

# Policy.



## Contractor Management Policy.

### Purpose and scope

This Policy describes the Company's requirements for engaging Contractors and provides direction on relevant processes.

All Employees and Contractors in Canada, U.S. and Mexico must follow this Policy.

### Policy

#### 1 General provisions

- 1.1 As part of its workforce strategy, TC Energy engages Contractors to meet short-term demands for additional human resources to complete a project or meet peak or unusual demands.
  - a) As an exception, TC Energy may engage Excluded Contractors to provide the Company with a service on an ongoing basis. Such an exception requires a prior written approval from the accountable Vice-President. A copy of the written approval must be submitted to the Contingent Workforce Program Office (CW Program Office) for monitoring and to be included in the quarterly exception report for the Executive Leadership Team.
  - b) In Mexico, TC Energy may engage Contractors only to provide specialized services that are not part of the corporate purpose or main economic activity of the Company. Contractors providing such specialized services that are not part of corporate purpose or main economic activity of the Company must prove they are registered with the Labour and Social Welfare Ministry before starting their engagement with TC Energy.
- 1.2 TC Energy's leaders must not discuss performance, development, pay and benefits, contract termination, renewal and extension and any other contract-related content directly with Contractors. Such discussions must be arranged between TC Energy's Supply Chain department (Supply Chain) and the Contractor's employer.

- a) Leaders may deliver task-related direction and expectations to help Contractors complete their assigned tasks appropriately.
  - b) Leaders should engage their designated Supply Chain contact when unsure what can be communicated directly to Contractors.
- 1.3 Contingent Workforce Contractors (CWCs) may participate only in business meetings directly related to their work assignment or when a business need exists to include them.
- 1.4 Excluded Contractors must not use vehicles owned, leased, or rented directly by the Company.
- a) As an exception, Excluded Contractors may use a Company-owned vehicle with a prior written approval from both the Vice-President accountable for the Excluded Contractor and the Vice-President, Supply Chain. A copy of the written approval must be submitted to the CW Program Office for monitoring and to be included in the quarterly exception report for the Executive Leadership Team.
  - b) Excluded Contractors may lease and rent vehicles for the purpose of completing their assignment for TC Energy with a prior written approval from the Company. Reimbursement of such expenses must conform with section 5.4 of this Policy.
- 1.5 Excluded Contractors must not be provided with TC Energy's cell phone, laptop, or any other asset, unless approved in writing by the accountable Vice-President as an exception. A copy of the written approval must be submitted to the CW Program Office for monitoring and to be included in the quarterly exception report for the Executive Leadership Team.
- 1.6 TC Energy must not provide Contractors with a Company credit card.
- 1.7 All CWCs must be identified in TC Energy's Global Address List as a "Contractor".
- 1.8 When using business cards, email signatures, or signing business correspondence, a Contractor must represent themselves as a "Contractor representing TC Energy".
- 1.9 Employees must not report directly to Contractors.

## 2 Engagement of Contractors

- 2.1 Engagement of Contractors must be managed in accordance with the legal requirements of the applicable jurisdiction.
- 2.2 All Contractors, except those who provide legal counsel, must be engaged through Supply Chain and CWCs must be engaged specifically through the CW Program Office.
- 2.3 Employers of Contractors must, among other responsibilities, conduct all applicable background checks (refer to the Background Screening Policy for detailed direction).
- 2.4 Contractors must not be engaged as both a CWC and Excluded Contractor concurrently.

- 2.5 CWCs can be engaged only by Employees who completed TC Energy's onboarding training for hiring leaders.
- 2.6 All initial engagements and any extensions of CWCs beyond the initial term require the hiring leader to:
  - a) consult with the Human Resources Consultants (HRCs) supporting their business unit to determine whether engaging/extending the CWC is an appropriate solution; and
  - b) obtain approval from the Vice-President accountable for their business unit.
- 2.7 Supply Chain negotiates and maintains all TC Energy's contracts with employers of Contractors in accordance with TC Energy's policies, templates, and processes.
- 2.8 An Employee who was terminated (with or without cause), resigned, or retired must not be engaged as a Contractor for a period of 12 months following the date their employment ended. A third party who has taken a legal action against the Company must not be engaged as a Contractor.
  - a) Any exceptions to section 2.8 of this Policy must be approved in writing by both the Vice-President accountable for the business unit to engage such a Contractor and the Vice-President, Talent Development and HR Consulting.
  - b) Notification of the approved exception must be sent to the CW Program Office before such a Contractor is engaged by the Company.
- 2.9 If a core employment opportunity with TC Energy is offered to a Contractor, all terms of the applicable contract, the Code of Business Ethics Policy and Conflict of Interest and Integrity Policy, and TC Energy's hiring processes must be followed.

### 3 CWCs' Tenure

- 3.1 CWCs must not be engaged for longer than 24 continuous months.
- 3.2 When a CWC is engaged continuously by TC Energy for 24 months, they must have a break in service of at least 3 months before they can be engaged by the Company again. Hiring leaders must monitor the length of engagement of the CWCs they are accountable for.
- 3.3 Any exceptions to sections 3.1 and 3.2 of this Policy must be approved in writing by the accountable Vice-President. A copy of the written approval must be submitted to the CW Program Office for monitoring and to be included in the quarterly exception report for the Executive Leadership Team.

### 4 Contractors' pay

- 4.1 Contractors must be paid for the time they worked by their employer. If eligible, Contractors will be paid for statutory holidays by their employers in accordance with the labour law applicable in their jurisdiction.
- 4.2 Employers of Contractors must administer Contractor's pay.

- 4.3 Contractors may be eligible for overtime depending on the terms of their contract with their employer. All eligible overtime must be:
- pre-approved by the TC Energy's hiring leader accountable for the Contractor;
  - arranged directly with the Contractor's employer and communicated to the Contractor directly by their employer; and
  - paid for the hours worked and not be compensated for by alternative schemes such as 'time off in lieu'.
- 4.4 CWCs' pay must be set and administered in accordance with a Rate Card that is managed by the CW Program Office.
- Any exceptions to section 4.3 of this Policy must be submitted to the CW Program Office with the supporting rationale and a written approval from the Vice-President accountable for the business unit seeking the exception.

## 5 Expenditures and expenses

- 5.1 Excluded Contractors do not have any spending authority.
- 5.2 CWCs may be granted spending authority only if they have a specific designation granted in accordance with the Authorities and Spending Limits Policy.
- 5.3 Before incurring any expenses, Contractors must obtain the expense pre-approval from the TC Energy leader with the appropriate level of spending authority (see the Authorities and Spending Limits Policy).
- 5.4 Contractors are responsible for the initial payment of any pre-approved business-related expense and must claim it within 30 days of incurring it. Contractors must claim the pre-approved expenses through their employer.
- 5.5 In accordance with the Business Expense Policy, Employees must not pay for any Contractor-related expenses through the Company's credit card with the exception of working sessions when the Company provides catered food such as sandwiches or platters of pastries to all participants.
- 5.6 CWCs must comply with the Business Travel Policy for all business travel-related approvals and expenses.

## 6 Benefits

- 6.1 Contractors are not eligible for any Company employment benefits, including without limitation:
- education and professional development;
    - TC Energy's leaders may allow Contractors to partake in skills training, but only when it is required to enable them to perform the tasks assigned to them by TC Energy more effectively and/or efficiently.
  - dental and health insurance;

- c) vacation;
  - d) Spotlight program;
  - e) health/fitness or social clubs subsidies;
  - f) incentive compensation;
  - g) personal share units; and
  - h) Company's stock plan options.
- 6.2 Contractors are not eligible to participate in TC Energy's Empower program.
- 6.3 Contractors may be entitled to benefits provided by their employer.
- 6.4 With the exception described in section 6.4(a) of this Policy, Contractors must not be given any type of payments (including gift cards) or gifts, directly by TC Energy, including without limitation for the purpose of recognition or bonus. If a payment or gift is warranted, it must be delivered to the Contractor directly from their employer. All such payments or gifts must be pre-approved by the accountable Vice-President and coordinated by the CW Program Office.
- a) Contractor may be given an occasional promotional gift from TC Energy (such as a pen, coffee mug, calendar, or another TC Energy-branded stationary merchandise) as a customary business courtesy, provided that the promotional gift does not exceed a value of CAD \$50/ USD \$50/ MXN \$1000 per instance or total more than CAD \$100/ USD \$100/ MXN \$2000 in aggregate for the calendar year.
- 6.5 Contractor attendance at Company team builds, site tours, team lunches or volunteer events must be limited to events that have content directly relevant to a Contractor's work assignment.
- a) Contractors must not participate in the Company holiday parties.

## 7 Exceptions

- 7.1 Any exceptions that are not explicitly addressed in this Policy must be approved by both the Vice-President of Supply Chain and Chief Compliance Officer.

## 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 and Contractors 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

**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 (Canada and the U.S.) and monthly (Mexico); and
- works under the direction of a TC Energy leader.

**Contingent Workforce (CW) Program Office** means a department in Supply Chain that supports the procurement and management of CWCs on behalf of TC Energy. The CW Program Office plays an administrative and governance role for ensuring proper procurement, engagement and management of CWCs.

**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.

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

**Excluded Contractor** 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 reporting without malice or ulterior motive.

**Personnel** means Employees and Contingent Workforce Contractors of TC Energy.

**Rate Card** means a list of job titles, descriptions, seniorities and pay rates applicable to Contingence Workforce Contractors.

**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

- Authorities and Spending Limits Policy
- Background Screening Policy
- Business Expense Policy
- Business Travel Policy
- Code of Business Ethics Policy
- Conflict of Interest and Integrity Policy
- Individual and Team Events and Recognition Employment Practice

### Other References

- Contingent Workforce Program Website
- Email Signature QRG

## 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