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2024 Management Information Circular

Shareholder engagement presentation

APRIL 2024

TC Energy

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
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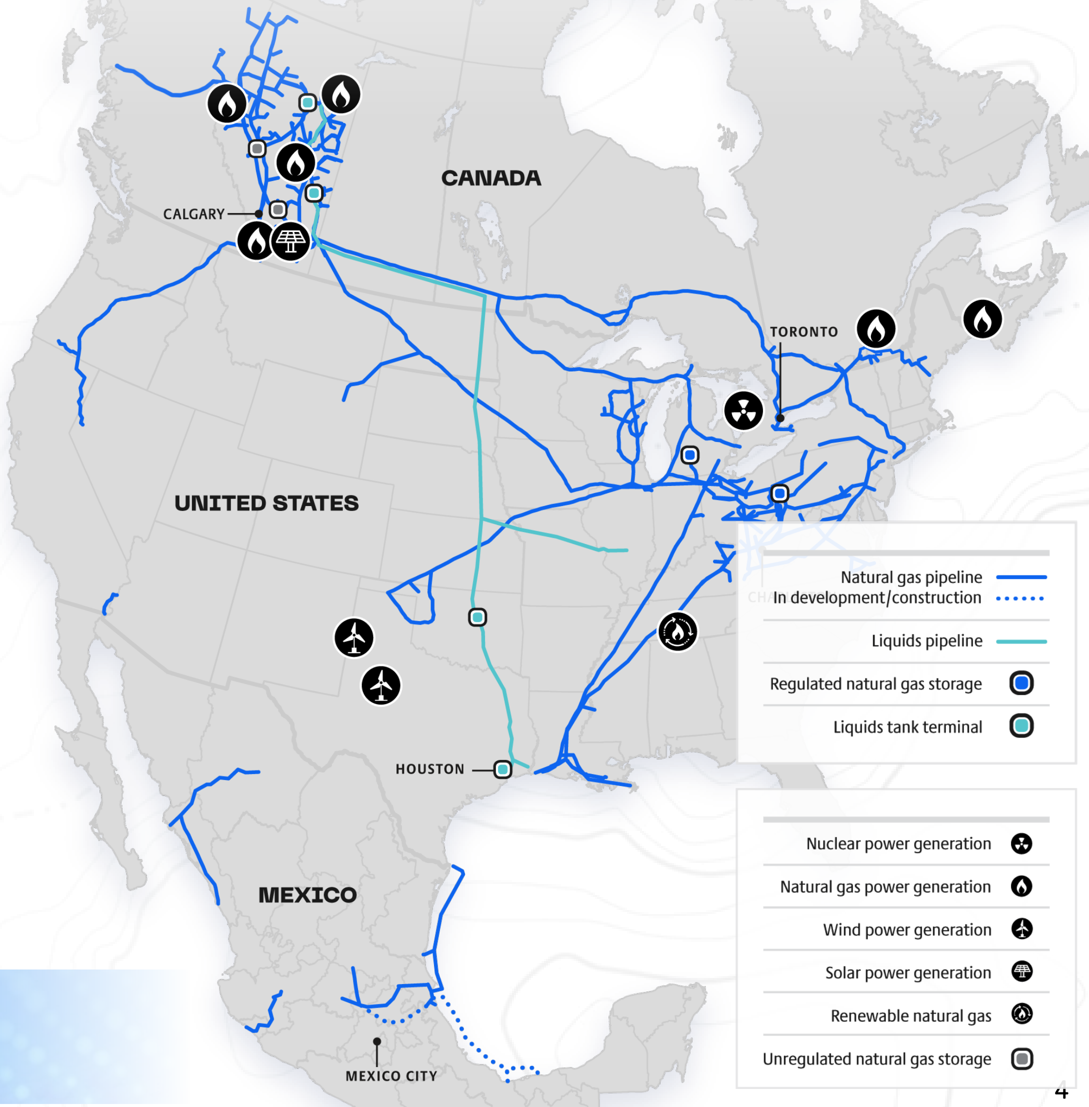
2024 Annual and Special Meeting overview

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

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

A highly-integrated North American asset base

- Team of **7,000+** energy problem solvers working to move, generate and store the energy North America relies on
- **~$128 billion** in critical pipeline and power generation assets
  - Natural Gas network safely transports approximately **30%** of the natural gas required to meet energy demand across the continent every day
  - Power and Energy Solutions portfolio has the capacity to provide **4,600 MW** of electricity
  - Liquids Pipelines **directly connects** one of the largest global oil reserves, the WCSB, to the largest refining markets in the U.S. Midwest and Gulf Coast
- **97%** of comparable EBITDA(1) underpinned by rate-regulation and long-term contracts



70+ years delivering the energy millions of people rely on, every day

(1) *Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A and B for more information.*

TC Energy strategy

Our vision is to be the premier energy infrastructure company in North America, today and in the future.

Our goal is to develop, build and safely operate a portfolio of infrastructure assets that enables us to prosper, irrespective of the pace and direction of energy transition and at all points in the economic cycle

2024 strategic priorities

MAXIMIZING THE VALUE OF OUR ASSETS THROUGH SAFETY AND OPERATIONAL EXCELLENCE

✓ Safely, reliably and affordably delivering energy
✓ Executing the spinoff of the South Bow business
✓ Continuing to advance the integration of our natural gas businesses

PROJECT EXECUTION ON-TIME AND ON-BUDGET

✓ Elevated focus and governance on large projects
✓ Placing ~$7 billion(1) of assets into service in 2023
✓ Delivering 2024E comparable EBITDA(2) of $11.2 to $11.5 billion(3)

ENHANCING BALANCE SHEET STRENGTH AND FLEXIBILITY

✓ Achieving below 4.75x debt-to-EBITDA(4) target by end of 2024
✓ Advancing ~$3 billion asset divestiture program
✓ Progressing Focus Project cost-savings and efficiency initiative

Twenty-four consecutive years of common share dividend increases

(1) Includes TC Energy's 35 per cent equity share of Coastal GasLink.
(2) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A and B for more information.
(3) Prior to the potential impact of asset sales and the spinoff Transaction
(4) Debt-to-EBITDA is a non-GAAP ratio. Adjusted debt and adjusted comparable EBITDA are the non-GAAP measures used to calculate Debt-to-EBITDA. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix C for more information.

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 TCFD[1] informed disclosure with preparation for mandatory climate reporting underway
- ✓ TNFD[2] 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 <u>FOR</u> 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 separate[1] TC Energy into two independent, investment-grade, publicly listed companies:

1 TRP Common Share pre-arrangement

=

1 New TRP Common Share

TC Energy: a low-risk, diversified, growth-oriented natural gas infrastructure and energy solutions company, uniquely positioned to meet growing industry and consumer demand for reliable, lower-carbon energy sources, including natural gas

0.2 SOBO Common Share[2]

South Bow: a critical energy infrastructure company, with an unrivalled market position to connect resilient, safe and secure liquids supply to the highest demand markets with incremental growth and value creation opportunities

- ✓ Comprehensive review of alternatives overseen by Board
- ✓ Independent and unique growth opportunities for both entities
- ✓ Shareholder dividend kept whole
- ✓ Incremental shareholder value achieved through two distinct strategies
- ✓ Independent Fairness Opinion provided
- ✓ Generally tax-free[3] for resident shareholders holding TRP shares as capital property
- ✓ TC Energy CEO will hold SOBO shares for at least 18 months following spinoff effective date
- ✓ The Arrangement will not trigger any change-of-control payments upon closing

✓ ***The Board recommends that you vote <u>FOR</u> 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 term[1]

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 <u>FOR</u> 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
- ✓ Disclose our impact on Indigenous Peoples, and report on our policies and oversight relating to the rights of Indigenous Peoples in our operations and decision-making
- ✓ 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 <u>AGAINST</u> this proposal

Appendix

Appendix A – Non-GAAP reconciliations – Comparable EBITDA[(1)]

(Millions of dollars)

	Three months ended March 31	
	2024	2023
Total segmented earnings (losses)	2,266	2,170
Interest expense	(837)	(762)
Allowance for funds used during construction	157	131
Foreign exchange gains (losses), net	27	107
Interest income and other	77	42
Income (loss) before income taxes	1,690	1,688
Income tax (expense) recovery	(293)	(341)
Net income (loss)	1,397	1,347
Net (income) loss attributable to non-controlling interests	(171)	(11)
Net income (loss) attributable to controlling interests	1,226	1,336
Preferred share dividends	(23)	(23)
Net income (loss) attributable to common shares	1,203	1,313

	Three months ended March 31	
	2024	2023
Comparable EBITDA[(1)]	3,090	2,775
Depreciation and amortization	(719)	(677)
Interest expense included in comparable earnings	(837)	(757)
Allowance for funds used during construction	157	131
Foreign exchange gains (losses), net included in comparable earnings	43	33
Interest income and other	77	42
Income tax (expense) recovery included in comparable earnings	(333)	(280)
Net (income) loss attributable to non-controlling interests	(171)	(11)
Preferred share dividends	(23)	(23)
Comparable earnings[(1)]	1,284	1,233

(1) Comparable EBITDA and comparable earnings are non-GAAP measures. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information. For reconciliation of net income to comparable earnings, please see Appendix B.

Appendix B – Non-GAAP reconciliations – Net Income (loss) to comparable earnings[1]

(Millions of dollars, except per share amounts)

	Three months ended March 31	
	2024	2023
Net income (loss) attributable to common shares	1,203	1,313
Specific items (net of tax):		
Foreign exchange (gains) losses, net – intercompany loan	(55)	—
Expected credit loss provision on net investment in leases and certain contract assets in Mexico	(15)	(72)
Third-party settlement	26	—
Liquids Pipelines business separation costs	13	—
Focus Project costs	8	—
Keystone regulatory decisions	—	48
Coastal GasLink impairment charge	—	29
Keystone XL preservation and other	—	4
Bruce Power unrealized fair value adjustments	4	(6)
Risk management activities	100	(83)
Comparable earnings[1]	1,284	1,233
Net income (loss) per common share	1.16	1.29
Specific items (net of tax):		
Foreign exchange (gains) losses, net – intercompany loan	(0.05)	—
Expected credit loss provision on net investment in leases and certain contract assets in Mexico	(0.02)	(0.07)
Third-party settlement	0.03	—
Liquids Pipelines business separation costs	0.01	—
Focus Project costs	0.01	—
Keystone regulatory decisions	—	0.05
Coastal GasLink impairment charge	—	0.03
Keystone XL preservation and other	—	—
Bruce Power unrealized fair value adjustments	—	(0.01)
Risk management activities	0.10	(0.08)
Comparable earnings per common share[1]	1.24	1.21

(1) Comparable earnings and comparable earnings per common share are non-GAAP measures. See the forward-looking information and non-GAAP measures slide at the front of this presentation for more information.

Appendix C – Non-GAAP reconciliations – Adjusted Debt/Adjusted Comparable EBITDA (Debt-to-EBITDA)

Adjusted debt and adjusted comparable EBITDA are non-GAAP measures used to compute the debt-to-EBITDA multiple. Each of adjusted debt and adjusted comparable EBITDA measures does not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies.

Adjusted debt is defined as the sum of Reported total debt, including Notes payable, Long-Term Debt, Current portion of long-term debt and Junior Subordinated Notes, as reported on our Consolidated balance sheet as well as Operating lease liabilities recognized on our Consolidated balance sheets and 50 per cent of Preferred Shares as reported on our Consolidated balance sheet due to the debt-like nature of their contractual and financial obligations, less Cash and cash equivalents as reported on our Consolidated balance sheet and 50 per cent of Junior Subordinated Notes as reported on our Consolidated balance sheet due to the equity-like nature of their contractual and financial obligations.

Adjusted comparable EBITDA is calculated as comparable EBITDA excluding Operating lease costs recorded in Plant operating costs and other in our Consolidated statement of income and adjusted for Distributions received in excess of income from equity investments as reported in our Consolidated statement of cash flows which is more reflective of the cash flows available to TC Energy to service our debt and other long-term commitments. See the forward-looking information and non-GAAP measures slide at the front of the presentation for more information.

Appendix C – Non-GAAP reconciliations – Adjusted Debt/Adjusted Comparable EBITDA[1] (Debt-to-EBITDA) *continued*

(Millions of dollars)

	Year ended December 31	
	2023	2022
Reported total debt	63,201	58,300
Management adjustments:		
Debt treatment of preferred shares[2]	1,250	1,250
Equity treatment of junior subordinated notes[3]	(5,144)	(5,248)
Cash and cash equivalents	(3,678)	(620)
Operating lease liabilities	459	433
Adjusted debt	56,088	54,115
Comparable EBITDA[4]	10,988	9,901
Operating lease cost	118	106
Distributions received in excess of (income) loss from equity investments	(123)	(29)
Adjusted Comparable EBITDA	10,983	9,978
Adjusted Debt/Adjusted Comparable EBITDA	5.1	5.4

(1) Adjusted debt and Adjusted Comparable EBITDA are non-GAAP measures. Management methodology. Individual rating agency calculations will differ.
(2) 50 per cent debt treatment on $2.5 billion of preferred shares as of December 31, 2023.
(3) 50 per cent equity treatment on $10.3 billion of junior subordinated notes as of December 31, 2023. U.S. dollar-denominated notes translated at December 31, 2023, U.S./Canada foreign exchange rate of 1.32.
(4) Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A and B for more information.