Outstanding Shares
AltaGas Ltd.	Direct	11,025,000	36.8%
RBC Global Asset Management	Control or Direction	3,983,548	13.3%

See "Election of Directors – AltaGas has Rights to Appoint Nominees" for a description of certain director nomination rights offered to AltaGas Ltd. under the Governance Agreement (as defined herein).

Quorum

At the Meeting, a quorum is present if holders of not less than 25% of the Shares entitled to vote at the Meeting are present in person or represented by proxy, and at least two persons entitled to vote are actually present in person at the Meeting. If a quorum is not present at the Meeting, the Shareholders present may adjourn the Meeting to a fixed time and place but may not transact any other business.

Approval Requirements

In order to be effective, each of the resolutions to be approved at the Meeting require the approval of more than 50% of the votes cast in respect of such resolution by or on behalf of Shareholders present in person or represented by proxy at the Meeting.

Shareholder Proposals

The CBCA permits certain eligible Shareholders to submit shareholder proposals to ACI for inclusion in a management proxy circular for an annual meeting of shareholders. No shareholder proposals were submitted for consideration at the upcoming Meeting. The final date by which ACI must receive shareholder proposals for the annual meeting of shareholders to be held in 2020 is December 29, 2019.

Advance Notice Requirements

ACI's by-laws sets out the advance notice requirements for director nominations (the "**Advance Notice Requirement**"). The purpose of the Advance Notice Requirement is to provide Shareholders with guidance on the process for nominating directors. The Advance Notice Requirement fixes a deadline by which Shareholders must submit director nominations to ACI prior to any annual or special meeting of Shareholders at which directors are to be elected, sets forth the information that must be included in the notice and the procedure to be followed. A copy of ACI's by-laws is publicly available on ACI's website (www.altagascanada.ca) and under ACI's profile on SEDAR (www.sedar.com).

Frequently Used Terms

ACI	AltaGas Canada Inc.
AUI	AltaGas Utilities Inc.
AltaGas	AltaGas Ltd.
Board	board of directors of ACI
CEO	Chief Executive Officer and, in the case of Jared B. Green, President and CEO
DBPP	Defined Benefit Pension Plan
DCPP	Defined Contribution Pension Plan
DSU	deferred share unit issued under the DSUP
DSUP	ACI's Deferred Share Unit Plan
EPS	earnings per Share
EVP	Executive Vice President
HGL	Heritage Gas Limited
IPO	initial public offering of Shares, completed October 25, 2018
MTIP	ACI's Mid-Term Incentive Plan
Option	option to purchase a Share issued under the Option Plan
Option Plan	ACI's Share Option Plan
Pension Plans	DBPP and DCPP collectively
PSU	performance share unit issued under the MTIP
PNG	Pacific Northern Gas Ltd.
Record Date	March 26, 2019
ROE	return on equity
RSU	restricted share unit issued under the MTIP
SERP	Supplemental Executive Retirement Plan
Share	common share of ACI
STIP	ACI's Short Term Incentive Plan

Committees

Audit Committee	audit committee of the Board
C&G Committee	compensation and governance committee of the Board
EHS Committee	environment, health and safety committee of the Board

Schedules

Schedule A	Board Mandate
Schedule B	Summary of Equity Incentive Compensation Plans

MATTERS TO BE CONSIDERED AT THE MEETING

Financial Statements

At the Meeting, the consolidated financial statements of ACI for the year ended December 31, 2018 and the auditors' report thereon will be presented. These consolidated financial statements and management's discussion and analysis relating thereto are available on ACI's website (www.altagascanada.ca) and under ACI's profile on SEDAR (www.sedar.com).

Appointment of Auditors

Ernst & Young LLP ("**E&Y**") were appointed as the auditors of ACI in 2018. As auditors of AltaGas, they have audited the financial statements of AUI, HGL and PNG since 1998, 2009 and 2011, respectively. E&Y has confirmed they are independent of ACI within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and applicable legal requirements. Canadian auditor independence rules require the rotation of the lead audit partner replaced every seven years. Representatives of E&Y will be present at the Meeting and will be available to respond to appropriate questions.

On the advice of the Audit Committee, the Board recommends that Shareholders vote FOR the appointment of E&Y as auditors of ACI.

Unless it is specified in a proxy that the Shareholder withholds approval for the appointment of E&Y as auditors of ACI, the management designees named in the enclosed form of proxy intend to vote in favour of the appointment of E&Y as auditors of ACI, to hold office until the next annual meeting of Shareholders, with remuneration to be determined by the Board.

The fees billed by E&Y, ACI's external auditors, during 2018 and 2017 were as follows:

Category of External Auditor Service Fee	2018	2017
Audit Fees[(1)]	649,562	643,156
Audit-Related Fees[(2)]	78,050	-
Tax Fees	-	-
All Other Fees[(3)]	96,428	-
TOTAL	**824,040**	**643,156**

Notes:

(1) Represents the aggregate fees for services related to the audit of annual financial statements of ACI, AUI, PNG and HGL, and annual pension audits of the ACI Salaried Employees' Pension Plan, AUI Bargaining Unit Pension Plan, and PNG Pension Plan. All fees billed in 2017 by E&Y have been paid by AltaGas.

(2) Represent the aggregate fees billed by E&Y for assurance and related services that were reasonably related to the performance of the audit or review of ACI's financial statements and were not reported under "Audit Fees". During 2018, the nature of the services provided included review of prospectuses and security filings, research of accounting and audit-related issues, and registration costs for the Canadian Public Accountability Board.

(3) Represent the aggregate fees billed by E&Y for products and services, other than those reported with respect to the other categories of service fees. During 2018, the nature of the services provided was for translation services.

The foregoing information is also set forth in ACI's Annual Information Form for the year ended December 31, 2018, under the heading "General – Audit Committee – External Auditor Service Fees by Category".

Election of Directors

The Board currently consists of seven members. All nominees are current members of the Board. The articles of ACI provide that there must be not less than three and not more than 15 directors and the by-laws of ACI provide that the number of directors to be elected at the Meeting shall be determined from time to time by resolution of the Board.

The Board has fixed the number of directors to be elected at the Meeting at seven. The following seven individuals are proposed by ACI as the nominees for election as directors of ACI to serve until the next annual meeting of Shareholders or until their successors are duly elected or appointed:

Gregory A. Aarssen
Judith J. Athaide
Corine R.K. Bushfield
Amit Chakma
David W. Cornhill
William J. Demcoe
Jared B. Green

See pages 10 to 14 for more information about the Director Nominees.

The Board recommends that Shareholders vote FOR the election of these nominees as directors of ACI.

As set forth in the enclosed form of proxy and voting instruction form, Shareholders may vote for each proposed director individually rather than voting for the proposed directors as a slate. **Unless it is specified in a proxy that the Shareholder withholds approval for a particular director nominee, the management designees named in the enclosed form of proxy intend to vote in favour of the appointment of these nominees.**

AltaGas has Rights to Appoint Nominees

Pursuant to the terms of the governance agreement between ACI and AltaGas effective as of October 18, 2018 (the "**Governance Agreement**"), AltaGas is entitled to nominate three of the seven directors to the Board, including the Chair, for so long as the percentage of outstanding Shares (on a non-diluted basis) beneficially owned directly or indirectly by AltaGas is not less than 30% of the issued and outstanding Shares; nominate two of the members of the Board for so long as the percentage of outstanding Shares (on a non-diluted basis) beneficially owned directly or indirectly by AltaGas is not less than 20% of the issued and outstanding Shares; and nominate one of the members of the Board for so long as the percentage of outstanding Shares (on a non-diluted basis) beneficially owned directly or indirectly by AltaGas is not less than 10% of the issued and outstanding Shares. The Governance Agreement provides that such rights are premised on a Board of up to seven directors, and if the size of the Board is increased to more than seven directors, then AltaGas is entitled to nominate such number of additional representatives to the Board as are necessary such that AltaGas' minimum rights to appoint nominees to the Board (as a percentage of the total number of directors on the Board) is proportionately maintained.

Subject to any requirements of the CBCA, AltaGas is entitled to nominate for appointment or election to the Board a replacement director for any nominee director of AltaGas who ceases for any reason to be a director of the Board, provided AltaGas remains, at that time, entitled to appoint such director.

ACI has a Majority Voting Policy

ACI has a Majority Voting Policy which requires that any nominee for director who receives a greater or equal number of votes "withheld" than "for" his or her election shall tender his or her resignation to the Chair of the Board following the Meeting, effective upon acceptance by the Board. This policy applies only to uncontested elections, meaning elections where the number of nominees for director is equal to the number of directors to be elected. The Board will accept such resignation except in situations where exceptional circumstances would warrant such director continuing to serve as a member of the Board. The nominee shall not attend any meeting or participate in any committee or Board deliberations on the resignation offer. The Board shall disclose its election decision via press release promptly and in any event, within 90 days of the Meeting. If a resignation is not accepted, the press release will disclose the reasons for that decision. If a resignation is accepted, the Board may appoint a new director to fill the vacancy created by the resignation. A copy of the Majority Voting Policy can be found on ACI's website (www.altagascanada.ca).

For information on each of the nominees, refer to the disclosure under the heading "Director Nominees". Further details on the roles and responsibilities of the Board and its committees and other governance matters can be found under the heading "Corporate Governance".

Other Business

ACI is not aware of any amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting; however, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

Interest of Certain Persons or Companies in Matters to be Acted Upon

To ACI's knowledge, no director or executive officer of ACI serving at any time in 2018, no proposed nominee nor any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

DIRECTOR NOMINEES

All the proposed nominees are currently directors of ACI. The Board, as currently constituted, was formed on September 5, 2018 in anticipation of ACI's IPO and listing of the Shares on the Toronto Stock Exchange ("**TSX**"). Prior to that, it was a wholly owned subsidiary of AltaGas and its board of directors was comprised of AltaGas management designees, including Jared Green.

David Cornhill, Corine Bushfield and Gregory Aarssen have been selected as nominees by AltaGas pursuant to the Governance Agreement. See "Election of Directors – AltaGas has Rights to Appoint Nominees" for information on this voting right. Four of the directors are considered independent. For details on the independence determinations, refer to "Corporate Governance – Independence".

Gregory A. Aarssen — Independent

Chatham, Ontario, Canada

Lead Director since September 5, 2018

Age: 60

Mr. Aarssen is an entrepreneur and independent businessman. He has been the President of Aarssen Management Services Inc. since 1997. Mr. Aarssen was Co-President Gas of AltaGas from 2010 until his retirement in 2012. During his tenure with AltaGas, he also held the roles of Vice President Corporate Affairs and Vice President Energy Management. Mr. Aarssen was the Vice President and Principal of PremStar Energy Canada Ltd. from 1996 until it was acquired by AltaGas in 2004.

Mr. Aarssen holds a Bachelor of Science (Honours) from the University of Western Ontario and a Master of Business Administration degree and Juris Doctor from the University of Windsor.

Board and Committee Memberships	Attendance in 2018	
Board of Directors (Lead Director)	4 of 4	100%
Environment, Health and Safety Committee	1 of 1	100%

Other Public Company Boards

-

Ownership	Shares	DSUs	Equity Requirement
March 26, 2019	5,000	1,760	3.0x(1)

Judith J. Athaide — Independent

Calgary, Alberta, Canada

Director since September 5, 2018

Age: 56

Ms. Athaide is a Professional Engineer and a Designate of the Institute of Corporate Directors (ICD.D). She is the President of The Cogent Group Inc. and has been since 1999. Ms. Athaide held a variety of senior commercial and technical roles in the energy industry, including Vice President, Bow Engineering and Project Execution of EnCana Leasehold Limited Partnership from 2006 to 2009, as well as academic positions at the University of Alberta, Brandon University, University of Calgary, and Mount Royal College.

Ms. Athaide holds a Bachelor of Science degree in Mechanical Engineering and a Masters of Business Administration degree, both from the University of Alberta, and a Bachelor of Commerce (Honours) from the University of Manitoba. She serves on a number of corporate and not-for-profit organizations.

Board and Committee Memberships	Attendance in 2018	
Board of Directors	4 of 4	100%
Audit Committee	2 of 2	100%
Compensation and Governance Committee	2 of 2	100%
Environment, Health and Safety Committee (Chair)	1 of 1	100%

Other Public Company Boards

Computer Modelling Group Ltd.
PHX Energy Services Corp.
HSBC Bank Canada (private reporting issuer)

Ownership	Shares	DSUs	Equity Requirement
March 26, 2019	13,800	828	3.0x(1)

Corine R. K. Bushfield — Non-Independent

Ms. Bushfield is the Executive Vice President, Chief Administrative Officer of AltaGas, a position she has held since 2016. Ms. Bushfield has more than 20 years of experience in the energy industry. Prior to joining AltaGas, she was the Senior Vice President and Chief Financial Officer of Long Run Exploration Ltd. from 2013 to 2016. She held various leadership positions at Encana Corporation from 2000 to 2013, including Vice President and Assistant Controller. Prior thereto, Ms. Bushfield managed audit and transaction services teams at PriceWaterhouseCoopers LLP. Ms. Bushfield serves as a board member of a non-profit organization.

Ms. Bushfield holds Bachelor of Commerce degree from the University of Calgary and is a member of the Chartered Professional Accountants of Alberta.

Calgary, Alberta, Canada

Director since September 5, 2018

Age: 44

Board and Committee Memberships	Attendance in 2018	
Board of Directors	4 of 4	100%
Environment, Health and Safety Committee	1 of 1	100%
Other Public Company Boards		
-		

Ownership	Shares	DSUs	Equity Requirement
March 26, 2019	nil	nil	n/a(1)

Amit Chakma — Independent

Mr. Chakma is a Professional Engineer. He is a Professor of Chemical Engineering, and the President of the University of Western Ontario. Prior thereto, Mr. Chakma was Vice President (Academic) and Provost, and a Professor of Chemical Engineering at the University of Waterloo from 2001 to 2009. Since 1992, he has been a Professor of Engineering, including Environmental, Chemical and Petroleum, at a number of Canadian Universities. Mr. Chakma has been a director of the Canadian Scholarship Trust since 2013 and serves on the audit committee of a non-profit organization. He also served on the Government of Canada's Science and Technology Innovation Council from 2012 to 2017.

Mr. Chakma holds a Ph.D. in Chemical Engineering and a Master of Applied Science, Chemical Engineering, both from the University of British Columbia. He also holds a Diplom-Ingenieur in Chemical Engineering, Gas Engineering Specialization from the Institut Algerien du Petrole, Algeria. Mr. Chakma is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta and the Institute of Corporate Directors.

London, Ontario, Canada

Director since September 5, 2018

Age: 60

Board and Committee Memberships	Attendance in 2018	
Board of Directors	4 of 4	100%
Audit Committee	2 of 2	100%
Compensation and Governance Committee (Chair)	2 of 2	100%
Other Public Company Boards		
-		

Ownership	Shares	DSUs	Equity Requirement
March 26, 2019	nil	1,657	3.0x(1)

David W. Cornhill — Non-Independent

Calgary, Alberta, Canada

Chair of the Board and Director since September 5, 2018

Age: 65

Mr. Cornhill is Chair of the Board of ACI. Mr. Cornhill is a founding shareholder of AltaGas (and its predecessors) and was Chief Executive Officer of AltaGas from 1994 to 2016. He also served as interim co-CEO from July to December 2018. Prior to forming AltaGas, Mr. Cornhill served in various capacities with Alberta and Southern Gas Co. Ltd., including Vice President, Finance and Administration, Treasurer and President and Chief Executive Officer.

Mr. Cornhill is an experienced leader in the business community and is a strong supporter of communities and community collaboration, investment and enhancement.

Mr. Cornhill is a member of the Ivey Advisory Board at Western University. He holds a Bachelor of Science (Hons.) degree and a Master of Business Administration degree, both from Western University, and he was awarded an honorary Doctor of Laws degree by Western University in 2015.

Board and Committee Memberships			**Attendance in 2018**	
Board of Directors			4 of 4	100%
Other Public Company Boards				
Imperial Oil Limited				
AltaGas Ltd.				
Ownership	**Shares**	**DSUs**	**Equity Requirement**	
March 26, 2019	105,000	nil	n/a(1)	

William J. Demcoe — Independent

Calgary, Alberta, Canada

Director since September 5, 2018

Age: 72

Mr. Demcoe is a Chartered Accountant and independent businessmen. He has been President of Willbren & Company Ltd. since 1993. He has over 30 years' experience as an executive officer, including positions with Maryn International Ltd., Alberta Natural Gas Ltd, and Alberta & Southern Gas Ltd., Consolidated Pipelines Ltd, and Consolidated Natural Gas Company Ltd. Mr. Demcoe was also an instructor at the University of Calgary, Faculty of Business and has past board experience.

Mr. Demcoe holds Master of Business Administration from the University of Chicago. He is a member of Financial Executives International and the Institute of Chartered Professional Accountants of Alberta.

Board and Committee Memberships			**Attendance in 2018**	
Board of Directors			4 of 4	100%
Audit Committee (Chair)			2 of 2	100%
Compensation and Governance Committee			2 of 2	100%
Other Public Company Boards				
-				
Ownership	**Shares**	**DSUs**	**Equity Requirement**	
March 26, 2019	nil	880	3.0x(1)	

Jared B. Green — Non-Independent

Calgary, Alberta, Canada

Director of ACI and its predecessors since October 5, 2017

Age: 43

Mr. Green is the President and Chief Executive Officer. Mr. Green served as President, Canadian Utilities of AltaGas from 2017 to October 2018, with responsibility for PNG, AltaGas Utility Group Inc. and HGL, plus its interest in Inuvik Gas. From 2014 to 2017, he was President of ENSTAR Natural Gas Company and President of Cook Inlet Natural Gas Storage, AltaGas' Alaska utility and natural gas storage businesses. Mr. Green joined AltaGas in 2004, serving in progressively more senior roles in the organization until assuming the role of President, Canadian Utilities, including Director of Business Development, Controller, Vice President Controller and Corporate Secretary of AltaGas Utility Group Inc., a public company, and Vice President Controller, Utilities Division, and Vice President, Controller. Mr. Green is a member of the board of directors for the Western Energy Institute, serving on the executive committee and the audit committee.

Mr. Green holds Bachelor of Arts in Economics from the University of Calgary, a Bachelor of Commerce (Distinction) in Accounting from the University of Saskatchewan, and is a Chartered Professional Accountant.

Board and Committee Memberships					**Attendance in 2018**	
Board of Directors					4 of 4	100%
Environment, Health and Safety Committee					1 of 1	100%
Other Public Company Boards						
-						
Ownership	**Shares**	**Options**	**RSUs**	**PSUs**	**Equity Requirement**	
March 26, 2019	52,990	70,000	14,482	24,137	5.0x[1]	

Note:

(1) For details of the equity ownership requirement for Mr. Aarssen, Ms. Athaide, Mr. Chakma and Mr. Demcoe, see "Director Equity Ownership Requirement" and for Mr. Green, see "Executive Equity Ownership Requirement". As Ms. Bushfield and Mr. Cornhill did not receive compensation for serving as directors, no equity ownership requirement was applicable.

At the Record Date, the proposed nominees collectively held approximately 0.4% of the total issued and outstanding Shares (including Shares beneficially owned, directly or indirectly, and Shares over which control or direction is exercised, in each case as provided by the nominees as of the Record Date).

The experience and qualifications of the nominees, including their knowledge and depth of understanding of their role and ACI's business, contribute to ACI's overall success. For details of the expertise of each nominee in the categories delineated by ACI, refer to the skills matrix under the heading "Corporate Governance – Areas of Expertise", and for details of their professional development and education, refer to the information under the heading "Corporate Governance – Director Orientation, Development and Continuing Education".

Cease Trade Orders, Bankruptcies, Sanctions and Penalties

None of the proposed directors: (i) are, or have been within the past ten years a director, chief executive officer or chief financial officer of any company, including ACI and any personal holding companies of such person, that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), or after such person ceased to be a director, chief executive officer or chief financial officer of the company, was the subject of an Order which resulted from an event that occurred while acting in such capacity; (ii) are, or have been within the past ten years, a director or executive officer of any company, including ACI and any personal holding companies of such person, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (iii) have, including any personal holding companies of such person, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

None of the proposed directors (or any personal holding companies of such persons) have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or have entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Interlocking Service

ACI reviews any interlocking relationships of its nominees with respect to their involvement with the boards of directors of other public companies. As of the Record Date, none of the proposed nominees sit together on the board of directors of any other public company, and no executive officer of ACI sits on the board of directors of a public company of which a nominee is an executive officer. Please refer to the director nominee tables for all current public board of director memberships held by each nominee.

2019 Director Voting Results

This is the first annual meeting of shareholders since ACI became a reporting issuer. Voting results for 2019 will be posted following the meeting under ACI's profile on SEDAR (www.sedar.com).

DIRECTOR COMPENSATION

Philosophy and Approach

ACI's objectives with respect to director compensation include:

- recruiting and retaining qualified individuals to serve as members of the Board;
- competitively compensating members of the Board commensurate with their responsibilities and time commitment; and
- aligning the interests of the directors with those of the Shareholders.

While ACI's executive compensation program is designed around pay-for-performance, director compensation is based primarily on annual retainers and equity grants, and equity-based compensation is not linked to performance targets. This practice is designed to meet the above-referenced compensation objectives while ensuring that directors are unbiased when making decisions and carrying out their duties while serving on the Board.

The initial director compensation package was developed in consultation with external advisors, and approved by the C&G Committee and the Board. Director compensation will be reviewed at least annually with the assistance of compensation advisors as appropriate.

A member of the Board who is also an executive officer of ACI or AltaGas is not entitled to compensation for services rendered to ACI as a director.

Non-executive director compensation includes:

- annual cash retainers, which may be taken in DSUs; and
- equity-based awards, primarily granted in the form of DSUs.

DSUs are governed by the DSUP. DSUs are intended to provide directors with additional motivation to promote sustained improvement in ACI's business and align director compensation with long-term Shareholder interests. DSUs are notional shares that are linked directly to Share price performance over the period the DSUs are held. DSUs do not have specific performance targets and are not payable until a director retires. While executives are eligible to participate in the DSUP, DSUs are intended to be issued to directors only. Additional details of the DSUP are included in Schedule B.

Compensation Governance

The Board, in conjunction with the C&G Committee, is responsible for compensation policies and practices. The C&G Committee is responsible for reviewing and making recommendations to the Board with respect to non-executive director compensation. The peer group for executive compensation was approved in connection with the IPO and the C&G Committee approved the use of the same peer group for benchmarking director compensation. The C&G Committee mandate entitles the committee to retain independent advisors to assist with the process.

Compensation Components

Annual Retainer

Directors, other than directors who are also executive officers of ACI or AltaGas, receive an annual cash retainer for serving on the Board and an additional amount for serving as chair of a committee. No meeting attendance fees or committee fees were paid to directors in 2018.

Each director may elect, once per calendar year, to receive a percentage of their annual retainer in DSUs. However, pursuant to the minimum equity ownership requirements established by the Board (as more particularly described under the heading "Director Equity Ownership Requirements"), a director who has not yet achieved the minimum equity ownership requirement must take at least 50% of his or her annual retainer in DSUs. The number of DSUs that a director is entitled to receive in any quarter is equal to one-quarter of the amount of the annual retainer that he or she elected to take in DSUs, divided by the Share price on the set quarterly grant date, where the Share price is the average closing price of the Shares for the 20 consecutive trading days immediately preceding the date of grant.

The retainers payable for each role for the year ended December 31, 2018 are set out below.

Role	Annual Cash Retainer ($)
Chair(1)	100,000
Lead Director	85,000
Other Directors(2)	75,000
Audit Committee Chair	10,000
C&G Committee Chair	5,000
EHS Committee Chair	5,000

Notes:

(1) No fees were paid to the Chair in 2018 because he was not considered independent. Commencing May 1, 2019, Mr. Cornhill will receive a retainer for serving as Chair. See "Board of Directors – Independence".

(2) Directors who are executive officers of ACI or AltaGas are not entitled to fees.

Equity Grants

In addition to receiving a percentage of their annual retainer in DSUs, directors may also receive grants of DSUs. No DSUs were granted to directors in 2018 other than in connection with their annual retainer elections.

DSUs are fully vested upon grant and are immediately credited to the director's account. DSUs do not have voting rights but they accrue dividend equivalents at the same rate as dividends paid on the Shares. Payment of the value of DSUs granted occurs following the director's retirement from the Board and is not subject to satisfaction of any requirements regarding minimum period of membership or employment or other conditions. The amount a director receives on redemption is calculated by multiplying the number of DSUs he or she holds (including credited dividend equivalents) by the Share price, where the Share price is the average closing price of the Shares for the 20 consecutive trading days prior to the payment date.

Other Benefits

In addition, non-executive directors receive benefits and are reimbursed for out-of-pocket expenses incurred in the performance of their duties such as attending meetings.

Summary Compensation Table for Non-Executive Directors

The following table reflects the compensation, by category and on an aggregate basis, paid to each non-executive director of ACI for the period commencing on the date of their appointment on September 5, 2018 and ending December 31, 2018. The initial compensation package was comprised solely of cash retainers.

Mr. Green, as CEO, is not entitled to compensation for services rendered to ACI in his capacity as a director. Details of compensation paid to the CEO can be found under the heading "Executive Compensation".

Name	Fees Earned ($)	Share-based Awards ($)	Option-based Awards ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All other Compen-sation[(1)] ($)	Total ($)
Gregory Aarssen	27,255	nil	nil	nil	nil	1,061	28,316
Judith Athaide	25,652	nil	nil	nil	nil	1,063	26,715
Corine Bushfield[(2)]	n/a	nil	nil	nil	nil	nil	nil
Amit Chakma	25,652	nil	nil	nil	nil	1,060	26,712
David Cornhill[(2)]	n/a	nil	nil	nil	nil	nil	nil
William Demcoe	27,255	nil	nil	nil	nil	1,046	28,301
TOTAL	**105,814**	**nil**	**nil**	**nil**	**nil**	**4,230**	**110,044**

Notes:

(1) Amounts include the value of ACI's group benefits plan, in which all current directors participate, with the exception of Ms. Bushfield and Mr. Cornhill.

(2) As executive officers of AltaGas, the parent of ACI until October 25, 2018, neither Mr. Cornhill, nor Ms. Bushfield, received compensation for serving as directors of ACI in 2018. Mr. Cornhill served as interim co-CEO of AltaGas from July to December 2018 and Ms. Bushfield is the Executive Vice President, Chief Administrative Officer of AltaGas. See "Board of Directors – Independence" for more details.

Director Fees

The following table outlines the annual retainer paid to each non-executive director for serving on the Board and its committees, which payments reflects their partial year of service, and the portion of their annual retainer that each director elected to receive in DSUs. For 2018, fees for serving on committees were included for purposes of the DSU election. Going forward, only the annual Board retainer will be factored in.

Name	Annual Board Retainer ($)	Committee Chair Retainer[(1)] ($)	Retainer elected to be taken in DSUs (%)	Total Fees Earned ($)	Total Fees taken as Cash ($)
Gregory Aarssen	27,255	n/a	100	27,255	nil
Judith Athaide	24,049	1,603	50	25,652	12,826
Corine Bushfield	nil	n/a	n/a	n/a	n/a
Amit Chakma	24,049	1,603	100	25,652	nil
David Cornhill	nil	n/a	n/a	n/a	n/a
William Demcoe	24,049	3,206	50	27,255	13,628

Note:

(1) Mr. Aarssen is Lead Director. Ms. Athaide is chair of the EHS Committee, Mr. Chakma is chair of the C&G Committee and Mr. Demcoe is chair of the Audit Committee. No fees are paid for serving as a member of a committee.

Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

The following table reflects all Share-based incentive plan awards outstanding to non-executive directors at December 31, 2018. For details of Mr. Green's incentive plan awards, see "Executive Compensation".

	Option-based Awards(1)	Share-based Awards(2)		
Name	Shares underlying unexercised Options (#)	Number of Shares or units that have not vested (#)	Number of Shares or units that have vested and not been paid out (# of DSUs)	Market or payout value of vested Share-based awards not paid out or distributed ($)
Gregory Aarssen	nil	nil	1,760	28,547
Judith Athaide	nil	nil	828	13,430
Corine Bushfield	nil	nil	nil	nil
Amit Chakma	nil	nil	1,657	26,877
David Cornhill	nil	nil	nil	nil
William Demcoe	nil	nil	880	14,274

Notes:

(1) Option-based awards have never been granted to non-executive directors.

(2) The non-executive directors do not hold any Share-based awards that have not vested. DSUs granted to directors fully vest upon grant. Amounts represent DSUs and accumulated dividend equivalents at December 31, 2018. Market or payout value of DSUs is calculated by multiplying the number of DSUs held by a director by the closing price of the Shares on December 31, 2018 ($16.22).

Incentive Plan Awards – Value Vested or Earned During 2018

The following table reflects the aggregate dollar value on vesting of Options and DSUs for non-executive directors during the year ended December 31, 2018, and the value of non-equity compensation earned during that year by such directors.

Name	Option-based awards – Value vested during 2018(1) ($)	Share-based awards – Value of DSUs vested during 2018(2) ($)	Non-equity incentive plan compensation – Value earned during 2018 ($)
Gregory Aarssen	n/a	27,255	n/a
Judith Athaide	n/a	12,826	n/a
Corine Bushfield	n/a	nil	n/a
Amit Chakma	n/a	25,652	n/a
David Cornhill	n/a	nil	n/a
William Demcoe	n/a	13,628	n/a

Notes:

(1) Option-based awards have never been granted to non-executive directors.

(2) The value upon vesting of DSUs for all non-executive directors is the amount of the annual cash retainer elected by the director to be taken in DSUs in 2018. This value does not include dividend equivalents.

Director Equity Ownership Requirement

In recognition of the importance of ensuring an alignment of financial interests of directors with those of Shareholders, the Board has adopted an equity ownership requirement for its non-executive directors. Non-executive directors must achieve an equity ownership level of three times their annual retainer within a five-year period of their date of appointment as a director of ACI. For purposes of achieving compliance with ACI's equity ownership requirement, Shares and DSUs are included in the calculation. Ms. Bushfield and Mr. Cornhill did not receive compensation from ACI in 2018, and therefore are not subject to equity ownership requirements. For details of Mr. Green's equity ownership requirement, refer to "Executive Equity Ownership Requirement".

It is the Board's policy that, until such equity ownership level is attained, a director must elect to receive at least 50% of their annual retainer in DSUs. As all non-executive directors were appointed on September 5, 2018, they have until September 5, 2023 to satisfy the ownership requirement. The following table sets out each director's equity ownership levels at December 31, 2018.

Name	Equity Holdings		Total Equity Holdings(1) (#)	Market Value of Equity Holdings(1) ($)	Minimum Equity Ownership Required(2) ($)	Minimum Equity Ownership Met
	Shares (#)	DSUs (#)				
Gregory Aarssen	5,000	1,760	6,760	109,647	72,147	✓
Judith Athaide	13,800	828	14,628	237,266	72,147	✓
Corine Bushfield	nil	nil	nil	nil	n/a	n/a
Amit Chakma	nil	1,657	1,657	26,877	72,147	On track
David Cornhill	105,000	nil	105,000	1,703,100	n/a	n/a
William Demcoe	nil	880	880	14,274	72,147	On track

Notes:

(1) To determine market value for the Shares and DSUs, the December 31, 2018 closing price on the TSX of $16.22 was used.

(2) The annual retainer for 2018 was $75,000, which was pro-rated for the period September 5, 2018 to December 31, 2018 then multiplied by three, for required ownership for 2018 of $72,147.

CORPORATE GOVERNANCE

The Board is responsible for overseeing the management of the business and affairs of ACI and believes that good governance improves performance and benefits all Shareholders. Accordingly, the Board is committed to a high standard of governance. As part of its mandate, the C&G Committee monitors governance developments and trends in order to ensure that ACI's practices are aligned with best practices in governance.

Following is an overview of ACI's key corporate governance highlights. In addition, key governance documents are available on ACI's website (www.altagascananda.ca).

Governance Highlights	
Size of current Board	7
Number of independent directors	4
Number of women on Board	2
Average attendance of directors at Board and committee meetings	100%
Separate Board Chair and CEO	Yes
Lead director if Board Chair considered not independent	Yes
Sessions of independent directors at every Board meeting	Yes
Audit Committee members independent and financially literate	Yes
Members of committee overseeing compensation and nominations independent	Yes
Average tenure of director nominees	< 1 year
Average age of director nominees	57 years
Term limits	Yes
Retirement age	Yes
Individual director elections	Yes
Majority Voting Policy	Yes
Number of board interlocks	None
Equity ownership requirements for non-executive directors	Yes
Equity ownership requirements for executive officers	Yes
Board orientation and continuing education	Yes
Code of Business Ethics, annually reviewed	Yes
Governance guidelines	Yes
Board and committee mandates	Yes
Position descriptions	Yes
Skill matrix for directors	Yes
Annual board evaluation process	Yes
Gender Diversity Policy	Yes
Whistleblower Policy	Yes
Prohibitions on Hedging	Yes
Clawback Policy	Yes
Dual-class shares	No
Advance Notice Requirement	Yes

Governance Oversight

ACI has structured its governance practices to comply with applicable legislation and policies, including National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), National Policy 58-201 - *Corporate Governance Guidelines*, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. In addition, ACI stays abreast of legislative and other policy initiatives pertaining to corporate governance matters and proactively seeks to adjust its corporate governance to address such potential requirements.

The Board discharges its responsibilities directly and through its committees. The responsibilities of the Board and each committee are set out in written mandates, which are reviewed and approved annually by the Board. The chair of each committee is responsible for ensuring the mandates are fulfilled. In addition, the mandates for the committees include position descriptions for their respective chairs. For a detailed description of the Board's responsibilities, refer to the Board mandate in Schedule A and, for a summary of the roles and responsibilities of the various committees, see the disclosure under the heading "Board Committees".

The Board developed governance guidelines which further delineate the roles and responsibilities of the Board, its committees and management. Position descriptions for the Chair of the Board, the Lead Director and the CEO were also adopted. The Chair's primary role is to provide leadership to the Board to facilitate the operation and deliberations of the Board and to ensure that the Board fulfills its responsibilities under the Board mandate. The Chair is accountable to the Board and acts as a liaison between the Board and management. The Lead Director's primary role is to facilitate discussions amongst independent directors. The CEO's primary role is to provide leadership and oversee the day-to-day operations and the corporate and strategic objectives of ACI. The CEO's role and responsibilities are further specified, refined and delineated by the Board through approval of the annual budget and the corporate objectives for which the CEO is responsible, as well as through strategic plans, and more specific delegations of authority as required. The C&G Committee evaluates performance against those objectives and reports the results of the evaluation to the Board.

Board of Directors

Independence

Independent decision-making is a cornerstone of sound governance. Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of NI 52-110. Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. An individual who is or, within the last three years, was, an executive officer of the issuer is deemed to be in a material relationship with the issuer. For purposes of this determination, the definition of issuer includes an entity that was a parent of the issuer prior to a recent spin-out. As AltaGas was the parent of ACI prior to its IPO, current executives of AltaGas are deemed to be in a material relationship with ACI, as are any individuals who served as CEO of AltaGas in the past three years.

Based on information provided by each director concerning his or her background, employment and affiliations, the Board has considered and determined that:

- Gregory A. Aarssen, Amit Chakma, William J. Demcoe and Judith J. Athaide are independent.
- As CEO, Jared B. Green is not independent.
- As EVP, Chief Administrative Officer of AltaGas, Corine R.K. Bushfield is not independent.
- David W. Cornhill is not independent as he was CEO of AltaGas within the past three years.
- As of April 16, 2019, when three years has elapsed from his retirement as CEO of AltaGas, David W. Cornhill will be independent for purposes of NI 52-110.

The Board believes that given its size and structure, it is organized properly, functions effectively and is able to facilitate independent judgment in carrying out its responsibilities.

Chair and Lead Director

As discussed above, David W. Cornhill, the Chair of the Board, is not currently considered independent. Accordingly, Gregory A. Aarssen has been appointed as the Lead Director by the Board and is responsible for ensuring that the independent directors have opportunities to meet without management and the non-independent directors, as required. While Mr. Cornhill will be considered independent for purposes of NI 52-110 after April 15, 2019, Mr. Aarssen will continue to serve as Lead Director. The Lead Director may be appointed and replaced from time to time by a majority of independent directors and will be an independent director. Discussion among the independent directors is led by the Lead Director.

Committee Independence

Four of the seven members of ACI's Board are currently considered independent (57%). Further details on committee composition are set forth below:

Director / nominee	Audit Committee[1]	C&G Committee	EHS Committee
Independent			
Gregory Aarssen			✓
Judith Athaide	✓	✓	Chair
Amit Chakma	✓	Chair	
William Demcoe	Chair	✓	
Non- Independent			
Corine Bushfield			✓
David W. Cornhill			
Jared Green			✓

Note:

(1) The Board has determined that all members of the Audit Committee are independent and financially literate in accordance with NI 52-110.

Meetings of the Board and Committees

The Board plans to meet a minimum of five times per year. In 2018, the Board held one regularly scheduled meeting and three special meetings between September 5, 2018, when the majority of the Board was appointed, and December 31, 2018. Management of ACI provided operations updates and discussed issues relevant to the Board, with reference to ACI's strategy.

Each meeting included discussions without the presence of management and non-independent directors. The Lead Director presides over these sessions at Board meetings, and the chair of each committee presides over these sessions at committee meetings and, in each case is responsible for informing the Chair (if not independent) and/or management if any action is required. The sessions held by independent directors are of no fixed duration and participants are invited to raise and discuss any comments or concerns.

The nature of the business discussed and conducted by the Board at any particular meeting is dependent on the then-current state of ACI's business and the opportunities and risks that ACI faces at that time. However, every regularly scheduled quarterly Board meeting includes a review of ACI's consolidated financial and operational status and performance, including review and approval of relevant financial statements and public disclosure, and a discussion of near and long-term strategic goals and progress being made in respect of such goals, as well as reports from any committees that have met since the last Board meeting. The Board also sets one meeting per year for a comprehensive review and approval of ACI's budget for the following year.

See "Board Committees" for details relating to committee meetings.

Meeting Attendance in 2018

The Board, as currently constituted, was formed on September 5, 2018, and ACI became a public company on October 25, 2018. Prior to that date, ACI was a subsidiary of AltaGas. The table below includes meetings held between September 5, 2018 and December 31, 2018. Directors also participated in informal discussions and orientation sessions.

Director / nominee	Board of Directors	Audit Committee	EHS Committee	C&G Committee
Gregory Aarssen	4/4		1/1	
Judith Athaide	4/4	2/2	1/1	2/2
Corine Bushfield	4/4		1/1	
Amit Chakma	4/4	2/2		2/2
David Cornhill	4/4			
William Demcoe	4/4	2/2		2/2
Jared Green	4/4		1/1	

Key Responsibilities of the Board

Strategy

The Board is responsible for reviewing and approving ACI's strategic plan, including an examination of the opportunities and risks of the business of ACI and its subsidiaries, and for monitoring and assessing overall performance in meeting the pre-established corporate objectives that align with the strategic plan.

ACI's strategy is focused on delivering safe, reliable, clean and cost-effective energy solutions to customers while achieving long-term profitable growth. Management meets with the Board to outline its strategic plan and establish the objectives that support the strategic plan and the criteria that will be used to measure success, and management provides updates at least quarterly on its progress towards achieving such strategic objectives.

Risk Management

The Board is responsible for identifying and understanding the principal risks associated with ACI's business and for reviewing and approving the implementation of systems to manage risks. Management is responsible for ensuring that the Board and its committees are kept well-informed of changing risks on a timely basis. The Board receives reports on risk matters from both the committees of the Board and from management. Refer to disclosure under the heading "Board Committees" for details of the risks managed by each committee and to "Managing Compensation Risk" for measures designed to mitigate compensation risk.

In addition, many of ACI's policies are designed to manage risk, including those set out under the heading "Governance Policies and Practices".

Succession Planning

With respect to leadership and succession planning, the Board is responsible for:

- appointing the CEO and other officers;
- monitoring senior management's performance, goals, assessments and rewards;
- developing, reviewing and monitoring the CEO succession plan;
- reviewing the succession strategy for all other senior management positions on an annual basis; and

- overseeing human capital risk to ensure ACI's management programs effectively address succession planning.

The C&G Committee makes recommendations to the Board with respect to executive succession planning matters. The C&G Committee is also responsible for making recommendations to the Board in respect of succession planning for the Board, as further discussed under "Nomination of Directors".

Compensation

Refer to "Director Compensation" and "Executive Compensation" for the process by which the Board determines the compensation for ACI's directors and executive officers, and to "Board Committees – Compensation and Governance Committee" for the composition of the committee and its responsibilities, powers and operation.

Ethical Business Conduct

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to management to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct. In connection with its commitment to ensuring the ethical operation of ACI, the Board has adopted a code of business ethics, a copy of which is available on ACI's website (www.altagascanada.ca) and under ACI's profile on SEDAR (www.sedar.com).

The code of business ethics sets out the fundamental principles of ACI's business practices and reflects ACI's commitment to a culture of honesty, integrity and accountability. Each director, officer, employee, contractor, consultant, representative and agent of ACI must comply with the code of business ethics. Compliance with the code of business ethics is a condition of employment. Individuals are obligated to promptly report any problems or concerns or any potential or actual violation of the code of business ethics in accordance with the procedures established therein. The Board monitors compliance with the code of business ethics through reports of management to the Board and requires that all persons subject to the code of business ethics provide an annual certification of compliance with the code of business ethics.

A director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by the Board or any committee on which he or she serves, such director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of the CBCA regarding conflicts of interest. Executive officers are also required to disclose any material interest in a transaction or agreement being considered by the Board. Such executive officers would not be present at the Board meeting at which such transaction is being considered.

Governance Policies and Practices

The Board has adopted a number of policies that support ethical conduct and mitigate risk, including:

- Whistleblower Policy
- Securities Trading and Reporting Policy
- Respectful Workplace Policy
- Board Diversity and Gender Diversity Policy
- Clawback Policy

The Whistleblower Policy provides employees, clients and contractors of ACI or its operating subsidiaries with the ability to report, on a confidential and anonymous basis, any violation of law or policy, including criminal conduct, fraud, falsification of financial records, or any conduct or activity that is ethically, morally or legally questionable. The Board believes that providing a forum for employees, clients, contractors, officers and directors to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct.

A copy of the Whistleblower Policy is publicly available on ACI's website (www.altagascanada.ca) or by request to the Corporate Secretary. Reports can be made by phone at 866-ETHICSP (866-384-4277) or through the website at www.ethicspoint.com. Reports received through Ethicspoint will be reported on a confidential basis to the Chair of the Board and chair of the Audit Committee, or in certain circumstances, to the Lead Director, and investigated promptly. Committees or the Board will be involved as appropriate and corrective action will be taken.

The Securities Trading and Reporting Policy prohibits insiders of ACI from trading in Shares or other securities of ACI while they are in possession of any material non-public information relating to the business and affairs of ACI that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of securities, or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions concerning such securities. This policy works in conjunction with the Disclosure Policy. Directors and officers are subject to quarterly blackouts in connection with the preparation of financial statements. The Securities Trading and Reporting Policy includes a prohibition on hedging. Refer to "Managing Compensation Risk" for further details.

The Respectful Workplace Policy sets out ACI's commitment to the health and safety of all its' workers and to promoting and maintaining a workplace free of discrimination, harassment, bullying and workplace violence. The policy sets out the procedure for making complaints, including a mechanism that allows anonymous reporting through a third party provider, investigating complaints and resolving complaints, including the disciplinary action that may be taken. ACI prohibits reprisals and retaliation against any worker who, in good faith, has identified a practice they reasonably believe constitutes discrimination, harassment, bullying or workplace violence or has made a complaint.

The Board Diversity and Gender Diversity Policy aims to set out the key considerations for the approach of the Board towards Board composition, including the Board approach for achieving diversity and gender diversity on the Board. The Board is committed to growth and development with respect to diversity among its members. This includes but is not limited to diversity in regards to attributes such as gender, age, race, ethnicity, sexual orientation, education, geographic location and other characteristics of the communities in which ACI operates. Pursuant to this policy, when identifying candidates to nominate to the Board, the C&G Committee will be guided by the following principles when recommending nominees: (a) all nominees will be highly qualified; (b) a balance in terms of experience, expertise, diversity and other required competencies will be sought for each nomination; (c) nominees will be evaluated based upon their skills, with reference to skills identified as required by the Board in accordance with the director skills matrix; and (d) the level of representation of women on the Board will be considered when making recommendations. The C&G Committee will assesses the effectiveness of this policy annually and through its nomination process and will report to the Board thereon and make recommendations to the Board for revision, if necessary.

The Board receives quarterly reports of any complaints received under the code of business ethics or the above policies that are received by the Chair, any committee chair or through Ethicspoint.

The Clawback Policy and details of the prohibition on hedging are described under the heading "Compensation Discussion and Analysis".

Gender Diversity

Two of the seven members of the Board are women (29%) and each committee of the Board has at least one female member (representing 33% of the C&G Committee, 33% of the Audit Committee and 50% of the EHS Committee). In accordance with the Board Diversity and Gender Diversity Policy, the level of representation of women on the Board will be considered when making nominee recommendations.

The C&G Committee considers the level of representation of women in executive officer positions when making executive officer appointments. One of the three members of the ACI executive team is a woman

(33%) and three of the 10 members of management of AUI, PNG and HGL, collectively, are women (representing 30%, assuming Ms. Shoji-Lee is counted only for ACI).

The Board has not yet adopted specific targets and will continue to promote its overall objectives by taking steps to ensure that nominee recruitment and identification processes are appropriate in terms of depth and scope to foster identification and progression of diverse candidates.

Board Effectiveness

Performance Assessment

The C&G Committee's mandate includes reviewing and making recommendations as to the size of the Board and establishing practices for measuring Board performance and for evaluating the performance of the Board, its committees and the individual directors.

The Board, in conjunction with the C&G Committee, will require its members to complete a confidential questionnaire on an annual basis. The questionnaire is designed to evaluate how effectively the Board, its committees and the individual directors are operating and provide directors with the opportunity to make suggestions for improvement. Questions will address the composition of the Board and its committees, effectiveness of the Board, its committees, the Chair, the Lead Director and the chairs of the committees, the quality of information provided at, and effectiveness of, meetings, and the quality and quantity of director orientation and continuing development. The questionnaire, once completed, will be submitted to the chair of the C&G Committee. Directors' input will then be summarized on an anonymous basis and reported to the Board. Areas for potential improvement or areas of concern will be addressed.

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view, skills and experience.

With the recent appointment of the directors, the initial assessment with respect to appropriate size and diversity consisted of informal discussions among the independent members of the Board. The Board believes that, as currently constituted, the Board is the appropriate size and represents sufficiently diverse perspectives.

Nomination of Directors

In its role as "nominating committee", the C&G Committee is responsible for determining the necessary qualifications and experience required for a diverse and effective Board. The competencies of individual directors and the Board as a whole, including those identified in the skills matrix, are considered by the C&G Committee in assessing potential nominees and making recommendations to the Board.

When conducting assessments of the current Board or potential nominees, the Board considers various criteria including qualifications, skills, experience, areas of expertise, gender and other diversity criteria, number of other public company boards and board interlocks. The C&G Committee will consider the level of representation of women on the Board when making recommendations for nominees to the Board and in general with regard to succession planning for the Board.

Annually, the C&G Committee reviews the experience and qualifications of the Board to identify any gaps relative to the skills, expertise and experience identified by the Board as being important to ACI's business, operations and strategic objectives. The C&G Committee also takes into account succession planning necessitated by changes in ownership pursuant to the Governance Agreement, age and tenure. In certain circumstances, AltaGas has the right to nominate members to the Board, which rights are predicated on AltaGas' ownership of Shares. Refer to "Matters to be Considered at the Meeting – Election of Directors – AltaGas has Rights to Appoint Nominees".

Director Age and Tenure

While all the directors are relatively new to the Board, the Board's governance guidelines do address age and tenure. The guidelines specify that current directors will not stand for re-election after they have reached age 75 or at the fifteenth, or any subsequent, annual meeting of shareholders following the date such director was first elected or appointed. In order to ensure that the Board benefits from fresh ideas, views and expertise, as part of its annual assessment and succession planning process, the Board will consider age and tenure.

Areas of Expertise

The skills matrix is used by the C&G Committee to identify gaps in the experience and qualifications of the Board relative to the skills, expertise and experience identified by the Board as being important to ACI's business, operations and strategic objectives.

In order to promote diversity on the Board, in addition to diversity and depth of expertise, the Board considers the gender, age and tenure of its members.

		Gregory Aarssen	Judith Athaide	Corine Bushfield	Amit Chakma	David Cornhill	William Demcoe	Jared Green
Tenure	<3	✓	✓	✓	✓	✓	✓	✓
	3-8							
	>8							
Gender		M	F	F	M	M	M	M
Age	<54			✓				✓
	55-65	✓	✓		✓			
	65+					✓	✓	
Skills and Experience								
Managing/Leading Strategy and Growth		●	●	●	●	●	●	●
Knowledge and Experience of ACI Geographic Areas		●	*●*	●	*●*	●	●	●
CEO/Senior Officer		●	*●*	●	●	●	●	●
Human Resources		*●*	*●*	●	●	●	●	●
Renewable Power Infrastructure(1)		●	●	*●*		●		*●*
Regulated Utilities		●	●	*●*		●	●	●
Governance		●	●	●	●	●	●	●
Financial Accounting, Audit and Capital Markets		*●*	*●*	●	*●*	●	●	●
Environment, Health, Safety and Sustainability		●	*●*	*●*	●	●	*●*	●
Stakeholder Relations and Corporate Communication(2)		●	*●*	●	●	●	*●*	●
Risk Oversight Management		●	●	●	●	●	*●*	●

● Expertise *●* Experience

Notes:

(1) Includes operations and energy marketing.

(2) Includes government, Indigenous community and regulators.

Director Orientation, Development and Continuing Education

The C&G Committee is responsible for the orientation and continuing education of the members of the Board. As new directors join the Board, they are provided with, among other things, board and committee mandates, corporate policies, historical information about ACI, information on ACI's performance and its strategic plan and an outline of the general duties and responsibilities entailed in carrying out their duties. New directors are provided the opportunity to meet with the Chair of the Board, the Lead Director, the CEO, the CFO and other members of management to discuss the role and responsibilities of individual directors, the Board and its committees and to gain an understanding and appreciation for ACI's business, operations, strategic objectives and core values. Directors are provided with such other orientation and information as requested. As part of the initial orientation conducted, the directors attended orientation sessions with the auditors and compensation advisors to discuss processes and expectations in advance of initial meetings.

ACI encourages directors to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each director has the responsibility for ensuring that he or she maintains the skill and knowledge necessary to meet his or her obligations as a director.

As part of continuing education, Board meetings are often coordinated with operations updates and site visits, where directors may meet and consult with management and local employees. Directors are provided with articles and other reading material on an ongoing basis on topics of interest relating to ACI's business, strategy and industry best practices (including in the area of corporate governance). Directors may participate in safety stand-downs. Dinners are often held with management in advance of meetings of the Board. Other forms of ongoing education will be offered where a need is perceived or based on input obtained from directors as part of the annual Board assessment process. The following are some of the continuing education topics and events that occurred in 2018:

2018	Topic/Event	Presented / Hosted By	Presented To
October	Accounting practices for utilities	CFO / E&Y	Audit Committee
November	Compensation practices for utilities	Mercer	C&G Committee
	Accounting policy updates	CFO	Audit Committee

Board Committees

The Board has three standing committees: the Audit Committee, the C&G Committee and the EHS Committee. Each member of Audit Committee and the C&G Committee is considered independent within the meaning of NI 52-110. The mandates are posted on ACI's website at (www.altagascanada.ca).

Audit Committee

Chair: William Demcoe
Members: Judith Athaide, Amit Chakma

The Board has adopted a written mandate for the Audit Committee outlining the duties and responsibilities of the Audit Committee and its chair, which it reviews annually. Any changes are recommended to the C&G Committee for review. The Audit Committee is responsible for, among other things:

- reviewing financial statements;
- reviewing public disclosure documents containing financial information and reporting on such review to the Board;
- ensuring compliance with legal and regulatory requirements;
- overseeing qualifications, engagement, compensation, performance and independence of ACI's external auditors; and
- reviewing, evaluating and approving the internal control and risk assessment systems that are implemented and maintained by management.

The Audit Committee meets with ACI's auditors regularly, independent of management, and has direct communication channels with external and internal auditors to discuss and review specific issues as appropriate. The Audit Committee meets at least four times per year.

All members of the Audit Committee are "independent", "financially literate" and have "accounting or related financial expertise", based on criteria established by the Board in accordance with NI 52-110.

Further information in respect of the Audit Committee is contained in ACI's Annual Information Form for the year ended December 31, 2018 under the heading "General – Audit Committee" and the Audit Committee's mandate is attached as a schedule thereto. The Annual Information Form is available under ACI's profile on SEDAR (www.sedar.com) and on its website (www.altagascanada.ca).

Compensation and Governance Committee

Chair: Amit Chakma
Members: Judith Athaide, William Demcoe

The Board has adopted a written mandate for the C&G Committee outlining the duties and responsibilities the C&G Committee and its chair, which it reviews annually. The C&G Committee is responsible for:

- the development of ACI's overall governance approach;
- continual assessment of corporate governance matters, including measuring and evaluating the effectiveness of current guidelines, policies and practices and resolving any issues with respect to the code of business ethics;
- reviewing all Board and committee mandates on an annual basis;
- making recommendations to the Board regarding governance matters and ensuring compliance with the code of business ethics;
- making recommendations to the Board regarding the compensation of non-employee directors and equity ownership requirements;
- establishing a process for identifying, recruiting and appointing new directors;
- recruiting and recommending individuals for nomination for election to the Board;
- overseeing strategies designed to manage social and environmental risks, management processes and standards and ensure future sustainability of ACI;
- making recommendations with respect to corporate social responsibility matters (including with respect to policies, procedures and practices to ensure consistent application and alignment with ACI's core values);
- verifying that management proactively identifies and monitors the impact of proposed legislation and other emerging issues and trends in the area of corporate social responsibility and recommends, where material, appropriate responses to the Board; and
- reviewing the effectiveness of management's communication and engagement with stakeholders, including with respect to corporate social responsibility issues and priorities.

The C&G Committee also addresses, on behalf of the Board, matters of human resources and compensation and is responsible for:

- providing direction and oversight on human resources strategy, and developing appropriate compensation policies for the executives, senior management and other employees of ACI;
- ensuring ACI has appropriate programs for workforce recruitment and employee retention;
- monitoring performance, goals, assessments and rewards of senior management;
- overseeing human capital risk and ensuring ACI's management programs are effective and do not encourage individuals to take inappropriate or excessive risks that could result in a material negative impact to ACI;
- overseeing the design, and governance, of ACI's compensation, pension and benefit programs;

- making recommendations to the Board regarding CEO compensation;
- developing an appropriate framework for human resource policies and plans; and
- reporting to the Board on organizational structure and succession planning matters.

Refer to the disclosure under the heading "Compensation Discussion and Analysis" for details of how the C&G Committee fulfills its mandate with respect to compensation.

The C&G Committee meets at least four times per year. The members of the C&G Committee have all been senior leaders in various organizations. As a result, they have obtained direct experience relevant to executive compensation and the skills and experience that enable the C&G Committee to develop and make recommendations on the suitability of ACI's compensation policies and practices. In addition, the C&G Committee consults with advisors as they consider appropriate and has the authority to retain an advisor independent of management. Refer to the disclosure under the heading "Compensation Consultants and Advisors" for additional detail.

None of the members of the C&G Committee is an executive officer of ACI or was an officer or employee of ACI or any of its subsidiaries in the most recently completed financial year or formerly an officer of ACI or any of its subsidiaries, or had or has any relationship that requires disclosure under the headings "Indebtedness of Directors and Executive Officers" or "Interest of Informed Persons in Material Transactions" in this Information Circular.

Environment, Health and Safety Committee

Chair: Judith Athaide
Members: Gregory Aarssen, Corine Bushfield, Jared Green

The Board has adopted a written mandate for the EHS Committee outlining the duties and responsibilities of the EHS Committee and its chair, which is reviewed annually. The EHS Committee has established an environmental risk management system and monitors its operation through regular reports from management.

The EHS Committee's mandate is to oversee the development of the environment, health and safety programs for ACI and the EHS Committee is responsible for all material matters of an environment, health and safety nature. The EHS Committee is responsible for reviewing, approving, reporting on or making recommendations to the Board in respect of guidelines, policies, procedures and practices relating to matters of environment, health and safety including but not limited to:

- compliance with appropriate laws, regulations and industry standards relating to environment, health and safety matters and monitoring developments in relation to, and the potential impact of, proposed or enacted laws and regulations or changes to industry standards related to environment, health and safety including reviewing, reporting, approving or making recommendations to the Board;
- promoting a culture of safety;
- environment, health and safety reporting;
- environment, health and safety audits, on at least an annual basis, to determine, among other things, compliance with management systems in place within ACI;
- environment, health and safety events and incidents, and identification of key items for review, including public exposure, safety and health concerns and monitoring of monetary exposure; and
- environment, health and safety risk management.

The EHS Committee is also responsible for reviewing estimates of environmental liability, remediation and reclamation. The EHS Committee plans to meet at least four times in 2019.

Shareholder Outreach

As part of its mandate, the Board is responsible for establishing policies to ensure effective, timely and non-selective communication with Shareholders.

ACI engages Shareholders on an ongoing basis and in a variety of ways, tailored to the specific needs of Shareholders. ACI executives meet one-on-one with investors as part of ACI's Shareholder engagement, communicating on ACI's business operations, financial results and strategy. Seeking Shareholder input on executive compensation is another means of engagement and will commence once ACI has completed a full financial year. ACI and the Board will continue to develop their engagement strategy.

The Meeting will be webcast and can be accessed through ACI's website (www.altagascanada.ca). ACI's shareholder relations department welcomes opportunities to engage with Shareholders and other stakeholders and may be contacted directly by phone, email, or regular mail at:

AltaGas Canada Inc.
Corporate Shareholder Relations
1700, 355 4th Avenue SW
Calgary, Alberta T2P 0J1
Telephone: 587.955.3660
Shareholder.relations@altagascanada.ca

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy and Approach

The Board believes that attracting, motivating and retaining high performing leaders is integral to the long-term success of ACI. The compensation program is designed to ensure that the actions of its executives are aligned with ACI's long-term corporate strategy and the interests of Shareholders.

The Board and the C&G Committee view total compensation as a way to link executive actions with the strategy and performance targets of ACI and have designed a compensation framework that is comprised of both short-term and long-term compensation elements. The design emphasizes competitive and fair annual fixed and variable compensation that provides incentives for reaching shorter-term corporate objectives, while also providing fixed and variable compensation elements intended to retain and motivate executives over the long-term. ACI's compensation programs are designed to motivate executives to deliver long-term value to Shareholders through risk-managed value creation. The goal of the C&G Committee in making compensation recommendations with respect to executives is to recognize and reward individual performance, experience and level of responsibility and the achievement of corporate success.

ACI's executive compensation program is comprised of base salary, benefits, the STIP, the MTIP, the Option Plan, the Employee Share Purchase Savings Plan, the Pension Plans and the SERP (each as described herein). Executive performance is the foundation on which all decisions to award compensation are based. The mix of compensation elements will be reviewed annually by the C&G Committee. Each of these components is discussed in greater detail below.

The compensation program is designed to:

- attract, and retain, highly qualified and engaged executives;
- align executive interests with those of the Shareholders by linking awards with achievement of strategic goals that enhance value;
- offer competitive base salary compensation at approximately the median among the relevant peer group; and
- assuming performance goals are met, recognize and reward executives through pay-for-performance, such that total compensation meets or exceeds the median among the relevant peer group.

Executive compensation and target payouts have been developed to align executive compensation with the achievement of strategic objectives that support ACI's long-term strategy and safety measures.

Compensation Governance

In making compensation recommendations to the Board, the C&G Committee considers a wide range of quantitative and qualitative factors. Corporate strategy execution, financial metrics, performance relative to market and relative to peer companies, individual performance, as well as peer compensation surveys are all factored into decisions.

Corporate strategy considerations include the growth of ACI's asset base and operations to maximize Shareholder value, and the acquisition and building of energy infrastructure assets with long economic lives that provide long-term dependable earnings and cash flows. Financial performance metrics including normalized net income, EPS and Utility ROE targets, as defined under the heading "Advisories", are all directly linked to the success of ACI and considered integral to the achievement of ACI's long-term corporate strategy. The achievement of financial performance targets is one of the key factors measured in determining compensation to be paid under the STIP and vesting of PSUs.

Compensation decisions are based on individual and corporate performance. Base salary for executives is targeted at the median of the ACI peer group. Total cash compensation, including short-term incentives and long-term incentives, are targeted to meet or exceed the median among such peer group, assuming that the relevant performance goals have been met.

The C&G Committee and the Board reviewed executive compensation for the period October 25, 2018 to December 31, 2018 and going forward, will review at least annually. The C&G Committee reviews progress on short-term incentive measures, RSU and PSU performance measures and total compensation at-risk for executives. Corporate performance and individual performance are also regularly discussed. The C&G Committee recommends, for Board approval, executive salary and perquisite changes, corporate results, short-term incentive payments and long-term incentive grants. No executives participate in decision-making or vote on recommendations with respect to compensation matters affecting them. For further details of the C&G Committee mandate and its members, refer to the disclosure under "Board Committees".

Compensation Consultants and Advisors

ACI engages external consultants to assist with compensation matters. ACI engaged Mercer (Canada) Limited ("**Mercer**") (a wholly-owned subsidiary of Marsh & McLennan Companies, Inc.) in October 2018 to provide specific support to it and the Board in determining compensation for ACI's executives and officers. This support consisted of: (i) provision of peer survey compensation benchmark data; (ii) analysis of total executive compensation based on peer survey results; (iii) review of competitiveness of compensation design; and (iv) review of the metrics to be used in incentive plan design(s). In addition to this mandate, Mercer (through different lines of business) provides other services, including pension and benefits advisory services and general employee compensation consulting services to ACI and its operating subsidiaries. The fees for such services are disclosed in the table below. During the initial period while Mercer is supporting both the Board and management, the Board requires management to seek pre-approval from the C&G Committee prior to engaging Mercer for additional services.

The independent external consultants provide information and recommendations. However, the Board, based on the recommendations of the C&G Committee, has full responsibility for compensation decisions, which reflect the qualitative and quantitative factors previously discussed.

Independent Compensation Advisors	2018
Mercer	
• Executive compensation-related fees	$50,034
• All other fees(1)	$102,764

Note:

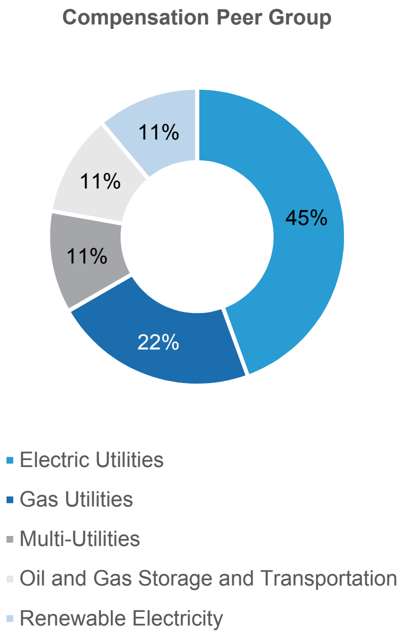
(1) These fees include pension and benefits advisory services. The majority of these fees were incurred in connection with the transfer of assets and setup of pension plans for ACI and were approved by the Board.

Compensation Benchmarking

Management reviews peer compensation survey results provided by external consultants to benchmark ACI's compensation programs with those of comparably-sized organizations. A summary of this information is provided to the C&G Committee to assist with their review of ACI's overall compensation policy. Peer survey results are one of many tools the C&G Committee uses when making compensation determinations. The peer survey results on their own may not be appropriate for comparative purposes based on role responsibilities, experience and succession considerations. The final decisions on executive compensation are made with sound judgement based on the qualitative and quantitative factors described above.

The C&G Committee approved and recommended to the Board the peer group of companies used for peer compensation survey comparisons. The peer group will be reviewed regularly to ensure that it continues to provide a reasonable basis for comparison and is reflective of the industries and areas in which ACI operates.

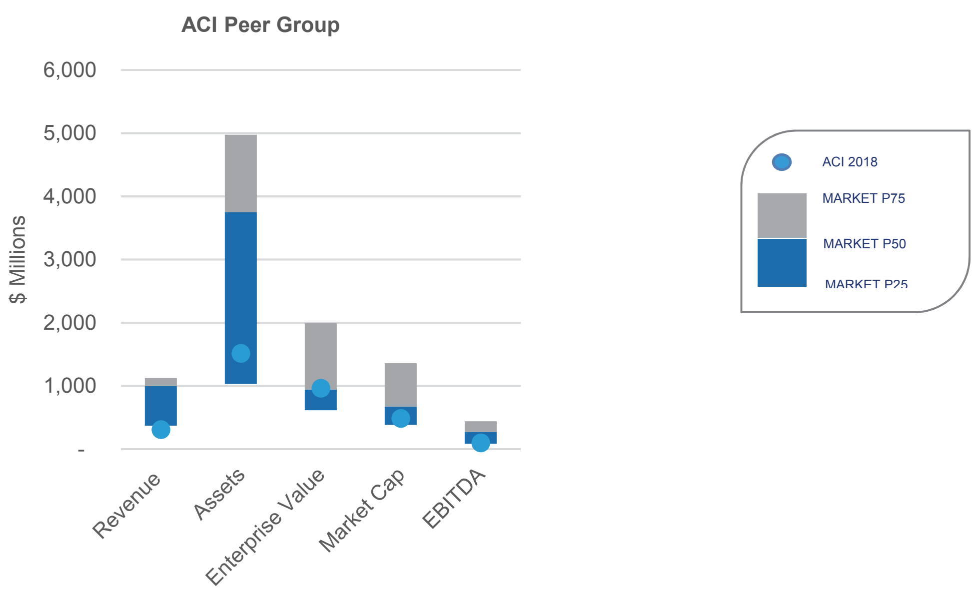
For 2018, the following peer benchmark companies were chosen based on their similarity in size, scale and industry relative to ACI, while also taking into account the companies with which ACI directly competes for executive talent.



2018 Compensation Peer Group

AltaLink L.P.
Crius Energy Trust
Fortis Alberta Inc.
Fortis BC Energy Inc.
Just Energy Group Inc.
Nova Scotia Power Inc.
Tidewater Midstream and Infrastructure Inc.
TransAlta Renewables Inc.
Valenar Inc.

The following chart demonstrates where ACI was positioned compared to the companies in the 2018 peer group based on selected financial metrics (using the most recent publicly reported data as of December 31, 2018). The majority of companies in the peer group have revenue, asset value and enterprise values that are within the range of 50% to 200% of ACI.



2018 COMPENSATION OVERVIEW

This Compensation Discussion and Analysis outlines material compensation elements for the following Named Executive Officers ("**NEOs**") for the financial year ended December 31, 2018, which includes the three executives of ACI, as well as the President of AUI, and the President of HGL.

	Relevant Entity
Jared B. Green, President and Chief Executive Officer Mr. Green leads the development and execution of ACI's strategic plan.	ACI
Shaun W. Toivanen, EVP, Chief Financial Officer and Corporate Secretary Mr. Toivanen is responsible for the overall financial strategy of ACI. This includes responsibility for financial reporting and compliance, corporate finance, treasury, corporate planning, investor relations, and tax functions at ACI.	ACI
Leigh Ann Shoji-Lee, EVP Utility Operations and President of PNG Ms. Shoji-Lee is responsible for the operational alignment and effectiveness of ACI's utility business units and is also responsible for the strategic leadership and direction of PNG.	ACI / PNG
Gregory J. Johnston, President of AUI (retired) Mr. Johnston was President of AUI until his retirement on December 31, 2018 and was responsible for the strategic direction of AUI. Mr. Johnston oversaw AUI's capital and operations and maintenance programs required for delivery of safe, efficient and reliable service to customers. Mr. Mark Lowther assumed this role effective January 1, 2019.	AUI
John M. Hawkins, President of HGL Mr. Hawkins is responsible for the safe and reliable distribution of natural gas in the five counties served by HGL in Nova Scotia. In his role he is also focused on the application of new technologies to foster the growth of natural gas within the province.	HGL

Elements of Compensation Program

ACI's total compensation is comprised of a base salary, benefits, short-term incentives and longer-term incentives. More senior positions have a larger percentage of their compensation weighted towards long-term incentives that align with ACI's long-term strategy.

The primary elements of the ACI compensation program, which are discussed in further detail in the following sections, include:

	Base Salary	Short-Term Incentives	Mid-Term Incentives (PSUs & RSUs)	Long-Term Incentives (Options)[1]	Retirement and Other Benefits[2]
Purpose	Provide competitive annual compensation and compensate employees for fulfillment of job responsibilities.	Reward achievement of annual financial and strategic objectives.	Align compensation with medium-term performance goals, and link executive compensation with Shareholder interests.	Align compensation with long-term performance goals, and link executive compensation with Shareholder value creation over the longer term.	Provide competitive compensation, reward long service at ACI.
Performance Period/Expiry	Ongoing	1 year	3 years	6 years	N/A
Payment	Ongoing	After approval of annual financial and corporate results	After end of performance period	After vesting period, upon exercise	Upon retirement or, if Employee Savings Plan, ongoing
Form	Cash	Cash	Cash or Shares[3]	Shares	Cash[4]

Notes:

(1) While executives are eligible to participate in the DSUP, ACI's intention is to grant DSUs to directors only.

(2) Includes Pension Plans, SERP and Employee Share Purchase Savings Plan.

(3) ACI can elect to make such payments in cash, Shares issued from treasury or Shares purchased on the open market, or a combination of cash and Shares.

(4) Executives receive Shares on an ongoing basis if they participate in the Employee Share Purchase Savings Plan.

Compensation Mix

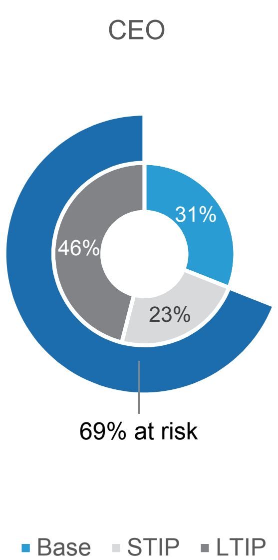
The target compensation mix for ACI's executive officers is weighted towards mid- and long-term incentives, with a larger percentage of their total compensation being at-risk, reflecting the increased influence of the executive officers over the achievement of the company's long-term strategy. This design provides for further alignment between executive officer compensation and long-term corporate performance and Shareholder interests, while discouraging excessive short-term risk taking.

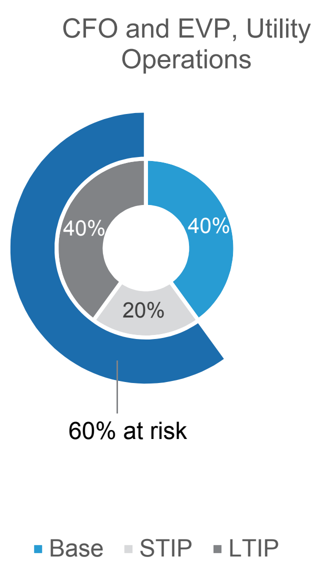
The following is the targeted mix of compensation elements for the NEOs.

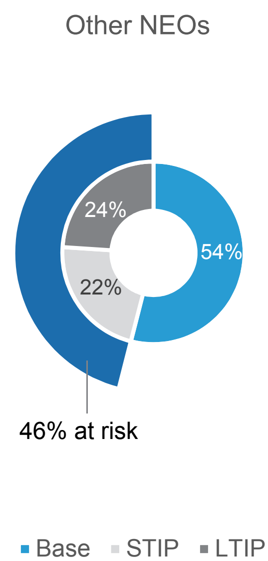
		At-Risk	
Principal Position(s)	**Base Salary (%)**	**STIP (%)**	**LTIP[1] (%)**
CEO	31%	23%	46%
CFO/EVP Utility Operations & President PNG	40%	20%	40%
Other NEOs	54%	22%	24%

Note:

(1) For purposes of the graphics below, LTIP includes RSUs, PSUs and Options granted under the MTIP and Option Plan.







Base Salary

Annual salary is intended to provide a competitive rate of base compensation in recognition of the skills, competencies and level of responsibility of the NEO. The C&G Committee annually reviews market and peer group compensation data and generally targets annual salaries at approximately the median of ACI's peer group, as discussed in "Compensation Benchmarking", taking into account the relative responsibilities and level of experience required for the position. Base salaries for executives are approved by the C&G Committee and, where applicable, by the Board.

The table below outlines the base salaries for 2018. These salaries were pro-rated from the date of the closing of the IPO to December 31, 2018 for Mr. Green, Mr. Toivanen and, to a certain extent for Ms. Shoji-Lee. Prior to the closing of the IPO, Ms. Shoji-Lee was paid by PNG. Salaries for Mr. Johnston and Mr. Hawkins were paid by AUI and HGL, respectively. Refer to the "Summary Compensation Table" under "Executive Compensation" for details of the actual payments.

Executive	2018 Base Salary
Jared Green	$400,000
Shaun Toivanen	$300,000
Leigh Ann Shoji-Lee	$325,000
Gregory Johnston	$268,990
John Hawkins	$245,575

Short Term Incentives

NEOs participate in ACI's STIP. The STIP provides annual cash bonuses for the achievement of a combination of individual, divisional and corporate performance metrics for the year. The more senior the position held within the organization, the greater the target bonus level and the weighting toward ACI's corporate performance measures. Divisional performance objective weightings align with those employees directly accountable for results in the relevant business division. For the NEOs, compensation under the STIP is heavily weighted toward the attainment of corporate/divisional performance objectives.

The C&G Committee annually reviews market and peer group compensation data and generally targets STIP compensation at approximately the median of ACI's peer group, taking into account the relative responsibilities and level of experience required for the position. STIP compensation is recommended by the C&G Committee and approved by the Board following completion of the relevant year and approval of the annual financial statements. No awards have been made to any executives under the STIP in cases where they did not meet the objectives applicable to them.

For the NEOs, STIP targets include corporate and/or divisional and individual weightings. Corporate performance includes the achievement of annual financial and strategic measures. The financial measure is normalized net income against a pre-determined target. There can be a number of strategic measures, each as a weighted percent. Measures are established at the beginning of the year (or for 2018, the beginning of the period, which was the date of closing of the IPO). The financial and strategic measures are directly linked to the success of ACI and are considered integral to the achievement of ACI's long-term corporate strategy. Individual performance is measured against the achievement of individual objectives and the executive's relative contributions to the achievement of ACI's overall performance.

The following STIP target levels and weightings for the 2018 STIP were established as of the date of the closing of the IPO.

Name	STIP Target (% of Salary)	Corporate/ Divisional Weighting (%)	Individual Weighting (%)
Jared Green	75	70	30
Shaun Toivanen	50	60	40
Leigh Ann Shoji-Lee(1)	50	60	40
Gregory Johnston (2)	40	50	50
John Hawkins(2)	35	50	50

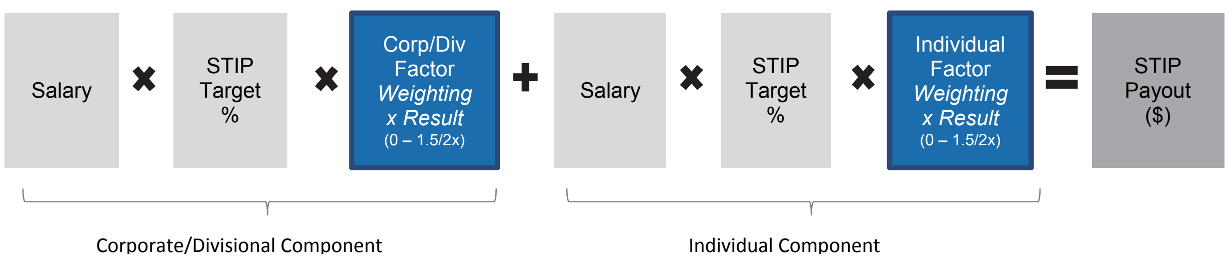
Notes:

(1) Ms. Shoji-Lee's corporate/divisional weighting was based on 15% on ACI corporate results and 85% on PNG divisional results. For the period of time prior to the closing of the IPO, her corporate/divisional weighting was based 100% on PNG divisional results.

(2) Mr. Johnston's corporate/divisional weighting was based solely on AUI's divisional results and Mr. Hawkins' corporate/ divisional weighting was based solely on HGL's divisional results.

Calculation of STIP Awards

The illustration below describes how STIP awards are determined, along with the rating scale based on achievement of corporate/divisional and individual performance metrics.



Corporate/Divisional Performance

ACI's corporate performance is measured based on the achievement of financial, safety and strategic objectives. In 2018, the financial objectives were based on the fourth quarter consolidated financial results, using normalized net income, against a pre-determined target. ACI also identified strategic objectives, including closing the IPO and implementing the financing plan. Safety performance, as measured by "total recordable injury frequency or TRIF", was also included. The STIP performance objectives and targets are identified annually and approved by the Board and align to specific deliverables in the respective utilities and corporate divisions related to the overall long-term strategy of ACI. Each of the utilities establishes divisional performance objectives.

Based on the achievement of the objectives, applicable performance ratings are determined using the following criteria: "not met", "partially met", "met", "exceeded" or "exceptional".

After the applicable performance results have been determined, a multiplier is applied to the target compensation level under the STIP to reflect the level of achievement of the objectives.

For Mr. Green, Mr. Toivanen and Ms. Shoji-Lee, unless otherwise noted, the following criteria were used to determine the applicable multiplier:

Achievement of Corporate/Divisional and Individual and Strategic Targets	Multiplier
Not Met	0x
Partially Met	0.5x
Met	1.0x
Exceeds	1.5x
Exceptional	2.0x

2018 ACI Corporate Results

For 2018, the following corporate results were achieved, and approved by the Board upon the recommendation of the C&G Committee:

	Weighting	Q4 2018 Target	Q4 2018 Result	Performance Result	Multiplier
Normalized Net Income	70%	$20 million	$20 million	Met	1.0
Safety Measure	15%	≤2.0 TRIF(1)	3.45 TRIF(1)	Not Met	0.0
● Q4 TRIF					
Strategic Measures	15%	Complete	Completed		
● Closing IPO				Met	2.0(2)
● Financing plan				Exceeds	1.5
TOTAL	**100%**				**0.9625**

Notes:

(1) TRIF is the total recordable injury frequency rate for the quarter.

(2) The Board exercised discretion to adjust the performance rating scale to either "met" or "not met" for this strategic measure only and, based on achievement, the Board confirmed the multiplier of 2.0x.

ACI's corporate results are applicable to the corporate performance portion for Mr. Green and Mr. Toivanen. ACI's corporate results are applicable to 15% of Ms. Shoji-Lee's corporate performance portion of her STIP calculation. These results are then combined with individual and, if applicable, divisional performance.

2018 PNG Divisional Results

For 2018, the following metrics and results are also applicable to the corporate performance portion of Ms. Shoji-Lee's STIP calculation:

PNG	Weighting	2018 Target	2018 Result	Performance Result	Multiplier
Net Income	25	$8.31M	$8.70M	Exceeds	1.5
Return on Equity	25	8.22	8.44	Met	1.0
Net Customer Base Growth	15	164	172	Met	1.0
Safety & Environment Measures	15	3 of 5	4 of 5	Exceeds	1.5
Job Observations	10	95%	140.1%	Exceptional	2.0
Employee Attendance at Monthly EHS meetings	10	88%	89%	Met	1.0
TOTAL	**100%**				**1.3**

2018 AUI Divisional Results

For 2018, the following metrics and results are applicable to the corporate performance portion of Mr. Johnston's STIP calculation:

AUI	Weighting	2018 Target	2018 Result	Performance Result [(4)]	Multiplier
Net Income	40%	$13M	$13M	n/a	1.0
Customer Satisfaction[(1)]	30%	84.5%	91.7%	n/a	1.0
Safety[(2)]	20%	7.6	9.0	n/a	1.0
Environment[(3)]	10%	No warnings, fines, citations	No warnings, fines, citations and 2.1% GGI reduction	n/a	1.0
TOTAL	**100%**				**1.0**

Notes:

(1) Calculated based on the number of responses recorded as "satisfied or better" based on the AUC-approved overall customer satisfaction surveys at the plan year-end, divided by the total number of survey responses received.

(2) Calculated based on the actual injury and collision experience and safety performance with respect to the Canadian Gas Association Safety Awards Program for AUI.

(3) Calculated based on a targeted reduction in Greenhouse Gas Intensity (GGI) as well as no warnings, fines or citations relating to environmental matters.

(4) As Mr. Johnston retired prior to calculation of his STIP payment, he received a pro-rated amount based on a multiplier of 1.0x.

2018 HGL Divisional Results

For 2018, the following metrics and results are applicable to the corporate performance portion of Mr. Hawkins' STIP calculation:

HGL	Weighting	2018 Target	2018 Result	Performance Result	Multiplier
Regulated Gross OMA [(1)]	25%	$11.3M	$10.9M	Met	1.0
Regulated Delivery Revenue (weather adjusted)	25%	$31.2M	$34.0M	Exceptional	2.0
Annualized Activation Revenue (commercial + residential)	25%	$1,000K	$1,124K	Exceeds	1.5
Driving exceptions per 100 km[(2)]	10%	0.22	0.23	Met	1.0
Number of 3rd party damages per 1,000 locate requests	10%	0.27	0.14	Exceptional	2.0
High potential and recordable incidents[(3)]	5%	2	3	Partially Met	0.5
TOTAL	**100%**				**1.45**

Notes:

(1) Regulated Gross OMA represents Operating, Maintenance and Administrative Expenses in the regulated business.

(2) Driving exceptions are measured based on speeding, harsh acceleration, cornering or braking, and seatbelt infractions per 100 kilometers.

(3) Recordable safety incidents include: Lost time Injuries, Medical Aid and preventable vehicle collisions. High potential incidents are those with risk potential rating >4 on the ACI Risk Matrix.

2018 STIP Payments

In 2018, for the ACI executives, the STIP was structured and paid for the period commencing on the date of closing of the IPO and ending December 31, 2018. While the STIP for the subsidiary entities was structured and paid for the full year by each of the separate entities, the table below reflects the payments for the period commencing on the date of closing of the IPO when the subsidiaries became part of the new public company and ending December 31, 2018.

					Corporate /Divisional			Individual			Total STIP Paid (4) ($)
Name	Salary Earned ($)		STIP Target(1) (%)		Weighting(2) (%)	Multiplier		Weighting(3) (%)	Multiplier		
Jared Green	72,308	x	75	x	70	0.9625	x	30	1.25	=	56,875
Shaun Toivanen	54,231	x	50	x	60	0.9625	x	40	1.375	=	30,373
Leigh Ann Shoji-Lee(5)	58,750	x	50	x	60	1.122	x	40	1.375	=	38,760
Gregory Johnston (6)	48,625	x	40	x	50	1.00	x	50	1.21	=	21,491
John Hawkins	44,392	x	35	x	50	1.45	x	50	1.05	=	20,353

Notes:

(1) As a percentage of base salary paid during 2018.

(2) Weighting reflects corporate/divisional results as defined in the respective scorecards applicable to each executive.

(3) Weighting reflects individual performance measures.

(4) Table reflects the payment made in respect of the period from the date of closing of the IPO to December 31, 2018. Ms. Shoji-Lee, Mr. Johnston and Mr. Hawkins received total annual STIP payments in the amount of $138,428, $117,078 and $110,878 respectively, reflecting their full year of service at their respective utilities.

(5) Ms. Shoji-Lee's corporate/divisional component is based on a combination of ACI's corporate results (15%) and PNG's divisional results (85%).

(6) Mr. Johnston was paid a pro-rated portion of his STIP award, at target, upon retirement.

Under the STIP, the CEO has the ability to recommend an adjustment to the calculated corporate rating when the CEO believes it is appropriate, in order to reflect factors or extraordinary events that are not contemplated in the calculation of the corporate performance metrics as described above. The C&G Committee considers any such recommendation and, if appropriate, approves the recommendation. No such recommendation or approval was made for 2018.

Mid- and Long-Term Incentives

ACI has two longer-term incentive plans pursuant to which it issues mid- and long-term variable compensation, being the MTIP and Option Plan. The Board, as recommended by the C&G Committee, approves the granting of RSUs and PSUs under the MTIP and the granting of Options under the Option Plan. The C&G Committee determines the appropriate performance vesting criteria for the purpose of RSUs and PSUs.

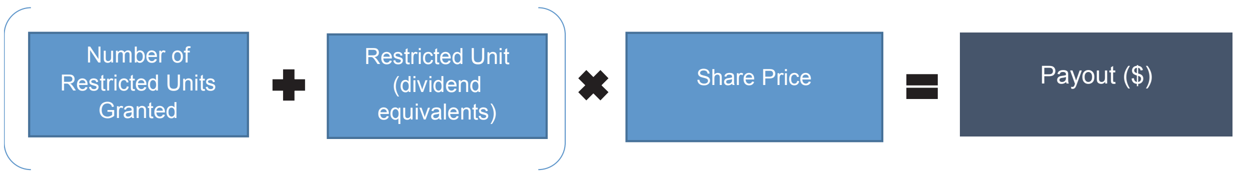
RSUs and PSUs issued under the MTIP

RSUs and PSUs granted under the MTIP are a form of mid- to long-term variable compensation. The purpose of the MTIP is to align a portion of the employee at-risk compensation to the achievement of ACI's performance targets. RSUs and PSUs are notional Shares linked to Share price performance and are recorded entirely as cash-based bookkeeping entries. The RSUs and PSUs are tracked during the applicable vesting period and dividend equivalents are awarded in respect of RSUs and PSUs on the same basis as dividends declared and paid on Shares during that period, in the form of RSUs or PSUs, as applicable, which accrue to the benefit of that individual. For PSUs, this amount may also include additional PSUs awarded as a result of the performance multiplier earned. RSUs and PSUs are payable upon vesting, subject to meeting applicable performance vesting criteria. ACI intends to pay the earned amount in cash but has the option to pay such amount in Shares issued from treasury or purchased on the open market.

2018 RSU Awards

RSUs granted to the NEOs vest at the end of a three-year period commencing on the date of grant, contingent upon ACI paying out a dividend during each year of the vesting period. If that performance target is not met, no RSUs are payable.

Provided the performance target is met, the following represents the calculation of the payout amount of the RSUs on the date of vesting, where Share price is the volume weighted average trading price of the Shares on the TSX for the 20 trading days immediately preceding the vesting date.

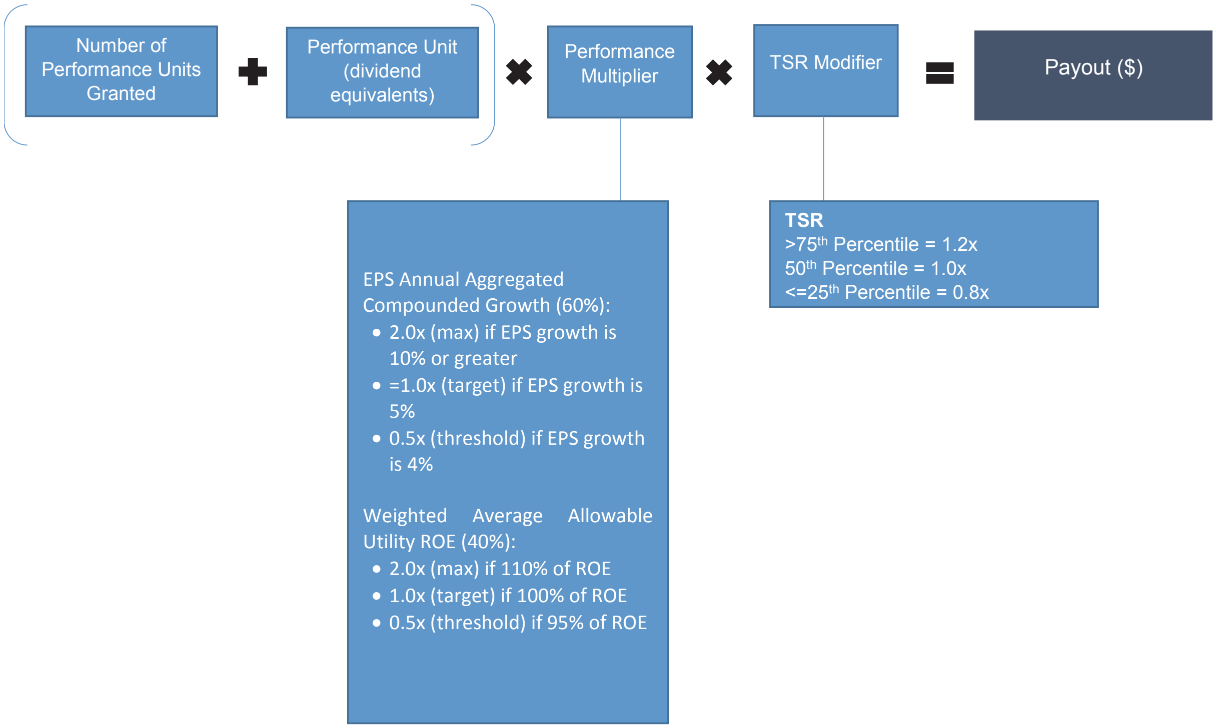


2018 PSU Awards

PSUs granted to NEOs vest at the end of a three-year period commencing on the date of grant, contingent upon ACI achieving a threshold level of performance during the three-year vesting period based on pre-established performance target ranges. Performance below a certain range will result in a zero payout.

For 2018, ACI set the financial performance milestones for PSUs based on reaching a targeted level of EPS Annual Aggregated Compounded Growth and Weighted Average Allowable Utility ROE over the three year term of the grant. Targets are established to reflect a minimum percent of annual growth, with payout ranging from 0.0x to 2.0x as further described in the diagram below. The payouts under the PSUs are further subject to modification based on a total shareholder return ("**TSR**") target. The modifier provides for either downward or upward adjustments to the award payable under the MTIP. Achievement of TSR performance that is less than or equal to the 25th percentile results in a multiplier of 0.8x, the 50th percentile results in a multiplier of 1.0x, and greater than or equal to the 75th percentile results in a multiplier of 1.2x.

The following represents the calculation of the payout amount of the 2018 PSUs upon vesting.



Allocation of Awards

The following table sets out the allocation of mid- and long-term incentive awards for 2018.

	Allocation[1]					
	RSUs		PSUs		Options	
Name	#	%	#	%	#	%
Jared Green	14,482	30	24,137	50	70,000	20
Shaun Toivanen	7,758	30	12,931	50	37,500	20
Leigh Ann Shoji-Lee	7,733	30	12,888	50	37,375	20
Gregory Johnston[2]	0	40	0	40	0	20
John Hawkins	3,724	40	3,724	40	13,500	20

Notes:

(1) Initial grant may not be reflective of future annual grants, due to factors relating to the transition of executives from AltaGas to ACI.

(2) Due to his pending retirement, Mr. Johnston received a cash payment of approximately $28,000 in lieu of a grant.

Option Plan

The Option Plan provides a continuing form of long-term variable compensation for executives and other eligible participants of ACI and its subsidiaries. The quantum and granting of Options is based on individual performance, the availability of Options for grant, prior grants and the level of Options granted to other ACI executives with comparable seniority and level of responsibility, and to those holding similar positions in comparably-sized organizations in the industry.

Under the Option Plan, Options granted to executives have a term not to exceed six years and will vest in such a manner as determined by the C&G Committee, generally one-quarter per year over four years. The exercise price of the Options is determined by the C&G Committee at the date of grant in accordance with the terms of the Option Plan. The value of the Options at vesting is calculated based on the difference between the grant price and the market price of Shares on the vesting date.

Additional details on the MTIP and Option Plan are included in Schedule B.

Retirement and Other Benefits

Pension Plans

Defined Contribution Pension Plan (DCPP)

With respect to retirement benefit plans, ACI has a registered DCPP for employees, including executive officers. Under the DCPP, ACI contributes an amount equal to 4% of an employee's base salary plus an additional service-related match of employee optional contributions of up to 2% of the employee's base salary. All regular employees of ACI participate in the DCPP. ACI's contributions on behalf of employees vest immediately. Employees direct the investment of both their own and ACI's contributions into one or a combination of target date funds, target risk funds, individual investment funds and/or guaranteed investment certificates.

Under the DCPP for members employed by HGL, the employer contribution rate is 4% of base salary, plus an additional service-related match of employee optional contributions.

Under the DCPP for members employed by PNG, the employer contribution formula is based on a member's age plus service and varies from 2% to 8% of base salary.

Defined Benefit Pension Plan (DBPP)

With respect to retirement benefit plans, ACI maintains registered DBPPs for specific eligible groups of employees. Under the DBPPs, ACI will make contributions in order to fund the promised benefit to participants and in accordance with periodic actuarial valuations. Contributions will vary from year-to-year, based on plan membership and the funded status of the DBPPs. Benefits are based on the benefit accrual formulas and years of plan membership.

Under the DBPP for members employed by AUI, contributions are 1.0x the five-year average earnings up to the five-year average yearly maximum pensionable earnings multiplied by years of credited service; plus 1.5%x the five-year average earnings in excess of the five-year average yearly maximum pensionable earnings multiplied by years of credited service.

Under the DBPP for members employed by PNG, members have a choice of participating in the Pension Choices DB Core, the Pension Choices DB Buy-Up or the Pension Choice DC Provisions. Contributions under the Pension Choices DB Core are 1%x the highest annual average of 36 consecutive months of earnings multiplied by years of credited service. Contributions under the Pension Choices DB Buy-Up are the same as contributions under the Pension Choices DB Core; plus 1%x the highest annual average of 36 consecutive months multiplied by years of credited services. Executive members do not contribute to the plan.

Supplemental Executive Retirement Plan (SERP)

ACI has instituted a non-registered defined benefit retirement plan for executive officers to supplement their ACI-sponsored DCPP. The SERP benefit is determined such that the value of each member's total retirement benefit is equal to the value of an annual defined benefit pension of 2% (or such other percentage as may be specified in the executive's employment agreement) of the member's highest three-year average earnings multiplied by the member's years of pensionable service.

For the purposes of determining the total retirement benefit value:

- earnings are defined as the member's base salary plus 50% of their target bonus;
- each year going forward the member will receive credit for two years of pensionable service until his or her pensionable service is equal to his or her ACI employment service (or some other multiple of a year as specified in the executive's employment contract). Thereafter, one year of pensionable service will be credited for each year of continuing employment service;
- the retirement benefit is a joint life pension with a guarantee that at least five years of payments will be made. If the member was married at retirement, after the death of the member, and the expiration of the five-year guarantee, the pension will be reduced to 60% for the remainder of the spouse's lifetime; and
- a member with at least five years of pensionable service may retire as early as age 55. The accrued retirement benefit will be reduced by 3% per year for each year that retirement precedes the member's attainment of age 60.

The SERP will provide the difference between the value of the total retirement benefit determined above, and the deemed value of the member's DCPP. The SERP will pay this value to the member in equal payments from the date of the member's retirement to the date the member attains age 70.

The SERP benefits will be paid from the general revenue of ACI as payments become due. Security for the accruing liability will be provided through a letter-of-credit arrangement.

PNG SERP

The SERP benefit for members employed by PNG is determined such that the value of each member's total retirement benefit is equal to the value of an annual defined benefit pension of 2% of the member's highest three-year average earnings multiplied by the member's years of pensionable service. The SERP will pay this value to the member in equal payments from the date of the member's retirement over the lifetime of the member.

For the purposes of determining the total retirement benefit value for PNG participants:

- earnings will be defined as the member's base salary plus his or her bonus plus other retention bonuses (excluding the MTIP);
- all employment service is considered;
- the retirement benefit will be a lifetime pension with a guarantee that at least 10 years of payments will be made; and
- a member with at least 90 points (age + service) may retire as early as age 55. The accrued retirement benefit will be reduced by 3% per year for each year that retirement precedes the member's attainment of age 62.

AUI SERP

The SERP benefit for members employed by AUI is determined such that the value of each member's total retirement benefit is equal to the value of an annual defined benefit pension of: (a) 1.0% of the member's five-year average earnings up to the average yearly maximum pensionable earnings; plus (b) 1.5% of the member's five-year average earnings in excess of the average yearly maximum pensionable earnings; multiplied by (c) the member's years of pensionable service. The SERP will pay this value to the member in equal payments from the date of the member's retirement over the lifetime of the member.

For the purposes of determining the total retirement benefit value for AUI participants:

- earnings will be defined as the member's base salary;
- all employment service is considered;
- the retirement benefit will be a joint life pension with a guarantee that at least five years of payments will be made. If the member was married at retirement, after the death of the member,

and the expiration of the five-year guarantee, the pension will be reduced to 50% for the remainder of the spouse's lifetime; and

- a member with at least 90 points (age + service) may retire as early as age 55. The accrued retirement benefit will be reduced by 3% per year for each year that retirement precedes the member's attainment of age 62.

Perquisites

The NEOs receive limited perquisites that are consistent with the market and designed to attract and retain talented executives, including reserved parking, vehicle allowances, and club memberships.

Employee Share Purchase Savings Plan

The Employee Share Purchase Savings Plan is designed to encourage equity ownership by employees, as a long-term incentive, and to ensure ACI's compensation is competitive in the energy industry amongst peers. Plan participation is optional.

Employees are able to contribute up to 10% of their base pay which is invested, at the election of the employee, in either Shares or a short-term investment fund, or a combination of the two options. ACI matches employee contributions up to a maximum percentage of 5% of base pay based on the employee's years of service with the company. ACI will match contributions by a factor of 0.5x for employees with up to three years of service; by a factor of 0.75x for employees with three to six years of service; and by a factor of 1.0x for employees with more than six years of service. ACI's contributions are invested in Shares which are purchased by the plan administrator from the market. ACI's contributions on behalf of employees vest immediately. For employees who transitioned from AltaGas to ACI in connection with the IPO, service with AltaGas is included for purposes of calculating an employee's years of service with ACI.

Managing Compensation Risk

ACI is committed to upholding the highest standards of corporate governance. The Board, including through its committees, routinely assess compensation programs to determine whether such programs encourage individuals to take inappropriate or excessive risks that are reasonably likely to have a material adverse impact on the company. ACI's compensation policies and practices are designed to encourage behaviors that align with the long-term interests of ACI and its Shareholders. While ACI has structured its programs and practices with the intent of discouraging excessive risk taking, the company recognizes that some level of risk taking is necessary to achieve outcomes that are in the best interest of ACI and its Shareholders. In addressing these risks, ACI has implemented a number of risk mitigating strategies, including:

- All directors, including members of the C&G Committee, are regularly apprised of ACI's financial and operating performance throughout the year.
- A significant weighting on long-term incentives mitigates the risk of encouraging achievement of short-term goals at the expense of long-term sustainability and Shareholder value.
- PSU performance measures include EPS and Utility ROE with a growth target over the vesting period. PSU performance measures also incorporate a TSR modifier, linking payment under PSUs to the interests of Shareholders and the long-term success of ACI. The TSR for these awards will be measured from the quarter in which the grant was made to the vesting date.
- The STIP total payout is capped at a maximum 200% of target.
- The C&G Committee and the Board have the ability to use discretion in assessing both individual executive officer performance and overall ACI performance to ensure that STIP payouts are not overly influenced by an unusual result in any one given area.
- Adoption of prohibitions on hedging and policy permitting Board to "claw-back" awards in certain circumstances.

Hedging Prohibitions

ACI's Securities Trading and Reporting Policy provides that no director, officer or employee may, at any time, purchase financial instruments, including prepaid variable forward contracts, instruments for the short sale or purchase or sale of call or put options, equity swaps, collars, spread bets, contracts for difference or units of exchangeable funds, that are designed to hedge or offset, or that may reasonably be expected to have the effect of hedging or offsetting, a decrease in the market value of any ACI's securities or otherwise take any speculative or derivative positions of any kind which would have or that may reasonably be expected to have such effect. To ACI's knowledge, no directors or NEOs have purchased any such financial instruments.

Clawback Policy

ACI believes that an important part of managing compensation risk and promoting ethical conduct is setting the appropriate tone at the executive level, and ACI believes that having a clawback policy is an important part of setting that tone. In the event of a restatement of the financial results of ACI for any reason other than a restatement caused by a change in applicable accounting rules or interpretations, ACI's Clawback Policy allows the Board to: (a) require that an executive officer return or repay to ACI or reimburse ACI for all or part of the after-tax portion of any excess compensation; and/or (b) cause all or part of any awarded and unpaid or unexercised performance-based compensation (whether vested or unvested) that constitutes excess compensation for an executive officer to be cancelled.

EXECUTIVE COMPENSATION

The following table and discussion relates to compensation paid to ACI's NEOs. As described above under the heading "Compensation Discussion and Analysis", compensation of ACI's executive officers includes short-term and long-term compensation with fixed and variable components designed to recognize and reward individual performance and provide an industry competitive level of compensation. The total compensation package is designed to attract, retain and motivate high quality talent, while creating alignment between the long-term interests of NEOs and Shareholders.

Summary Compensation Table

The following table sets forth summary compensation information for the NEOs for the period October 25, 2018 to December 31, 2018. The IPO was completed on October 25, 2018, at which time Mr. Green and Mr. Toivanen commenced employment with ACI. Ms. Shoji-Lee's employment as EVP Utility Operations of ACI also commenced on this date. However, Ms. Shoji-Lee, Mr. Johnston and Mr. Hawkins were employed by PNG, AUI and HGL, respectively, during the entirety of 2018. As ACI did not acquire PNG, AUI or HGL until October 2018, the table below includes the salaries earned by Ms. Shoji-Lee, Mr. Johnston and Mr. Hawkins during the period October 25, 2018 to December 31, 2018, with full year salaries disclosed in the notes to the table.

Name and Principal Position	Year Ended Dec. 31	Salary ($)	Share-based Awards [(1)(2)] ($)	Option-based Awards [(1)(3)] ($)	Non-equity Incentive Plan Compensation		Pension Value ($)	All Other Compen-sation[(5)] ($)	Total Compen-sation ($)
					Annual Plans[(4)] ($)	Long-term Plans ($)			
Jared Green President & CEO	2018	72,308	588,554	112,700	56,875	nil	29,024	27,166	886,627
Shaun Toivanen EVP, CFO and Corporate Secretary	2018	54,231	315,300	60,375	30,373	nil	19,033	26,062	505,374
Leigh Ann Shoji-Lee EVP Utility Operations and President PNG[(6)]	2018	58,750	314,264	60,173	38,760	nil	21,600	6,524	479,564
Gregory Johnston President AUI[(6)]	2018	48,625	nil	nil	21,491	nil	11,200	32,692	114,008
John Hawkins President HGL[(6)]	2018	44,392	113,508	21,735	20,353	nil	2,442	3,407	205,337

Notes:

(1) Refer to the discussion of the MTIP and Option Plan under the heading "Mid and Long-Term Incentives" under "Compensation Discussion and Analysis".

(2) Grant date fair value of RSUs and PSUs under the MTIP is calculated by multiplying the number of units granted by the closing price of Shares on the grant date. In respect of PSUs, it is assumed that the performance criteria are met with a multiplier of 1.0x. The methodology used to calculate the fair value of RSUs and PSUs is the same as that used for accounting purposes.

(3) Grant date fair value of Options was determined in accordance with the Black-Scholes-Merton valuation model which requires the following inputs: strike price; expected life of the option; risk-free interest rate; Share price volatility; and dividend rate. The fair value of Options on the grant date is the same as the accounting fair value at the grant date. ACI uses the Black-Scholes-Merton valuation model because it is the most widely used valuation method for this type of compensation, and should thus be the most comparable and most understood model.

(4) Amounts in the table reflect the STIP compensation earned for services performed during the financial year, even if payable at a future date. Ms. Shoji-Lee, Mr. Johnston and Mr. Hawkins received total annual STIP payments in the amount of $138,428, $117,078 and $110,878 respectively, reflecting their full year of service at their respective utilities.

(5) Amounts include ACI's contribution under the Employee Share Purchase Savings Plan and the value of group benefits and other perquisites. Perquisites or other personal benefits given to NEOs do not exceed, in the aggregate, $50,000 or 10% of their base salary.

(6) Ms. Shoji-Lee's salary was adjusted on October 25, 2018 to reflect her increased role and responsibilities with ACI. Including her full year salary from PNG for 2018, Ms. Shoji-Lee received a total of $302,718. Mr. Johnston received a total salary of $245,575 from AUI and Mr. Hawkins received a total salary of $264,898 from HGL.

See the headings "Board Committees – Compensation and Governance Committee" for a discussion of the C&G Committee's responsibilities and the qualifications of its members for determining executive compensation, and see "Compensation Philosophy and Approach" for details of the process for determining executive compensation.

Long Term Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

The following table reflects all Option-based and Share-based incentive plan awards outstanding to the NEOs at December 31, 2018.

	Option-based Awards				Share-based Awards		
Name	Shares underlying unexercised Options (#)	Option exercise price[1] ($/share)	Option expiration date	Value of unexercised in-the-money Options[2] ($)	Number of Shares that have not vested (#)	Market or payout value of Share-based awards that have not vested[3][4][5] ($)	Market or payout value of vested Share-based awards not paid out or distributed ($)
Jared Green	70,000	$14.65	Dec. 5, 2024	$109,900	24,137 PSU 14,482 RSU	$391,502 $234,898	nil
Shaun Toivanen	37,500	$14.65	Dec. 5, 2024	$58,875	12,931 PSU 7,758 RSU	$209,740 $125,834	nil
Leigh Ann Shoji-Lee	37,375	$14.65	Dec. 5, 2024	$58,679	12,888 PSU 7,733 RSU	$209,043 $125,429	nil
Gregory Johnston[6]	nil	nil	nil	nil	nil	nil	nil
John Hawkins	13,500	$14.65	Dec. 5, 2024	$21,195	3,724 PSU 3,724 RSU	$60,403 $60,403	nil

Notes:

(1) The Option exercise price is set using the volume weighted average trading price of Shares on the TSX for the five trading days immediately preceding the grant date.

(2) The value of unexercised in-the-money Options represents the difference between the closing price of Shares on December 31, 2018 ($16.22) and the exercise price.

(3) Market or payout value of RSUs and PSUs that have not vested is calculated by multiplying the number of RSUs or PSUs by the closing price of Shares on December 31, 2018 ($16.22).

(4) Performance metrics for PSUs granted in 2018 is based 60% on EPS annual aggregated compounded growth and 40% on weighted average allowable Utility ROE. Performance multiplier for each measure ranges from 0.0x to 2.0x, depending on actual performance results. PSUs are also subject to a TSR modifier from 0.8x to 1.2x, depending on actual performance results based on ACI's TSR over the period.

(5) Performance measure for RSUs is the payment of a dividend by ACI in each of the years prior to the vesting date.

(6) Mr. Johnston retired from AUI on December 31, 2018 and, as such, was not granted mid- and long-term incentives.

Incentive Plan Awards – Value Vested or Earned During 2018

The only Options outstanding to NEOs were granted December 5, 2018 and none of such Options vested in 2018. The RSUs and PSUs issued to NEOs in 2018 will not vest before 2021. Accordingly, no value is attributed to such Option-based or Share-based awards for 2018.

For details of non-equity incentive plan compensation earned during the period October 25, 2018 to December 31, 2018, refer to the "Summary Compensation Table". Ms. Shoji-Lee, Mr. Johnston and Mr. Hawkins were employed for the full year by PNG, AUI and HGL, respectively. Ms. Shoji-Lee, Mr. Johnston and Mr. Hawkins received total annual STIP payment amounts of $138,428, $117,078 and $110,878 respectively, reflecting their full year of service at their respective utilities.

Retirement Plan Benefits

Supplemental Executive Retirement Plan

The following table outlines the SERP value for the NEOs as at December 31, 2018. For details of the SERP, see the disclosure under the heading "Compensation Discussion and Analysis – Elements of Compensation Program".

Name	Number of years credited service (#)	Annual benefits payable ($)		Present value of defined benefit obligation at start of year ($)	Compensatory change ($)	Non-compensatory change ($)	Present value of defined benefit obligation at year end ($)
		At year end	At age 65				
Jared Green	0.18	2,010	242,267	nil	25,111	nil	25,111
Shaun Toivanen	0.18	1,371	187,691	nil	15,779	nil	15,779
Leigh Ann Shoji-Lee(1)	2.55	15,892	100,466	341,800	21,600	14,500	377,900
Gregory Johnston(2)	27	105,936	135,008	1,644,500	11,200	57,200	1,712,900
John Hawkins(3)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

(1) Includes service with PNG.

(2) Greg Johnston participated only in the AUI DBPP; values are reflective of his service thereunder.

(3) John Hawkins does not participate in the SERP plan.

Defined Contribution Pension Plan

The following table outlines the accumulated value of the DCPP for the NEOs as at December 31, 2018. For details of the DCPP, see the disclosure under the heading "Compensation Discussion and Analysis – Elements of Compensation Program".

Name	Accumulated value at start of year ($)	Compensatory(1) ($)	Accumulated value at year end(2) ($)
Jared Green	0	3,913	3,980
Shaun Toivanen	0	3,254	3,409
Leigh Ann Shoji-Lee(3)	n/a	n/a	n/a
Gregory Johnston(3)	n/a	n/a	n/a
John Hawkins	0	2,442	2,613

Notes:

(1) Reflects only contributions made by ACI or subsidiaries on behalf of the employee.

(2) Accumulated value at year-end reflects the accumulated value at start of year, compensatory changes plus employee contributions to the plan as well as considers the change in market value of the total holdings.

(3) Ms. Shoji-Lee and Mr. Johnston do not participate in the DCPP. They participate in the DBPP with PNG and AUI, respectively

Executive Equity Ownership Requirements

In recognition of the importance of ensuring alignment between the interest of executives and Shareholders, ACI has adopted executive equity ownership requirements.

NEOs are expected to achieve the targeted ownership levels within a five year period commencing on the date of the individual's appointment as an officer of ACI or one of its subsidiaries. For purposes of achieving compliance with the target, unvested RSUs and PSUs count towards ownership. The following equity ownership information for the NEOs is provided as at December 31, 2018.

Name	Targeted Ownership of Shares as multiple of base salary	Actual Shares held as at Dec. 31, 2018 (directly and indirectly) (#)	Unvested RSUs and PSUs(1) (#)	Total for Equity Ownership Reqt.(1) (#)	Value of Equity at Dec. 31, 2018(2) ($)	Value of Equity as a multiple of 2018 salary
Jared Green	5x	52,990	38,619	91,609	1,485,898	3.7
Shaun Toivanen	2x	28,181	20,689	48,870	792,671	2.6
Leigh Ann Shoji-Lee	2x	7,174	20,621	27,795	450,835	1.4
Greg Johnston	1x	nil	nil	n/a	nil	nil
John Hawkins	1x	234	7,448	7,682	124,602	0.5

Notes:

(1) Value of Shares, RSUs and PSUs at fiscal year-end is calculated as follows, for Shares using closing price of the Shares on December 31, 2018 of $16.22 and, for RSUs and PSUs, using the values disclosed under the heading "Market or payout value of Share-based awards that have not vested" in the table "Outstanding Option-based Awards and Share-based Awards" under the heading "Long Term Incentive Plan Awards".

(2) Each of the NEOs has until October 25, 2023 to reach the required equity ownership target.

Executive Employment Agreements

ACI is party to employment agreements with Jared Green, Shaun Toivanen and Leigh Ann Shoji-Lee (the "**Employment Agreements**"), all of which were signed within the past year. The Employment Agreements outline the terms of compensation for such executives while they remain employed by ACI, as well as detail any payments required to be made in the case of certain termination events. The Employment Agreements also provide that ACI may terminate the agreements at any time for just cause.

The terms and conditions in the Employment Agreements are substantially similar and outline the terms of the executive's employment with the company, including their eligibility for compensation under ACI's compensation and benefit plans. Each agreement contains a non-solicitation provision and requires that the executive sign a release prior to the receipt of any termination payment. AUI and HGL do not enter into employment agreements with their executives.

Termination and Change of Control Arrangements

The Employment Agreements provide cash compensation on termination (a "**Termination Payment**") in the following circumstances:

- involuntary termination of the executive by ACI for any reason (other than just cause); and
- voluntary termination by the executive in the event of a constructive dismissal (as defined in the Employment Agreements).

The Termination Payment primarily consists of an amount equal to a multiple of: (i) the annual base salary in effect during the last month of employment; plus (ii) the product of (i) multiplied by the annual target bonus percentage; plus (iii) the value of the benefit entitlement for a one-year period. No Termination Payment is triggered under the Employment Agreements as a result of a change of control.

The Employment Agreements also reference the terms of the MTIP and the Option Plan. Details of these plans can be found in Schedule B.

A "change of control" includes (i) a sale of all or substantially all of ACI's assets, (ii) a consummated arrangement, amalgamation, merger, consolidation, take-over bid, compulsory acquisition or similar transaction if shareholders prior to the transaction no longer hold more than 50% of the voting securities of the surviving or resulting entity in such transaction or more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity, or (iii) a person or group of persons acting jointly or in concert acquires more than 50% of the voting securities.

Under the Option Plan, in the absence of an agreement to the contrary, upon termination for any reason other than cause, all unvested Options are forfeited and unexercised and vested Options may be exercised until the earlier of their normal expiry and 30 days following the termination date, except in the case of death, when the exercise period is the earlier of their normal expiry and one year following the termination date. Under the Employment Agreements, if an individual is terminated for any reason other than cause, their unvested Options will continue to vest for the notice period and unexercised Options shall not expire until the earlier of their normal expiry and 30 days following the notice period. Upon termination for cause, all unvested and vested Options are forfeited.

Under the MTIP, upon termination for any reason other than cause, RSUs and PSUs continue to vest during the applicable notice period. Upon termination for cause, all RSUs and PSUs are forfeited. In the event of a resignation, all RSUs and PSUs are forfeited unless, at the date of the voluntary resignation, the NEO is at least 55 and qualifies for payment of an immediate pension pursuant to the terms of any qualified retirement plan maintained by ACI. In that case, RSUs and PSUs are pro-rated to the date of resignation and the pro-rated units continue to vest and be subject to the relevant performance milestones. In the event of termination by reason of death, the awards are also pro-rated but a performance multiplier of 1.0x is used.

In the event of a change of control under these plans:

- all RSUs and PSUs will vest on change of control if the resulting entity is no longer publicly traded or the resulting entity will not assume the obligations under the MTIP as required by the Board, and will become payable upon the closing of the change of control with a multiplier of 1.0x for the PSUs; and
- all Options will vest on change of control if the resulting entity is no longer publicly traded or the resulting entity will not assume the obligations under the Option Plan as required by the Board and will become payable upon the closing of the change of control.

The following table outlines the estimated amounts payable in the various termination scenarios pursuant to the Employment Agreements and the terms of the MTIP, Option Plan and SERP. Mr. Johnston retired effective December 31, 2018 and did not receive a Termination Payment. Mr. Hawkins is not included below because no amounts would be payable at December 31, 2018.

Name	Triggering Event	Months used to calculate termination payment	Value of termination payment[1] ($)	Add'l SERP Value[2] ($)	Value of RSUs, PSUs & Options[3] ($)	Total Value ($)
Jared Green	Termination without cause or constructive dismissal[4][5]	18	1,152,906	0	27,475	1,180,381
	Change of Control without termination	0	0	18,798	736,300	755,098
	Voluntary Termination [6]	0	0	0	0	0
Shaun Toivanen	Termination without cause or constructive dismissal [4][5]	12	505,204	0	14,719	519,953
	Change of Control without termination	0	0	10,903	394,451	405,354
	Voluntary Termination [6]	0	0	0	0	0
Leigh Ann Shoji-Lee	Termination without cause or constructive dismissal [4][5]	12	560,837	176,500	14,760	752,007
	Change of Control without termination	0	0	0	393,151	393,151
	Voluntary Termination [6]	0	0	0	0	0

Notes:

(1) Includes base salary, bonus, benefits and perquisites calculated in accordance with the terms of the Employment Agreements.

(2) Value of additional benefit payable (under SERP provisions and additional SERP benefit provided by Employment Agreements) in the specified termination event, as of December 31, 2018.

(3) Represents the value of the Options and Share-based awards that would be payable in the applicable termination scenario. For Options, this value includes the vested and unexercised Options as at December 31, 2018 and the value of any in-the money Options that would vest and be paid under the termination scenario. For Share-based awards, this value includes the market or payout value of the Share-based awards that have not vested as of December 31, 2018 and that would vest and be paid under the termination scenario. See the disclosure under the heading "Incentive Plan Awards – Outstanding Option-based Awards and Share-based Awards".

(4) Payable upon termination by ACI without cause and payable upon voluntary termination by the NEO in the event of constructive dismissal, provided that the termination by the NEO occurs within 30 days of such constructive dismissal.

(5) In the event of death or permanent disability, the executive is also entitled to the Termination Payment. In the event of retirement or death, the long-term incentives are subject to adjustment as discussed above.

(6) While no Termination Payment is payable upon voluntary termination, the executive would be entitled to an additional SERP payment upon termination within six months following the date of change of control. RSUs, PSUs and Options are handled in accordance with the terms of the applicable plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth certain information related to ACI's equity compensation plans for the financial year ended December 31, 2018:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by securityholders(1)	287,752	14.65 (2)	2,712,248 (3)
Equity compensation plans not approved by securityholders	n/a(2)	n/a	n/a(4)
Total	287,752		2,712,248

Notes:

(1) The Option Plan and the MTIP, both of which allow for the issuance of Shares from treasury, were approved by AltaGas as sole shareholder of ACI prior to completion of the IPO. ACI does not currently intend to issue Shares upon vesting of RSUs or PSUs. For RSUs and PSUs, assumes a performance threshold is met and PSU multiplier is 1.0x.

(2) Represents the weighted-average exercise price of the outstanding Options. Holders of RSUs and PSUs are not required to pay an exercise price but certain time and performance thresholds must be reached before the awards vest and become payable.

(3) Of the 3,000,000 Shares available for future issuance pursuant to security based compensation arrangements, which includes only the Option Plan and the MTIP, 50% are currently allocated and reserved for issuance with the TSX pursuant to the Option Plan and 50% are currently allocated and reserved for issuance pursuant to the MTIP.

(4) No Shares are available or reserved for future issuance pursuant to the DSUP. On vesting, DSUs are paid in cash or, at the option of ACI, Shares purchased on the open market. The material features of the equity compensation plans are set out in Schedule B.

The following table sets forth certain measures of usage of Options, RSUs and PSUs (collectively, "**awards**") as a percentage of the issued and outstanding Shares as at December 31, 2018, which was 30,000,000 Shares, and the weighted average remaining term of the awards:

Dilution	number of awards granted but not exercised (287,752) / 30,000,000	1.0%
Overhang (reserved for issuance with TSX)	number of awards reserved for issuance with the TSX (3,000,000) / 30,000,000	10.0%
Overhang (available for issuance pursuant to Plans)	number of awards available to be granted pursuant to security-based compensation arrangements (2,712,248) plus number of Options granted but not exercised (287,752) / 30,000,000	10.0%
Remaining Awards available for grant	number of awards available to be granted pursuant to security-based compensation arrangements (2,712,248) / 30,000,000	9.0%
Weighted average remaining term of awards		5.0 years

Burn Rate	2018 (%)
number of awards granted(1) / basic weighted average number of Shares outstanding at year end	0.5%

Note:

(1) 200,375 Options and 87,377 RSUs/PSUs were granted in 2018. For purposes of above calculations a multiplier of 1.0x was used for the PSUs. Further details on ACI's Option Plan and MTIP are provided in Schedule B.

OTHER INFORMATION

Aggregate Indebtedness

ACI is not aware of any individuals who are either current or former executive officers, directors or employees of ACI or any of ACI's subsidiaries and who have indebtedness outstanding as at the Record Date (whether entered into in connection with the purchase of securities of ACI or otherwise) that is owing to (i) ACI or any of its subsidiaries, or (ii) another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by ACI or any of its subsidiaries.

Indebtedness of Directors and Executive Officers

ACI is not aware of any individuals who are, or who at any time during 2018 were, directors or executive officers of ACI, proposed nominees for election as directors of ACI, or any associate of any of those directors, executive officers or proposed nominees, who are, or have been at any time since the beginning of the most recently completed financial year, indebted to ACI or any of its subsidiaries, or whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by ACI or any of its subsidiaries.

Interest of Informed Persons in Material Transactions

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

Directors' and Officers' Liability Insurance

Directors' and officers' liability insurance has been obtained for the directors and officers of ACI and its subsidiaries with a policy limit of $75,000,000 aggregate per policy year. Under this insurance coverage, directors and officers would be covered for amounts where the company is unable or precluded from indemnifying, and the company would be reimbursed for indemnity payments made on behalf of the directors and officers of the company subject to a deductible of $250,000 per occurrence (which would be paid by the company). The total premium paid by the company for directors' and officers' liability insurance during the financial year ended December 31, 2018 was $206,250 for the policy year October 25, 2018 to October 1, 2019.

Additional Information

ACI shall provide without charge, upon request being made to ACI, a copy of: (i) ACI's Annual Information Form, together with any document, or the pertinent pages of any document, incorporated by reference therein; (ii) ACI's most recently filed comparative annual financial statements, together with the accompanying report of the auditor; (iii) ACI's most recently filed annual management's discussion and analysis and any interim financial statements of ACI that have been filed thereafter and the interim management's discussion and analysis relating thereto. Financial information is provided in ACI's comparative financial statements and management's discussion and analysis for the year ended December 31, 2018.

Additional information relating to ACI is available under ACI's profile on SEDAR (www.sedar.com) and on ACI's website (www.altagascanada.ca).

DATE: March 26, 2019.

ADVISORIES

Interpretation

The terms ‘‘rate base’’ and ‘‘return on equity (ROE)’’ are key performance indicators but are not considered non-GAAP measures. Rate base is an amount that a utility is required to calculate for regulatory purposes, and generally refers to net book value of the utility’s assets for regulatory purposes. Return on equity is a percentage that is set or approved by a utility’s regulator and represents the rate of return that a regulator allows the utility to earn on the equity component of the utility’s rate base. ACI refers to the rate base and return on equity of its utility businesses because it believes that such terms assist in understanding ACI's business and are commonly used by investors and research analysts to help evaluate the performance of rate-regulated utilities.

Forward Looking Information

This Information Circular contains forward-looking information (forward-looking statements). Words such as "may", "can", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "aim", "seek", "propose", "contemplate", "estimate", "focus", "strive", "forecast", "expect", "project", "target", "potential", "objective", "continue", "outlook", "vision", "opportunity" and similar expressions suggesting future events or future performance, as they relate to ACI or any affiliate of ACI, are intended to identify forward-looking statements. In particular, this Information Circular contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. Specifically, such forward-looking statements include, but are not limited to, statements with respect to the following: expectations regarding the satisfaction of director and executive share ownership obligations; measures of performance; ACI’s vision, objectives and strategy; director independence, director compensation, areas of focus for the Board in 2019; payment obligations for retirement benefits; and potential termination payments.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events and achievements to differ materially from those expressed or implied by such statements. Such statements reflect ACI's current expectations, estimates and projections based on certain material factors and assumptions at the time the statement was made. Material assumptions include those factors discussed under the heading "Risk Factors" in ACI’ most recent Annual Information Form dated March 6, 2019 for the year ended December 31, 2018.

Many factors could cause ACI's or any particular business segment's actual results, performance or achievements to vary from those described in this Information Circular, including, without limitation, those listed above and the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this Information Circular as intended, planned, anticipated, believed, sought, proposed, estimated, forecasted, projected, targeted, or expected, and such forward-looking statements included in this Information Circular, should not be unduly relied upon. The impact of any one assumption, risk, uncertainty or other factor on a particular forward-looking statement cannot be determined with certainty because they are interdependent and ACI's future decisions and actions will depend on management's assessment of all information at the relevant time. Such statements speak only as of the date of this Information Circular. ACI does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this Information Circular are expressly qualified by these cautionary statements.

Non-GAAP Measures

This Information Circular contains reference to normalized net income, a financial measure that does not have a standardized meaning prescribed by US GAAP and may not be comparable to a similar measure presented by other entities. Normalized net income represents net income after taxes adjusted for after tax impact of unrealized gain (loss) on foreign exchange contracts and other typically non-recurring items. The reconciliation of normalized net income to the most directly comparable US GAAP financial measure for the three months ended December 31, 2018 is shown below. Readers are cautioned that the non-GAAP measure should not be construed as alternatives to other measures of financial performance calculated in accordance with US GAAP.

($ millions)		**Q4 2018**
Normalized net income	**$**	**20.0**
Add (deduct) after-tax:		
Unrealized gain (loss) on foreign exchange contracts		**0.8**
Net income after taxes	**$**	**20.8**

SCHEDULE A: BOARD MANDATE

I. Constitution

The Board of Directors (the "Board") of AltaGas Canada Inc. (the "Corporation") is constituted and will act in accordance with the Articles and By-laws of the Corporation as amended from time to time and in accordance with the *Canada Business Corporations Act* (the "Act") as amended from time to time.

The Board is responsible for the stewardship of the Corporation by providing effective, independent oversight of the management of the Corporation's business and affairs.

This mandate shall not be taken to create a higher duty or increase the liability of the Corporation, its Board, or any of its Directors or management, beyond that otherwise provided by applicable law. The identification, management and delegation of the business and affairs of the Corporation contained in this mandate, committee mandates and any other delegation of authority are intended to improve the process of corporate governance.

II. Membership

The Articles of the Corporation provide for a minimum and a maximum number of Directors. In addition, the Articles provide for the ability of the Directors to appoint one or more Directors between annual meetings of Shareholders.

Nominations for the position of Director are in accordance with the Articles and By-laws of the Corporation and the Act. Nominees for Directors are initially considered and recommended by the Compensation and Governance Committee of the Board, approved by the Board and elected annually by the Shareholders.

The Board must be composed of a majority of members who have been determined by the Board to be independent (in accordance with National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators).

The Board may delegate certain of their responsibilities to committees of the Board. The responsibilities of the committees will be set forth in a mandate for each committee, as determined by the Board from time to time.

III. Meetings

The Board shall convene at such times and places as determined by the Board, or as required by the By-laws or the Act, or whenever a meeting is requested by a Director, the Chairman, the Lead Director (if any), any officer of the Corporation or as otherwise set forth in the Corporation's By-laws. Notice of the time, date and place of each meeting of the Board shall be given to each Director in accordance with the By-laws and the Act. A quorum of the Directors at any meeting necessary for the transaction of business shall be as set forth in the By-laws.

The Board will meet at least quarterly and, in addition, once annually to review long-term and strategic planning for the Corporation, and once annually to review the budget for the upcoming financial year.

The independent Directors will meet on a regular basis in the absence of management and non-independent Directors.

IV. Duties and Responsibilities

A. The Board has plenary power. Any responsibility not delegated to management or a committee of the Board remains with the Board.

B. The Board, in accordance with the Articles, the By-laws and the Act, affirms its mandate and general power to manage and oversee the management of the business and affairs of the Corporation and assumes responsibility for the overall stewardship of the Corporation, including oversight of the Corporation's strategic planning process.

C. In addition to its general powers and responsibilities, the Board's responsibilities include:

   1. establishing a code of business ethics, encouraging a culture of ethical business conduct throughout the organization and monitoring compliance with the code of business ethics by the directors, officers and employees of the Corporation and its subsidiaries;

   2. reviewing and approving the Corporation's strategic plan on an annual basis, including an examination of the opportunities and risks of the business of the Corporation and its subsidiaries;

   3. monitoring and assessing overall performance in meeting corporate objectives;

4. identifying and understanding the principal risks associated with the Corporation's business and reviewing and approving the implementation of systems to manage such risks;

5. overseeing management development, succession planning and compensation through the Compensation and Governance Committee of the Board;

6. establishing policies for communicating with Shareholders and others and for receiving comment from Shareholders and others;

7. overseeing the assessment by management of the integrity and effectiveness of the Corporation's internal control and management information systems;

8. overseeing the Corporation's approach to governance and corporate social responsibility through the Compensation and Governance Committee of the Board;

9. overseeing finance, accounting, audit, financial risk and financial control matters through the Audit Committee of the Board;

10. recommending to the shareholders the external auditor to be appointed;

11. considering and, when appropriate, declaring dividends;

12. overseeing environment, health and safety matters through the Environment, Health and Safety Committee of the Board; and

13. reviewing the Corporation's results of operations, including the evaluation of the general and specific performance of the Chief Executive Officer and management.

D. The Board is responsible for establishing policies to ensure effective, timely and non-selective communications between the Corporation, its Shareholders, other stakeholders and the public. The Board, or the appropriate committee thereof, will review and approve the content of the Corporation's major communications to Shareholders and the investing public, including the quarterly and annual reports, the management information circular, the annual information form and any prospectuses that may be issued. The Board will establish policies for receiving communications from its Shareholders, other stakeholders and the public.

E. The Board is responsible for establishing the mandates, roles and responsibilities of the Committees of the Board and the Chairs of each Committee and for delineating the responsibilities of the Chairman, Lead Director (if any), Chief Executive Officer and management. The Board will review this mandate at least once annually.

V. Outside Experts and Advisors

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

SCHEDULE B: MID- AND LONG-TERM INCENTIVE PLAN DETAILS

Mid- and Long-Term Incentive Plans

Key provisions in common of the Option Plan and MTIP relating to issuance of Shares from treasury:

- the maximum number of authorized but unissued Shares that may be issued on the exercise, vesting or redemption of any Options, RSUs or PSUs under the Option Plan and the MTIP, together with Shares that may be issuable pursuant to other security based compensation arrangements, at any time shall not exceed 10% of the issued and outstanding Shares, or such greater number of Shares as may be determined by the Board (and approved by the Shareholders and the TSX, if required) provided such number does not exceed the maximum number of Shares permitted under the rules of the TSX;
- the grant of Options, RSUs and PSUs under the Option Plan and the MTIP, together with Shares that may be issuable pursuant to other security based compensation arrangements, will not result at any time in:
    - the number of Shares issuable to insiders of ACI exceeding 10% of the issued and outstanding Shares;
    - the issuance to insiders of ACI within a one year period, of a number of Shares exceeding 10% of the issued and outstanding Shares; or
    - the issuance to any individual insider of ACI and such insider's associates, within a one year period, of a number of Shares exceeding 5% of the issued and outstanding Shares;
- in addition to the foregoing restrictions:
    - no Options, RSUs or PSUs may be granted under the Option Plan and the MTIP to non-employee directors of ACI if the granting of such Options, RSUs or PSUs could result, at any time, in the issuance to such individuals (as a group) of a number of Shares exceeding 1% of the issued and outstanding Shares immediately prior to such issuance; and
    - within any one fiscal year, the total value of Options, RSUs or PSUs granted under the Option Plan and the MTIP, together with grants pursuant to other security based compensation arrangements, to a non-employee director, as determined by the Board on the grant date, shall not exceed a grant value of $100,000 in Share Options, RSUs or PSUs, as the case may be, and $150,000 in total equity; and
- no Options, RSUs, PSUs or DSUs of any participant in or under these plans is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution.

Mid-Term Incentive Plan (MTIP)

Key provisions of the MTIP are as follows:

- the incentive compensation granted under the MTIP are RSUs and PSUs, which are notional share based awards linked to Share price performance;
- the Board, as recommended by the C&G Committee, approves the grants under the MTIP;
- the C&G Committee recommends to the Board the participants to whom RSUs or PSUs will be granted, the number to be granted to each, the terms of the RSUs or PSUs and the vesting criteria;
- participation in the MTIP is voluntary;
- the maximum number of authorized but unissued Shares that may be issued on the vesting of RSUs and PSUs granted under the MTIP at any time shall not exceed 5% of the issued and outstanding Shares;
- the vesting schedule is determined at the date of grant:
- the RSUs granted to participants will generally vest at the end of a three year period, contingent upon ACI achieving a threshold level of performance during the three year vesting period; and
- the PSUs granted to participants will generally vest at the end of a three year period, contingent upon ACI achieving a threshold level of performance during the three year vesting period;

- the RSUs and PSUs are tracked during the vesting period and dividend equivalents will be awarded in respect of RSUs and PSUs in such participant's account on the same basis as dividends declared and paid on Shares as if the participant was a Shareholder and dividends were reinvested to acquire more RSUs or PSUs, as applicable, which continue to accrue to the benefit of that participant;
- upon the vesting of RSUs or PSUs, and contingent upon the applicable performance criteria being achieved, ACI has the option to pay out the value of the RSUs or PSUs (including the additional units accumulated on reinvestment of the accrued dividends in respect thereof), as the case may be, in cash or in Shares issued from treasury or purchased in the market;
- in the event of a change of control in which the surviving or resulting entity remains a publicly traded entity and the surviving or resulting entity agrees to assume the obligations of ACI under the MTIP in all material respects, the MTIP will continue in force and if the service of a participant is terminated without cause upon or within 12 months following such change of control, all RSUs and PSUs held by such participant will automatically vest (for purposes of such transaction, the multiplier applicable to any PSUs will be 1.0);
- in the event of a change of control in which the surviving or resulting entity is to be a private entity or the Board determines that the surviving or resulting entity will not assume the obligations of ACI under the MTIP, all RSUs and PSUs will automatically vest upon (or immediately prior to) the closing of such change of control, conditional upon completion of the change of control (for purposes of such transaction, the multiplier applicable to any PSUs will be 1.0);
- the MTIP contains standard anti-dilution provisions;
- subject to the provisions specifically requiring shareholder approval below, the Board may amend, suspend or terminate the MTIP, or any portion thereof, or any RSUs and PSUs, at any time, and may do so without Shareholder approva
- Shareholder approval will be required for the following types of amendments:
    - any increase in (a) the number of Shares that may be issued on the exercise of RSUs or PSUs granted pursuant to the MTIP, if the MTIP provides for a fixed number of RSUs or PSUs reserved for issuance, and (b) the percentage amount of Shares that may be issued on the exercise of RSUs and PSUs granted pursuant to the MTIP, if the MTIP provides for a percentage amount of hares reserved for issuance;
    - any cancellation and reissuance of an RSU or PSU;
    - any amendment extending the term of an RSU or PSU beyond its original vesting date;
    - any amendment that increases limits imposed on non-employee director participation in the MTIP;
    - any amendment which would permit RSUs or PSUs to be transferable or assignable, other than for normal estate settlement purposes;
    - amendments to the amendment and termination provisions of the MTIP; and
    - amendments required to be approved by Shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

Share Option Plan

Key provisions of the Share Option Plan are as follows:

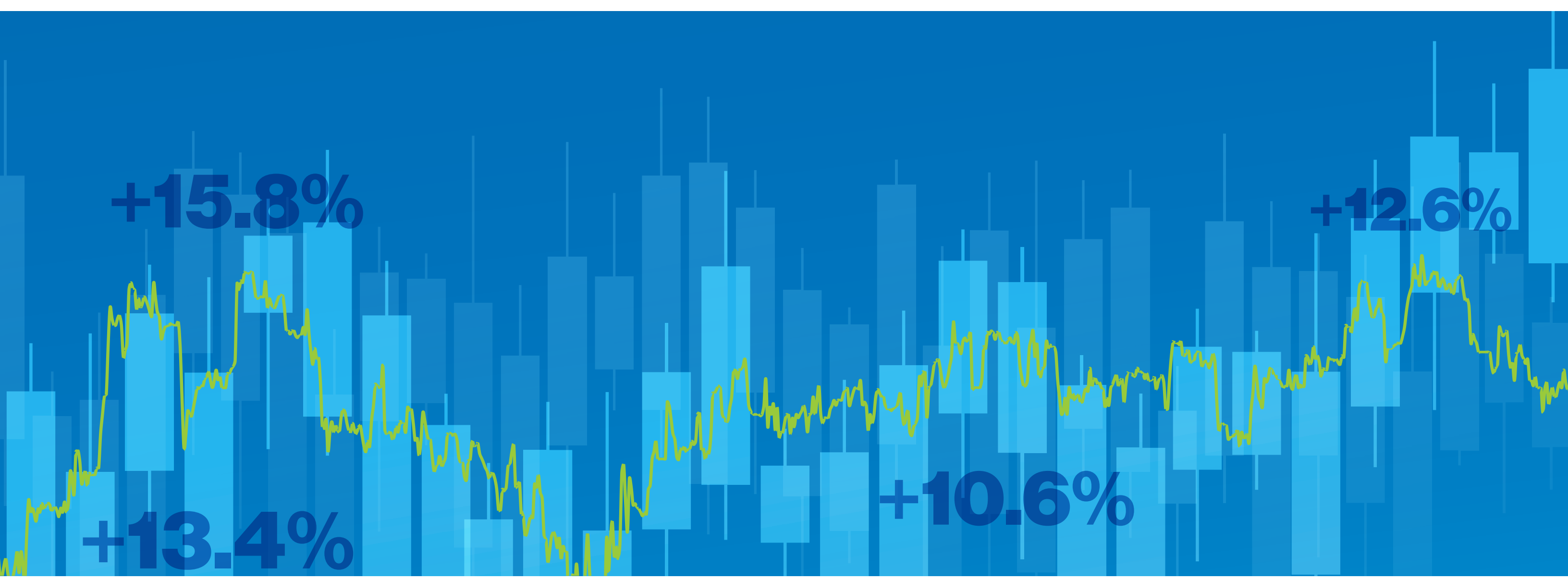
- the incentive compensation granted under the Option Plan are Options;
- the Board, as recommended by the C&G Committee, approves the grants under the Option Plan;
- the C&G Committee recommends to the Board the optionees to whom Options will be granted, the number to be granted to each and the terms of the Options;
- participation in the Option Plan is voluntary;
- the exercise period during which an optionee may exercise a Option (subject to applicable vesting limitations which may be imposed by the Board) commences on the date that the Option is granted and ends no later than the date six years thereafter;
- the exercise period will generally be six years from the date of grant; if the normal expiry of an Option falls within a blackout period, the expiry date shall be extended to a date that is seven business days following the end of the blackout;
- the exercise price for an Option shall be as determined by the Board, subject to any limitations imposed by the TSX, and in any event shall be an amount at least equal to Market Price (as defined in the plan);
- Options will generally vest over three to four years;

- in the event of a change of control in which the surviving or resulting entity remains a publicly traded entity and the surviving or resulting entity agrees to assume the obligations of ACI under the Option Plan in all material respects, the Option Plan will continue in force and if the service of an optionee is terminated without cause upon or within 12 months following such change of control, all Options held by such optionee will automatically vest;
- in the event of a change of control in which the surviving or resulting entity is to be a private entity or the Board determines that the surviving or resulting entity will not assume the obligations of ACI under the Option Plan, all Options will automatically vest upon (or immediately prior to) the closing of such change of control, conditional upon completion of the change of control;
- the Option Plan contains standard anti-dilution provisions;
- subject to the provisions specifically requiring shareholder approval below, the Board may amend, suspend or terminate the Share Option Plan, or any portion thereof, or any Share Option, at any time, and may do so without Shareholder approval.
- Shareholder approval will be required for the following types of amendments:
    - any increase in (a) the number of Shares that may be issued on the exercise of Options granted pursuant to the Option Plan, if the Option Plan provides for a fixed number of Options reserved for issuance, and (b) the percentage amount of Shares that may be issued on the exercise of Options granted pursuant to the Option Plan, if the Option Plan provides for a percentage amount of Shares reserved for issuance;
    - any amendment which reduces the exercise price of an Option;
    - any cancellation and reissuance of an Option;
    - any amendment extending the term of an Option beyond its original expiry date;
    - any amendment that increases limits imposed on non-employee director participation in the Option Plan;
    - any amendment which would permit Options to be transferable or assignable, other than for normal estate settlement purposes;
    - amendments to the amendment and termination provisions of the Option Plan; and
    - amendments required to be approved by Shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

Deferred Share Unit Plan (DSUP)

Key provisions of the DSUP are as follows:

- the incentive compensation granted under the DSUP are DSUs, which are bookkeeping entries equivalent in value to a Share credited to a participant's account;
- the Board, as recommended by the C&G Committee, approves grants to directors under the DSUP;
- the C&G Committee recommends to the Board the participants to whom DSUs will be granted and the number to be granted;
- participation in the DSUP is voluntary;
- each director may elect, once per calendar year, to be paid a percentage of his or her annual retainer in the form of DSUs, subject to any minimum percentage set by the Board (the Board currently requires that any director that is subject to the non-executive director equity ownership requirements that has not met the minimum ownership requirement thereunder take a minimum of 50% of their annual retainer in DSUs);
- the number of DSUs that a director is entitled to receive in any quarter is equal to one quarter of the amount of the annual retainer that he or she elected to take in DSUs, divided by the price of the Shares on the quarterly grant date, where the Share price will be the average closing price of the Shares for a period immediately preceding the date of grant;
- DSUs are fully vested upon grant and are immediately credited to the plan participant's account. Payment of the value of DSUs granted occurs on or following the participant's termination date at which time the participant is eligible to redeem their DSUs. Such payment may be satisfied in cash or in Shares purchased in the market. Payment is not subject to satisfaction of any requirements regarding minimum period of membership or employment or other conditions; and
- subject to the provisions of applicable law, if any, that require the approval of Shareholders or any governmental or regulatory body (including, without limitation, the TSX), the Board may amend, suspend or terminate the DSUP, or any portion thereof or any DSU, at any time, and may do so without Shareholder approval.



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