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By email: comment@osc.gov.on.ca

September 29, 2023

British Columbia Securities Commission Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan Manitoba Securities Commission
Ontario Securities Commission Authority des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island Nova Scotia
Securities Commission
Securities Commission of Newfoundland and Labrador Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon
Superintendent of Securities, Nunavut

Re: Proposed amendments to Form 58-101F1 *Corporate Governance Disclosure* ("Form 58-101F1") of National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") pertaining to board nominations, board renewal and diversity, as well as ancillary amendments to section 1.1 Definitions of NI 58-101 (the "Proposed Amendments"); and

Proposed changes to National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201") pertaining to board nominations, board renewal and diversity (the "Proposed Changes" and, together with the Proposed Amendments, the "Proposed Amendments and Changes").

AltaGas Ltd. ("AltaGas" or the "Company") appreciates the opportunity to respond to the Canadian Securities Administrators' ("CSA") notice and request for comment (the "Notice") on the Proposed Amendments and Changes pertaining to board nominations, board renewal and diversity. Capitalized terms not otherwise defined in this letter have the meanings given to them in the Notice.

AltaGas is a leading North American infrastructure company that connects customers and markets to affordable and reliable sources of energy. The Company operates a diversified Midstream and Utilities business in Canada and the United States. The Company was amalgamated under the *Canada Business Corporations Act* ("CBCA") and its shares are publicly traded on the Toronto Stock Exchange.

This letter sets out the Company's response to the Proposed Amendments and Changes and our comments on the questions posed in the Notice.

AltaGas



SEMCOENERGY

Petrogas

Board Nominations

Question 1

The Proposed Amendments would require the disclosure of the skills, knowledge, experience, competencies and attributes of candidates that are considered and evaluated. Does this requirement raise concerns for issuers regarding disclosure of confidential or competitively sensitive information? Please explain. (Please refer to the table entitled "Board Nominations" in Annex A for a description of this proposed requirement).

Answer: The general disclosure of the skills, knowledge, experience, competencies and attributes considered and evaluated by the Company holistically as part of the board recruitment and nomination process, as well as recruitment practices is more decision-useful information for investors rather than the diverse attributes alone relating to the candidate pool. Providing specific disclosure about diversity attributes could lead to the release of confidential or private information. Focusing on specific diversity characteristics may lead issuers to overemphasize certain characteristics rather than looking at all applicable recruitment criteria in a holistic manner.

Approach to Diversity

Question 2

We are consulting on two alternatives with respect to the requirement to provide disclosure on the approach to diversity (Form A and Form B). Which approach best meets the needs of investors for making investing and voting decisions? Which Form best meets the needs of issuers in describing their approach to diversity at the board and executive officer level? Do either of the approaches raise concerns for issuers? Are there certain requirements in either form that you find preferable to the equivalent requirement in the other form? Please explain.

Answer: The Company supports the Form A approach to diversity disclosure.

Form A provides more flexibility for issuers to determine their own approach to broadening diversity in alignment with its business, strategy and the communities in which it operates. This flexibility allows each issuer to define its own goals and strategies in relation to broadening diversity and to take a principles-based approach to diversity and inclusion, while tracking metrics relevant to its business that support the achievement of its goals.

AltaGas believes that diversity enhances decision-making by embracing differences in perspective. The Company's board (the "Board") strives to ensure a Board profile that is well-balanced and representative of diverse experiences and characteristics and is committed to identifying and nominating candidates who are highly qualified and diverse in professional experience, skills and functional expertise, personal competencies and qualities and diverse with respect to other attributes, such as gender, race, ethnicity, sexual orientation, education and geographic location. The Company has implemented a formal policy on Board diversity to aid in achieving these goals and has also set diversity goals for its senior leadership positions, including executive officers.

The Company understands and supports the purpose of the Proposed Amendments and Changes, including the desire to provide stakeholders with fulsome disclosure on diversity. The less prescriptive Form A is preferred as it provides a balance between the need of stakeholders to have transparency on an issuer's organizational diversity at the senior executive and board level, while supporting the issuer's need for flexibility to report on data that is most relevant to it based on a variety of considerations.

Question 3

Is information on the diversity approach and objectives of issuers with respect to executive officer positions useful for investors? Does this requirement raise concerns for issuers? Please explain. (Please refer to the table entitled "Approach to Diversity - Executive Officer Positions" in Annex A for a description of this proposed requirement).

Answer: The positions of executive officers are typically filled from smaller talent pools made up of internal and external candidates across the industry in which an issuer operates due to the highly specialized skill set and role executives fill within a company. Many factors are considered when filling these roles including diversity. Having processes in place to ensure slates are diverse and hiring practices are unbiased is more effective at broadening diversity and encouraging inclusion than focusing on achieving numerical targets (see above for comments on preference for flexibility in goal-setting and data inclusion). To achieve long-term diversity goals, issuers must take a broader approach. Diversity disclosure is voluntary and requires individuals to self identify, disclosure of statistics at any level within an organization may not be reflective beyond what is visible of the diverse attributes that may exist within the group and may not be representative of the breadth of diversity that exists within an organization. Overly prescriptive requirements in Form B narrow the focus to certain diverse characteristics and could unintentionally lead to the overweighting of diversity over the other factors that must be considered in selecting the best candidate to execute on an issuer's corporate strategy. Information on an issuers approach to diversity and factors taken into consideration in succession planning and recruitment is more decision useful information for stakeholders than progress against specific diversity statistics.

Question 4

Should issuers be required to disclose data about specified designated groups, consistent with the approach in Form B? Or should issuers be required to disclose data about women only and the identified groups for which they collect, data consistent with the approach in Form A? Please explain. (Please refer to the table entitled "Concept of Diversity" in Annex A for a description of "designated groups" and "identified groups").

Answer: See our responses above regarding concerns associated with too much reliance on data/statistics. If data disclosure is required, the more flexible approach prescribed in Form A is preferred.

Maintaining anonymity in diverse attributes when dealing with a small group of individuals is important to protect individuals' privacy. This comment applies to the tables and any requirement for more specific diversity detail (particularly characteristics that are not outwardly visible) in Board skills/diversity matrices.

Question 5

Would it be beneficial to require reported data to be disclosed in a common tabular format? Does this requirement raise concerns for issuers? Please explain.

Answer: See our responses above regarding concerns associated with too much reliance on data/statistics, which may be amplified when such data is provided in tabular format. While the Company provides some data in tabular format pursuant to the CBCA requirements, the disclosure required under the CBCA is less prescriptive and is a subset of our overall diversity information.

Question 6

For CBCA-incorporated issuers, are there issues or challenges in providing both CBCA disclosures and the disclosure proposed under either Form A or Form B? Please explain.

Answer: Form A disclosure provides issuers with necessary flexibility in determining which aspects of diversity should be disclosed with regard to the company's business and strategy and aligns with CBCA mandated disclosure.

Application to Venture Issuers

Question 7

Should we consider developing similar disclosure requirements for venture issuers in a second phase of this project? If so, should any changes be made to the proposed disclosure requirements to reflect the different stages of development and circumstances of venture issuers? Please explain.

Answer: N/A.

In addition to our responses provided above, we also note that allowing for a transition period will be important, particularly if Form B is selected.

If you would like to discuss our comments further, please do not hesitate to contact the undersigned at shaheen.amirali@altagas.ca.

Sincerely,

ALTAGAS LTD.



Shaheen Amirali
Executive Vice President, Chief External Affairs & Sustainability Officer