

Notice: This document has been updated subsequent to the version originally posted on September 9, 2024 to reflect the fact that all "if, as and when issued" trades are expected to settle on the second business day following the completion of the Arrangement, rather than the first business day following the completion of the Arrangement and to update the expected timing of "regular way" trading of SOBO shares on the NYSE to "on or about October 8, 2024"

South Bow Listing Process – Q&A

This document is being provided to inform shareholders of TC Energy Corporation ("**TC Energy**") about the various trading markets that are expected to develop in connection with the proposed spin off of TC Energy's Liquids Pipelines business (the "**Arrangement**") into South Bow Corporation ("**South Bow**"), which is expected to be completed on October 1, 2024. Pursuant to the Arrangement, TC Energy shareholders will retain their interest in TC Energy and receive a pro rata interest in South Bow, as further described in the [management information circular](#) of TC Energy dated April 10, 2024 (the "**Circular**").

Capitalized terms used but not otherwise defined herein have the meanings given to them in the Circular. The information below is summary in nature. Shareholders are encouraged to consult their brokers and financial advisors regarding the specific consequences of trading common shares of TC Energy ("**TC Energy Common Shares**") and common shares of South Bow ("**South Bow Common Shares**") prior to the effective date of the Arrangement.

TC Energy currently expects that the following trading markets will develop in connection with the Arrangement:

- **Due Bill Trading:**
 - The Toronto Stock Exchange (the "**TSX**") and New York Stock Exchange (the "**NYSE**") will both implement "due bill" trading markets commencing September 25, 2024 and ending at the close of business on October 1, 2024. Accordingly, TC Energy Common Shares will cease regular way trading between September 25, 2024 and October 1, 2024; any trades of TC Energy Common Shares under the symbol TRP during such period will be on a due bill basis.
- **"If, As and When Issued" Trading:**
 - The TSX will implement an "if, as and when issued" trading market for the TC Energy Common Shares and the South Bow Common Shares commencing September 25, 2024 and ending at the close of business on October 1, 2024.
 - There will not be an "if, as and when issued" trading market for the TC Energy Common Shares or the South Bow Common Shares on the NYSE.
- **Regular Way Trading:**
 - TC Energy Common Shares will resume "regular way" trading on the TSX and the NYSE on October 2, 2024. Any trades of TC Energy Common Shares under the symbol TRP on or after October 2, 2024 will be on an ex-distribution basis (i.e., without the entitlement to receive South Bow Common Shares issuable pursuant to the Arrangement).
 - The South Bow Common Shares issued pursuant to the Arrangement will commence "regular way" trading on the TSX on October 2, 2024, but will not trade "regular way" on the NYSE until one trading day after the U.S. Securities and Exchange Commission (the "**SEC**") declares South Bow's registration statement on Form 40-F (the "**Registration Statement**") effective. TC Energy currently expects that the South Bow Common Shares will commence "regular way" trading on the NYSE on or about October 8, 2024.

Please refer to the summary chart and questions and answers below for details of what is to be expected during this period.

Summary of Key Events

Event	TSX	NYSE
Distribution Record Date	September 25, 2024	
Due Bill Trading	September 25, 2024 – October 1, 2024	
"If, As and When Issued" Trading – TC Energy Common Shares	September 25, 2024 – October 1, 2024	None
"If, As and When Issued" Trading – South Bow Common Shares	September 25, 2024 – October 1, 2024	None
Closing Date	October 1, 2024	
Due Bill Redemption Date	October 2, 2024	
"Regular Way" Trading – TC Energy Common Shares	October 2, 2024	
"Regular Way" Trading – South Bow Common Shares¹	October 2, 2024	~October 8, 2024 ²

1 South Bow has received conditional approval to list the South Bow Shares on the TSX and the NYSE. Listing of the South Bow Shares on the TSX and the NYSE is subject to South Bow fulfilling all the related requirements of the TSX and the NYSE, respectively.

2 Represents expected timing.

1. What events will occur following September 25, 2024 in connection with the Arrangement?

- **September 25, 2024** - The record date established for the Arrangement (being the Distribution Record Date) and the date on which “due bill” trading is expected to commence on the TSX and the NYSE, respectively. Additionally, “if, as and when issued” trading for the TC Energy Common Shares and South Bow Common Shares is also expected to commence on the TSX on September 25, 2024.
- Investors should be aware of the following features for trades on or after September 25, 2024 to but excluding October 2, 2024:
 - TC Energy Common Shares will cease regular way trading between September 25, 2024 and October 1, 2024; any trades of TC Energy Common Shares under the symbol TRP during such period will be on a due bill basis. Trades of TC Energy Common Shares in the “due bill” markets on the TSX and the NYSE will include the entitlement to receive South Bow Common Shares pursuant to the Arrangement effective on October 1, 2024.
 - Trades of TC Energy Common Shares in the “if, as and when issued” markets on the TSX will allow the purchase and sale of TC Energy Common Shares on an ex-distribution basis (i.e., without the entitlement to receive South Bow Common Shares issuable pursuant to the Arrangement). It is expected that “if, as and when issued” trades of TC Energy Common Shares will settle on the second business day following the completion of the Arrangement.
 - Trades of South Bow Common Shares in the “if, as and when issued” markets on the TSX will represent South Bow Common Shares only, allowing the purchase and sale of South Bow Common Shares that will be issued pursuant to the Arrangement. It is expected that “if, as and when issued” trades of South Bow Common Shares will settle on the second business day following the completion of the Arrangement.
- **October 1, 2024** - The effective date of the Arrangement and the date (being the Distribution Payment Date) on which South Bow Common Shares are expected to be issued pursuant to the Arrangement. Notwithstanding the Distribution Payment Date of October 1, 2024, shareholders are advised that they may receive their South Bow Common Shares (whether in their brokerage account or in the form of a DRS advice, as applicable) at a later date, depending on the manner in which they hold their TC Energy Common Shares.
- **October 2, 2024** - The date on which South Bow Common Shares issuable pursuant to the Arrangement are expected to commence regular way trading on the TSX. It is also expected that the TC Energy Common Shares will resume regular way trading on the TSX and the NYSE on such date. Any trades of TC Energy Common Shares on or after October 2, 2024 will be on an ex-distribution basis (i.e., without the entitlement to receive South Bow Common Shares issuable pursuant to the Arrangement).
- **~October 8, 2024** - South Bow Common Shares issuable pursuant to the Arrangement are expected to commence trading on the NYSE one trading day after the SEC declares South Bow's Registration Statement effective. TC Energy currently expects that the South Bow Common Shares will commence trading on the NYSE on or about October 8, 2024.

2. What are the “due bill” and “if, as and when issued” trading symbols of the TC Energy Common Shares and South Bow Common Shares?

Security	Due Bill		If, As and When Issued	
	NYSE	TSX	NYSE	TSX
TC Energy Common Shares	TRP	TRP	Not applicable	TRP.W
South Bow Common Shares	Not applicable	Not applicable	Not applicable	SOBO

3. What are the current and post-Arrangement trading symbols of the TC Energy Common Shares?

Security	Current Symbol		Post Arrangement Symbol	
	NYSE	TSX	NYSE	TSX
TC Energy Common Shares	TRP	TRP	TRP	TRP

4. What are the post-Arrangement trading symbols of the South Bow Common Shares?

Security	Post Arrangement Symbol	
	NYSE	TSX
South Bow Common Shares	SOBO	SOBO

5. What is “if, as and when issued” trading?

“If, as and when issued” trading refers to a share transaction made conditionally on or before the distribution or issuance date because the share is not yet available (and if the conditions to the distribution or issuance are not met, such that the distribution or issuance is not made, all “if, as and when issued” trades do not settle and are null and void). Trades of TC Energy Common Shares in the “if, as and when issued” markets on the TSX will allow the purchase and sale of TC Energy Common Shares on an ex-distribution basis (i.e., without the entitlement to receive South Bow Common Shares issuable pursuant to the Arrangement).

6. What is “due-bill” trading?

A “due bill” is an entitlement to receive (among other things) a security that can attach to a share. In circumstances where an issuer will be undergoing certain material corporate events that will involve a distribution, such as stock-splits, spin offs or other distributions in circumstances where the effective date or payment date of the event cannot be determined with certainty in advance, “due bills” are often attached to the listed shares of that issuer on the Ex-Date, which “due bills” represent the entitlement to receive that distribution notwithstanding that the shares began trading “ex-distribution” on the Ex-Date. In this way, the buyer and seller of the share will be acquiring and disposing of both the share and the distribution “due bill” entitlement on and after the Ex-Date, and therefore the listed share should continue to carry the appropriate market value until the “due bill” entitlement has been paid.

A “due bill” trading market will be used in connection with the Arrangement in order to address the uncertainties associated with the timing of the closing of the Arrangement, which remains subject to change in the sole discretion of TC Energy. In such market, any TC Energy Common Shares traded during the applicable period under the symbol "TRP" will have “due bills” attached carrying the right to receive South Bow Common Shares. By having such a “due bill” market for the TC Energy Common Shares, the Ex-Date for the TC Energy Common Shares in such market will be deferred and buyers and sellers of TC Energy Common Shares will be certain of the entitlements attaching thereto.

Shareholders trading TC Energy Common Shares in the "due bill" market under the symbol "TRP" during the applicable period will not be required to take any special action. Any trades of TC Energy Common Shares in the "due bill" market that are executed during the applicable period will trade with an entitlement to receive South Bow Common Shares under the Arrangement (and such shares will settle on a “regular-way” basis). Such trades will be automatically flagged to ensure buyers receive the distribution entitlement and sellers do not.

7. What are the implications for TC Energy's upcoming quarterly dividend?

On August 1, 2024, TC Energy announced that its Board of Directors declared a quarterly dividend of \$0.96 per TC Energy Common Share for the quarter ending September 30, 2024. The dividend is payable on October 31, 2024, to shareholders of record at the close of business on September 27, 2024. Shareholders are advised that this dividend is not subject to due bill trading. Rather, the determination of shareholders entitled to receive such dividend, as well as the payment thereof, will be made in the ordinary course. Accordingly, only TC Energy shareholders of record as of the close of business on September 27, 2024 will be entitled to receive such dividend. Furthermore, as such dividend is payable only to shareholders of record at the close of business on September 27, 2024, investors trading in the “if, as and when issued” markets for TC Energy Common Shares will not be entitled to such dividend.

8. When is the next dividend declaration and payment expected to occur?

TC Energy and South Bow each intend to declare independent dividends for the quarter ended December 31, 2024 on November 7, 2024, reflecting their respective proportionate amounts of TC Energy’s dividend prior to the Arrangement. The dividends are expected to be paid on January 31, 2025 to shareholders of record on December 31, 2024. All dividends, including the expected dividends to be declared on November 7, 2024, are subject to the discretion and approval of each company's respective Board of Directors.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This document contains certain information that is forward-looking and is subject to important risks and uncertainties (such statements are usually accompanied by words such as "anticipate", "expect", "believe", "may", "will", "should", "estimate", "intend" or other similar words). Forward-looking statements in this document are intended to provide TC Energy security holders and potential investors with information regarding TC Energy, South Bow and the various trading markets that are expected to develop in connection with the Arrangement. Forward-looking statements in this document may include, but are not limited to, statements regarding the trading markets that are expected to develop in connection with the Arrangement, including the timing and terms thereof; and expectations with respect to future dividend payments by TC Energy and South Bow. All forward-looking statements reflect the beliefs and assumptions of TC Energy and South Bow based on information available at the time the statements were made and as such are not guarantees of future outcomes. As actual results could vary significantly from the forward-looking information, you should not put undue reliance on forward-looking information and should not use future-oriented information or financial outlooks for anything other than their intended purpose. Neither TC Energy nor South Bow updates its forward-looking information due to new information or future events, unless required to by law. 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 most recent Quarterly Report to Shareholders and Annual Report filed under TC Energy’s profile on SEDAR+ at www.sedarplus.ca and with the U.S. Securities and Exchange Commission at www.sec.gov.