

Policy.



Enterprise Risk Management Policy.

Purpose and scope

This Policy governs TC Energy's Enterprise Risk Management (ERM) practices and defines accountabilities and responsibilities for:

- identifying and assessing Enterprise and Emerging Risks; and
- establishing Risk Appetite.

Risk management is integral to the successful operation of TC Energy's business and the achievement of its strategic objectives. The Company's success depends on its ability to identify risks and related exposures associated with its business activities and mitigating them within defined risk tolerances.

TC Energy manages Enterprise Risk through a centralized ERM program, which systematically identifies, evaluates, categorizes and reports risks that could materially impact achievement of its strategic objectives.

This Policy applies to all TC Energy Employees, Contractors, and TC Energy-operated entities whose Enterprise Risk is managed by TC Energy.

This Policy does not apply to partially-owned entities that independently manage their own enterprise-level risks.

All information pertaining to the Company's risk is confidential and intended for internal use only.

Policy

1 Enterprise Risk Management principles

1.1 ERM at TC Energy is guided by core principles, aligned with international risk management standards and guidelines (see References section below). This alignment provides Assurance to the Board that the Company understands and strives to manage or mitigate risks associated with, and resulting from, its strategic objectives. These core principles include:

- a) risk management strategies are aligned with, and supportive of, the Company's strategic, financial and operational directives;
- b) risk management is the responsibility of all Employees and Contractors, including the Board;
- c) risk management is applied in a coordinated and efficient manner across the Company, using common definitions and a consistent framework;
- d) risk information is a fundamental component of the Company's strategic planning, business planning, operational management and investment decisions;
- e) risk assessments are performed periodically on no less than an annual basis, considering both risks to, and opportunities arising from, TC Energy's strategy; and
- f) the ERM program will continue to improve and evolve to reflect industry best practices and TC Energy's needs.

2 Board and Board committee responsibilities

2.1 Annually, the Board will:

- a) review the:
 - Enterprise Risk Register;
 - Enterprise Risk Matrix;
 - Key Risk Indicators; and
- b) receive detailed presentations on Enterprise Risks.

2.2 Quarterly, the Board will review identified Emerging Risks and the corresponding management response.

2.3 TC Energy's Governance Committee of the Board (Governance Committee) oversees the Company's ERM activities, as well as its policies, programs and practices effectiveness. If an Emerging Risk rises to the level of a new Enterprise Risk the Governance Committee will:

- a) review the mapping of such Enterprise Risk; and
- b) report the identified Enterprise Risk to the Board.

2.4 The Board has responsibility to oversee all risks generally, and in addition certain Board committees also oversee specific risks, including the:

- a) Human Resources Committee overseeing executive resourcing, organizational capabilities and compensation risks;
- b) Health, Safety, Sustainability and Environment Committee overseeing operational, health, safety, sustainability and environmental risks, including climate-related risks; and
- c) Audit Committee overseeing management's role in managing financial risks, including insurance risk, market risk, counterparty credit risk and cybersecurity risk.

3 Management Risk Committee (MRC)

- 3.1 The MRC is comprised of TC Energy's Executive Leadership Team and is chaired by the Chief Risk Officer (CRO). The MRC may, at its discretion, add additional committee members.
- 3.2 The MRC is accountable for developing and implementing risk management plans and actions, including:
- a) implementing and continuously improving the ERM program, including implementation of risk treatment strategies;
 - b) collaborating with the CRO to establish and periodically review the Enterprise Risk Matrix;
 - c) designating Enterprise Risk Governance and Execution Owners;
 - d) receiving and evaluating the quarterly Enterprise and Emerging Risk report; and
 - e) collaborating with the CRO to provide the Board and its committees with quarterly Enterprise and Emerging Risk reporting.
- 3.3 Each Enterprise Risk is assigned an Enterprise Risk Governance Owner and an Enterprise Risk Execution Owner. Both the Enterprise Risk Governance and Execution Owners are involved in developing and implementing comprehensive Enterprise Risk management and treatment strategies. They may also periodically report to the Board on Enterprise Risk.
- 3.4 The Chief Executive Officer holds decision rights over the risk rating.
- 3.5 Each MRC member may delegate execution of ERM activities to an appropriate Employee by notifying the ERM program. These delegated Employees become members of the Enterprise Risk Liaison Network.

4 Enterprise Risk Management program

- 4.1 The CRO is accountable for implementation, execution and continuous improvement of the ERM program. This includes:
- a) establishing, documenting and maintaining the ERM program and processes in a manner suitable for TC Energy's risk culture and operating model;
 - b) overseeing the annual Enterprise Risk assessment and management of the Enterprise Risk Register including consideration of whether Emerging Risks should be elevated to Enterprise Risks; and
 - c) reporting Enterprise and Emerging Risks to the Board and the Governance Committee periodically.

4.2 The ERM program is responsible for:

- a) providing the Board with comprehensive reporting demonstrating that Enterprise Risks are identified, analyzed, evaluated, treated, monitored, and documented in a consistent and coordinated manner across the Company;
- b) facilitating quarterly reviews of Emerging Risks, coordinating the annual Enterprise Risk assessment, maintaining the Enterprise Risk Register, and periodically reporting Enterprise and Emerging Risks to the Board and its committees;
- c) ensuring that the Company's risks and related exposures are consistent with its business objectives, risk culture, and Risk Appetite; and
- d) coordinating and managing all enterprise risk reporting to the Board and its committees.

5 Enterprise Risk Liaison Network (ERLN)

5.1 ERLN members are designated by the MRC and are responsible for identifying and reporting risks for potential inclusion in the Enterprise Risk Register. They also contribute to other ERM program deliverables, such as Emerging Risks reporting.

5.2 ERLN Members must have a broad range of experience and skills in risk management, and will collaborate with relevant senior leaders in their area(s) to bring diverse perspectives together to identify and assess risks.

6 Internal Audit

6.1 As outlined within TC Energy's Corporate Assurance Standard, the Company relies upon various sources of internal and external Assurance to monitor how key risks are managed, and to assess the effectiveness of the related controls and processes. Internal Audit performs risk-based audits that are aligned with the Company's strategic objectives, assist management in mitigating risks, and address risk mitigation activities identified through the ERM program.

Your responsibility

Employees and Contractors must follow all applicable provisions and the spirit and intent of this corporate governance document and support others in doing so. Employees must promptly report any suspected or actual violation of this corporate governance document through available [channels](#) so that TC Energy can investigate and address it appropriately. Employees and Contractors who violate this corporate governance document or knowingly permit others under their supervision to violate it, may be subject to appropriate corrective action, up to and including termination of employment or contract, as applicable, in accordance with the Company's corporate governance documents, employment practices, contracts, collective bargaining agreements and processes.

Interpretation and administration

The Company has sole discretion to interpret, administer and apply this corporate governance document and to change it at any time to address new or changed legal requirements or business circumstances.

Non-retaliation

TC Energy supports and encourages Employees and Contractors to report suspected violations of corporate governance documents, applicable laws, regulations, and authorizations, as well as hazards, potential hazards, incidents involving health and safety or the environment, and near hits. Such reports can be made through available [channels](#). TC Energy takes every report seriously and investigates it to identify facts and, when warranted, makes improvements to our corporate governance documents and practices. All Employees and Contractors making reports in good faith will be protected from retaliation, and all Employees and Contractors must report if they or someone they know is being or has been retaliated against for reporting. Good Faith Reporting will not protect Employees and Contractors who make intentionally false or malicious reports, or who seek to exempt their own negligence or willful misconduct by the act of making a report.

Definitions

Assurance means the objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization.

Board means the TC Energy Board of Directors.

Contingent Workforce Contractor (CWC) means an individual who:

- is employed by a third party to work on behalf of TC Energy;
- uses TC Energy's assets (e.g., workstation, email, phone) and corporate services;
- is compensated on an hourly or daily rate basis; and
- works under the direction of a TC Energy leader.

Contractor means a third party hired by TC Energy to perform services for or supply equipment, materials, or goods to the Company. Contractors include, without limitation, Contingent Workforce Contractors and Excluded Contractors.

Emerging Risks are a condition, situation, or trend with a high degree of uncertainty or lack of clarity that could be internal or external factors that significantly impact TC Energy's financial strength, competitive position or reputation.

Employee means full-time, part-time, temporary and student employees of TC Energy.

Enterprise Risk Execution Owner is an Executive Leadership Team member(s) responsible for implementing controls to manage the applicable Enterprise Risk.

Enterprise Risk Governance Owner is an Executive Leadership Team member(s) accountable for establishing controls to manage the applicable Enterprise Risk.

Enterprise Risk Management (ERM) means the culture, capabilities and practices, integrated with strategy-setting and its performance, that organizations rely on to manage risk in creating, preserving and realizing value.

Enterprise Risk Matrix is a visual tool used to evaluate and rank potential risks based on their consequence and likelihood, in order to prioritize management of Enterprise Risks.

Enterprise Risk Register is a list of Enterprise Risks that could impact TC Energy and their associated risk ratings, based on the Enterprise Risk Matrix, plotted on a heat map.

Enterprise Risks are potential events that could impact TC Energy's ability to meet or support its strategic, financial, or operational objectives, and therefore require management's on-going attention due to the higher probability that an event could materially affect the achievement of the Company's objectives.

Excluded Contactor means a third party or individual employed by a third party who:

- delivers services, equipment, materials, or goods to the Company using their own tools and assets (e.g., work station, laptop, email, phone, PPE, vehicle);
- does not increase TC Energy corporate headcount and overhead costs;
- does not use TC Energy's assets and corporate services; and
- directs their own work or receives direction from their employer.

Good Faith Reporting means an open, honest, fair and reasonable report without malice or ulterior motive.

Key Risk Indicators (KRIs) are measurable metrics used to signal potential changes in risk exposure within the Company.

Risk Appetite means the type and amount of risk that TC Energy is willing to accept in pursuit of value.

TC Energy or the **Company** means TC Energy Corporation and its wholly-owned subsidiaries and/or operated entities.

References

Related corporate governance and supporting documents

- Board Governance Committee Charter
- Code of Business Ethics Policy
- Counterparty Risk Policy
- Insurance Risk Policy
- Interest Rate and Foreign Exchange Market Risk Policy
- Market Risk Policy

- TC Energy's Operational Management System (TOMS) Framework
- TOMS Performance, Assurance, and Continuous Improvement (e14) Element Standard
- Corporate Assurance Standard

Other references

- The Committee of Sponsoring Organizations of the Treadway Commission (COSO) (September 1992 for internal control, and September 2004 and 2017 for enterprise risk management)
- Risk Management—Principles and Guidelines AS ISO 31000:2018

How to contact us

- [Policy Questions and Comments](#)

TC Energy's reporting channels

- [Ethics Helpline](#)
- [Corporate Compliance](#)
- [Internal Audit](#)
- Human Resources
- Legal department
- Compliance Coordinators