

**TERMS OF REFERENCE FOR THE CHAIR OF THE  
BOARD OF DIRECTORS OF SOUTH BOW CORPORATION (the Company)**

**I. INTRODUCTION**

- A. The Chair, as an independent member of the Board of Directors and subject to the Chair's annual election by the Shareholders, is appointed for a renewable term of four years, which can be extended for such further period as may be deemed appropriate by the Board in its discretion.
- B. The Chair's primary role includes ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities.
- C. The Chair with the assistance of the Chief Executive Officer (the CEO), coordinates the affairs of the Board, and together with the CEO ensures effective relations with Board members, shareholders, other stakeholders and the public.
- D. The Chair maintains unfettered two-way communication with the Vice President, Controller who has responsibility over Internal Audit and the SVP, General Counsel, who has responsibility over the Corporate Secretary. The Chair's interaction with all senior officers is required, although not expected to be frequent.

**II. DUTIES AND RESPONSIBILITIES**

**A. Working with Management**

The Chair has the responsibility to:

- i) act as the principal sounding board, counselor and confidant for the CEO, including helping to review strategies, define issues, maintain accountability, and build relationships and is the primary conduit of independent director feedback to the CEO and the CEO's feedback to independent directors;
- ii) at the request of the CEO, provide advice to the CEO on major policy issues;
- iii) in cooperation with the CEO, assist in representing the Company in a general industry and community context;
- iv) ensure the CEO is aware of concerns of the Board, shareholders, other stakeholders and the public;
- v) lead the Board in monitoring and evaluating the performance of the CEO, ensure the accountability of the CEO, and ensure implementation of the management succession and development plans by the CEO;
- vi) assess, in conjunction with the Human Resources Committee and the Board, the performance of the CEO and other senior executive officers, and provide input with respect to compensation and succession;

- vii) liaise closely with the CEO to ensure management strategies, plans and performance are appropriately represented to the Board;
- viii) at the request of the CEO, provide assistance on major policy issues such as acquisitions, divestitures, and new strategic initiatives, and also assist in representing the Company at senior levels of industry or government to promote specific corporate objectives; and
- ix) in times of crisis, align with the CEO to maintain the Company's trust and confidence in the Board and management to respond to the crisis.

## **B. Managing the Board**

The Chair has the responsibility to:

- i) ensure the Board is aware of its obligations to the Company, shareholders, management, other stakeholders and to carry out such obligations pursuant to applicable law;
- ii) chair Board meetings facilitating open and constructive communications, ensuring all board members contribute to effective board discussions;
- iii) establish in conjunction with the governance committee the frequency, length and conduct of Board meetings and review such matters from time to time, as considered appropriate or as requested by the Board;
- iv) assist the Governance Committee in drawing up a slate of directors to be nominated for election to the Board and oversee the evaluation of skills and experience needed to maintain effective board performance and assist in recruiting potential director candidates who have been identified are recommended by the Governance Committee;
- v) recommend the committees of the Board and their composition, review the need for, and the performance and suitability of, those committees and make such adjustments as are deemed necessary from time to time, all in conjunction with the CEO and the Governance Committee;
- vi) ensure the coordination of the agenda, information packages and related events for Board meetings in conjunction with the CEO, the Chief Financial Officer and the Corporate Secretary;
- vii) ensure the Board receives adequate and regular updates from the CEO on all issues important to the welfare and future of the Company;
- viii) maintain a liaison and communication with all directors and Committee Chairs to coordinate input from directors, and optimize the effectiveness of the Board and its committees;

- ix) in collaboration with the CEO, ensure information requested by directors or committees of the Board is provided on a timely basis; and
- x) in conjunction with the governance committee, review and assess director attendance, performance and compensation as well as the size and composition of the Board.

**C. Relations with Shareholders, Other Stakeholders and the Public**

The Chair has the responsibility to:

- i) chair meetings of shareholders;
- ii) ensure, in conjunction with the CEO and relevant committees, the Company's management and, where applicable, the Board are appropriately represented at official functions and meetings with major shareholder groups, and other stakeholder groups;
- iii) represent the Board with shareholder engagement meetings, in such engagement meetings the Chair advances the purpose, vision and strategy of the Company in support of long-term shareholder value creation;
- iv) in cooperation with the CEO, represents the Company in its communications with broader stakeholders, reinforcing corporate culture and values, respecting the primacy of the CEO role; and
- v) undertake public service activities, as requested by the CEO and relevant committees, in connection with the Company's charitable, educational and cultural activities and objectives.