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2024 Management Information Circular

Shareholder engagement presentation

APRIL 2024



Forward-looking information and non-GAAP measures

This presentation and our Management Information Circular dated April 10, 2024 ("Circular") include certain forward-looking information that is subject to important risks and uncertainties (such statements are usually accompanied by words like anticipate, expect, believe, may, will, would, should, estimate, intend, continue or other similar words). For additional information on the assumptions made, and the risks and uncertainties which could cause actual results to differ from the anticipated results, refer to the "Forward-looking information" section of our Circular filed on TC Energy's profile on SEDAR+ at www.sedarplus.com and with the U.S. Securities and Exchange Commission at www.sec.gov.

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*TC Energy 2024
Management Information Circular
[CLICK HERE](#)*

2024 Annual and Special Meeting overview

- ❖ 8am MDT, Tuesday, June 4, 2024
- ❖ Virtual meeting
- ❖ <https://web.lumiagm.com/423961867> password "tc2024" (case sensitive)

Voting item	Board recommendation
Election of Directors	<i>For</i>
Appointment of Auditor	<i>For</i>
The Arrangement Resolution	<i>For</i>
South Bow Shareholder Rights Plan	<i>For</i>
Approach to Executive Compensation	<i>For</i>
Shareholder Proposal	<i>Against</i>

Excellence in governance and oversight

- ✓ 13-member Board
- ✓ 92% independent with separate Board Chair/CEO roles
- ✓ Over 90% support for all Directors in 2023 with 11/13 achieving over 99%
- ✓ Board Diversity Policy, including targets
- ✓ 38% women on Board
- ✓ Two racially or ethnically diverse Directors
- ✓ 0 board interlocks
- ✓ Average tenure of five years
- ✓ Maximum Board seat policy – four total with Board Chair counting as two
- ✓ *In-camera* sessions at every Board and Committee meeting
- ✓ 100% attendance at regularly scheduled 2023 Board meetings
- ✓ Annual Board, Committee and Director evaluations
- ✓ Comprehensive and diverse skillsets



Strong Board oversight of ESG and climate matters

- ✓ Robust Board oversight of ESG
- ✓ Limited assurance of Scope 1 and Scope 2 GHG emissions and throughput data by KPMG
- ✓ **NEW:** Roadmap to reasonable assurance being published in 2025
- ✓ Sustainability-linked credit facility
- ✓ GHG targets
- ✓ Climate scenario analysis considered in strategic planning
- ✓ Gender and racial or ethnic diversity leadership targets
- ✓ Indigenous Advisory Council and Reconciliation Action Plan
- ✓ **NEW:** Reassessing OGMP 2.0 membership in 2025
- ✓ Voluntary TCFD¹ informed disclosure with preparation for mandatory climate reporting underway
- ✓ TNFD² pilot members

¹ Task force on Climate-related Financial Disclosures

² Task force on Nature-related Financial Disclosures

Election of 13 nominated directors

Name	2023 AGM result	Other public boards	Committee members
Cheryl F. Campbell , Director since 2022	99.59%	1	Audit and HSSE Committees
Michael R. Culbert , Director since 2020	99.44%	1	Audit and HSSE Committees
William D. Johnson , Director since 2021	99.49%	1	Audit, HR (Chair) and Special Committees
Susan C. Jones , Director since 2020	99.47%	1	Audit, HR and Special Committees
John E. Lowe , Director since 2015	99.13%	1	Governance, HR & Special Committees (Board Chair in 2024)
David MacNaughton , Director since 2020	99.17%	0	Governance and HSSE Committees
François L. Poirier , Director since 2021	99.62%	0	
Una Power , Director since 2019	99.01%	2	Audit (Chair), HSSE and Special Committees
Mary Pat Salomone , Director since 2013	93.87%	0 ¹	Governance and HSSE (Chair) Committees
Indira Samarasekera , Director since 2016	99.18%	3	Governance and HR Committees
Siim A. Vanaselja , Director since 2014	90.27%	3	Governance and HR Committees (Board Chair in 2023)
Thierry Vandal , Director since 2017	98.99%	1	Governance (Chair) and HSSE Committees
Dheeraj “D” Verma , Director since 2022	99.51%	0	Governance, HR and Special Committees

✓ **The Board recommends that you vote FOR the nominated directors**

¹ Mary Pat Salomone is proposed to serve as Director of South Bow upon completion of the Arrangement.

Appointment of Auditor

Auditor independence overview

- ✓ 89% support for KPMG in 2023
- ✓ RFP conducted in 2015
- ✓ Multiple overlapping controls to ensure auditor independence
- ✓ 'Periodic Comprehensive Review of Auditor'¹ conducted in 2023
- ✓ Commitment to conduct 'Periodic Comprehensive Review of Auditor' every five years
- ✓ **NEW:** Comprehensive Review results will determine whether RFP process is required

Audit Committee oversight

- ✓ All AC members are independent and financially literate
- ✓ AC Chair has "Audit Committee financial expert" experience as required under NYSE rules
- ✓ Assessment of auditor independence includes satisfaction over objectivity, professional skepticism, quality of engagement team and interactions with audit team

KPMG internal governance

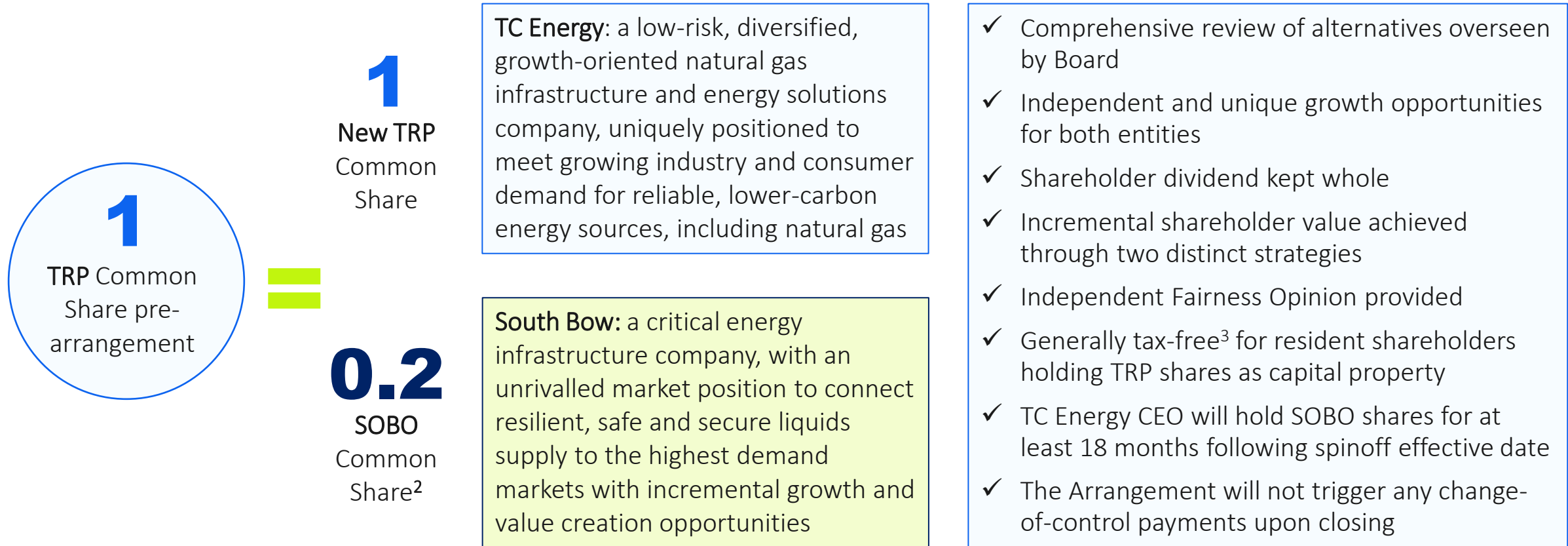
- ✓ Mandatory partner rotations
- ✓ Internal standards and structural separation between Canadian and U.S. entities
- ✓ Robust adherence to Canadian and U.S. regulatory frameworks for auditors

✓ **The Board recommends that you vote FOR the appointment of auditor**

¹ "Periodic Comprehensive Review of the External Auditor, Tool for Audit Committees" prepared by the Chartered Professional Accountants of Canada, the Canadian Public Accountability Board and the Institute of Corporate Directors.

The Arrangement Resolution

The purpose of the Arrangement and related transactions is to separate¹ TC Energy into two independent, investment-grade, publicly listed companies:



✓ **The Board recommends that you vote FOR the Arrangement Resolution**

¹ If you are a shareholder as of the Distribution Record Date, you will receive, in exchange for each TC Energy share you hold on the Distribution Record Date, one New TC Energy Common Share and 0.2 of a South Bow Common Share.

² Listing of the SOBO Common Shares is subject to the approval of the TSX and NYSE in accordance with their respective listing requirements.

³ The use of the phrase "tax-free" is a reference to the tax-deferred nature of the Arrangement. Review the Material Income Tax Considerations sections of the Management Information Circular for more detail.

South Bow Shareholder Rights Plan

The South Bow Shareholder Rights Plan is designed to ensure that South Bow Shareholders are treated fairly and provide the South Bow Board with adequate time to identify, develop and negotiate alternative value maximizing transactions if there is a takeover bid for South Bow.

While tailored to South Bow, it is modeled after TC Energy's shareholder rights plan, which is voted upon every three years, and received 94.6% support from shareholders at the 2022 Annual General Meeting.

- ✓ ***The Board recommends that you vote FOR the South Bow Shareholder Rights Plan Resolution***

Approach to executive compensation

Executive Compensation approach

- ✓ Over 94% support for compensation approach over last three years
- ✓ Structured process overseen by Human Resources Committee including independent advice from Meridian
- ✓ Pre-established objectives aligned to corporate strategy
- ✓ Short and long-term compensation objectives align to shareholder interests
- ✓ Risk management policies include minimum share ownership

Short term¹

- 50%** Achieving safety and operational excellence
- 50%** Delivering financial results

Long term (PSU)¹

- 50%** Relative TSR vs. peer group(s)
- 25%** Distributable Cash Flow/share
- 15%** Debt/EBITDA
- 10%** Methane Intensity Reduction

CEO Realizable Pay

- ✓ 2023 realizable pay recognizes significant advancement of corporate strategy and achievement of 2023 key priorities
- ✓ Pay mix is 73% long-term focused
- ✓ Stock options have value only when the share price increases
- ✓ PSUs are impacted by share price, relative TSR and EPS growth

✓ **The Board recommends that you vote FOR our approach to executive compensation (say on pay)**

¹ Short term incentive/corporate scorecard impacts compensation for executives and all employees.

² Long-term incentive awards to the named executives for 2024 include 70% PSU, 30% RSU

Shareholder proposal

The proposal submitted by the Salal Foundation requests that, *“the Board commission an independent assessment of the financial, time, reputation and goodwill damage TC Energy has incurred from failing to obtain Free, Prior and Informed Consent for its projects. Shareholders request that the review be disclosed by December 31, 2024...”*

Meaningful engagement and consultation

- ✓ Committed to respecting Indigenous Peoples’ rights and principles of FPIC
- ✓ Indigenous Relations policy, strategy and guiding principles informed by UNDRIP
- ✓ Strive for consensus by identifying and resolving issues collaboratively and sharing benefits
- ✓ Adhere to engagement and consultation processes in jurisdictions where we work
- ✓ Seek to meet or exceed requirements while prioritizing respectful engagement and building partnerships

Commitment to continuous learning and improvement

- ✓ Developed a Reconciliation Action Plan in 2021
- ✓ Implementing guidance from Indigenous Advisory Council
- ✓ Implementing Canadian- & U.S.-specific mandatory cultural awareness training
- ✓ Introduced Canadian Indigenous Equity Framework
- ✓ Integrated engagement strategies across North America to enhance knowledge sharing and consistently apply our practices

TC Energy disagrees with the proponent's position of the need for, or value of, an independent assessment, which would impose a significant administrative burden and incur unnecessary cost to shareholder value without providing material benefits or new information to management or our shareholders.

The Board recommends that you vote AGAINST this proposal