

Avoiding Bribery and Corruption Policy

Policy Statement

This Policy affirms South Bow's commitment to conducting business with integrity and in compliance with applicable Avoiding Bribery and Corruption Laws.

Scope

This Policy applies to all Team Members and board members.

Principles

1 Zero tolerance for Bribery and Corruption

- 1.1 All forms of Bribery and Corruption are strictly prohibited at South Bow. This includes offering, giving, soliciting, or accepting anything of value to improperly influence decisions or gain an unfair advantage, whether offered or accepted directly or indirectly through a third party. The parties involved may include Government Officials, Politically Exposed Persons, Excluded Contractors, and counterparties seeking to do business with South Bow, or any other person.
- 1.2 Facilitation Payments and kickbacks, bribes, or anything of value are prohibited under all circumstances. Any request for such payments must be refused and reported immediately to Corporate Compliance.
- 1.3 We must avoid any actions or situations that could be perceived as bribery, corruption, or illegal business conduct, even if the intent is not to improperly influence.

Implementation

1 Appropriate gifts, Meals, Entertainment, and Travel for Government Officials

- 1.1 South Bow must be prudent when offering or providing, directly or indirectly through a third party, gifts, meals, entertainment, travel, or other business hospitality to Government Officials to avoid any actual or perceived violations of **Avoiding Bribery and Corruption Laws** and South Bow's policies. Only gifts, meals, and entertainment that are reasonable, do not influence business decisions and are not otherwise prohibited may be offered.

- 1.2 In Canada, we may provide gifts, meals, or entertainment to federal or Manitoba provincial government members only if the value does not exceed CAD \$40 per instance and CAD \$200 in total per calendar year.
- 1.3 Team Members must obtain written pre-approval from their VP or above for any gift, meal, or entertainment to Government Officials or Politically Exposed Persons if it exceeds CAD \$100 in Canada or USD \$100 in the United States. Additional restrictions apply as outlined in section 1.2.
- 1.4 Travel-related expenses for Government Officials require the same level approvals as section 1.3 and may be paid only when there is a legitimate business need, and it is permitted under local law. Examples include visits to South Bow facilities or demonstrations of South Bow capabilities.
- 1.5 In Canada, payment for travel-related expenses is prohibited for an elected, appointed or employed member of the federal government of Canada that South Bow has or intends to Lobby.

2 Excluded contractors and third-party due diligence

- 2.1 South Bow may be held responsible for Bribery or Corruption activities conducted by its Excluded Contractors. As such, all Team Members are required to ensure that South Bow only deals with legitimate, reputable, and qualified Excluded Contractors.
- 2.2 Team Members must ensure that Excluded Contractors understand and comply with their obligations under the Contractor Code of Business Ethics Policy, including an obligation not to engage in improper conduct in connection with the business they conduct for South Bow.
- 2.3 Team Members responsible for the relationship with the Excluded Contractor must monitor performance to ensure the Excluded Contractor does not engage in any activities that may raise Bribery and Corruption concerns.
- 2.4 Team Members must follow South Bow's Supply Chain processes prior to retaining or entering into a contract with an Excluded Contractor. South Bow's Supply Chain department, in conjunction with the applicable business unit and Corporate Compliance, as applicable, must conduct due diligence proportionate to the risks involved in retaining the Excluded Contractor. Written agreements with Excluded Contractors must include Avoiding Bribery and Corruption language.

3 Mergers, acquisitions, joint ventures and partnerships due diligence

- 3.1 Prior to acquiring or entering into a transaction with another company, South Bow must conduct anti-corruption due diligence on counterparties to any proposed merger, acquisition, joint venture, asset acquisition, and similar transactions.
- 3.2 Any contracts with joint venture or other business partners who have or will have dealings with Government Officials or Politically Exposed Persons must require all parties to comply

with South Bow's COBE and this Policy unless their own avoiding bribery and corruption policy and/or code of business ethics meets or exceeds South Bow's requirements.

4 Hiring and Scholarships due diligence

- 4.1 Hiring an applicant who is a Government Official or Politically Exposed Person for a position with South Bow could be construed as providing a Government Official with a benefit to secure a contract, concession or other improper advantage for South Bow, or to improperly influence such Government Official's decisions or actions in South Bow's favour. Due diligence is required when hiring or offering scholarships to Government Officials or Politically Exposed Persons to avoid actual or perceived improper influence.

5 Political contributions and government lobbying

- 5.1 Restrictions on political contributions and government lobbying laws assist with the proper functioning of the political process. South Bow does not contribute to political parties or organizations, or to any individual who holds or is a candidate for public office, except when permitted by applicable law and in accordance with Company policies.
- 5.2 Without prior authorization in accordance with South Bow's Political Activities and Contributions Policy, Team Members must never endorse or appear to endorse political parties or organizations, or individuals who hold or are candidates for public office, engage in lobbying activities, or make political contributions on South Bow's behalf.

6 Community investment

- 6.1 South Bow's community investment program is focused on safety, community, and environment. All donations, including monetary giving and in-kind giving, must be documented, transparent and made in accordance with this Policy.

7 Books and Records

- 7.1 South Bow must maintain Books and Records that fully, fairly, accurately, and understandably reflect all of the Company's transactions, use and disposition of Company assets, and other similar information. Team Members must ensure that:
- a) all gifts, meals, entertainment, travel, other hospitality and other expenses are made using a corporate credit card and properly reported and recorded;
 - b) any payments made on behalf of South Bow are supported by appropriate documentation;
 - c) all accounting and financial records are accurate, complete, and contain a reasonable amount of detail to explain the nature and purpose of the transaction;
 - d) no payment to a third party is made in cash or cash equivalents, unless pre-approved by Corporate Compliance, the Legal department, and the applicable business unit; and
 - e) Team Members must not create or help to create any documents for the purpose of concealing or misconstruing an activity, whether improper or not.

Your responsibility

Team Members and Excluded Contractors must follow all applicable provisions and the spirit and intent of this Policy and support others in doing so. You must promptly report any suspected or actual violation of this Policy through available [channels](#) so that South Bow can investigate and address it appropriately. Those who violate this Policy 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, and agreements.

South Bow supports the reporting of suspected breaches of governance, laws, regulations, health, safety, environmental incidents, and near hits, and takes all reports seriously. Those who report in good faith are protected from retaliation, though this protection does not extend to intentionally false or malicious reports or attempts to shield personal negligence or misconduct.

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.

Definitions

Avoiding Bribery and Corruption Laws mean laws throughout the world combating Bribery and Corruption, including laws that apply to South Bow's international activities. Examples of such laws are Canada's Corruption of Foreign Public Officials Act (the CFPOA), the United States Foreign Corrupt Practices Act (the FCPA) and Foreign Extortion Prevention Act (FEPA). Although the CFPOA, FCPA and FEPA are national laws in their respective countries, they apply to actions anywhere in the world. Prohibitions against bribery are also contained in the Criminal Codes of most countries, including Canada and the United States.

Books and Records should be interpreted broadly and can include books, records, accounts, invoices, financial statements, bank account statements, ledgers, board minutes, journal entries, and documents concerning transactions with third parties.

Bribery and Corruption means the offer, promise, or provision of a reward, advantage or benefit of any kind to a recipient, including Government Officials, directly or indirectly, to improperly influence that person's views or conduct in favour of South Bow. Corruption is the misuse of power by a recipient, including Government Officials, for illegitimate private gain. Bribery and Corruption can take many forms, including, but not limited to, the provision or acceptance of:

- cash payments or cash equivalents including all manner of gift cards and certificates;
- stock, securities, or other negotiable instruments;
- jobs or "consulting" relationships for recipients, their family or their businesses;

- commissions or Kickbacks;
- excessive gifts, entertainment or hospitality;
- payment of non-business related or lavish travel expenses;
- personal favours to the recipient, their family or their businesses; or
- the purchase of property or services at inflated or discounted prices.

Contingent Workforce Contractor (CWC) means an individual who:

- is employed by a third party (preferred Contingent Workforce supplier) to work on behalf of South Bow at a South Bow Office or work site;
- uses South Bow's assets (e.g., workstation, email, phone) and corporate services;
- is compensated on an hourly basis for a defined timeline;
- enters timesheets in Workday following South Bow Guidelines; and
- works under the direction of a South Bow leader.

Employee means full-time, part-time, temporary and student employees of South Bow.

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., workstation, laptop, email, phone, PPE, vehicle);
- does not increase South Bow corporate headcount and overhead costs;
- works remotely (offsite);
- does not enter timesheets in South Bow Workday; and
- directs their own work or receives direction from their employer.

Facilitation Payment means an unofficial payment of minimal value (typically less than U.S. \$100 or equivalent in local currency) made solely to expedite or secure the performance of a routine government action which would otherwise be lawful and proper, such as:

- processing governmental papers, including visas and work permits;
- providing or obtaining police protection, telephone services, utilities and mail services;
- loading/unloading cargo, inspection of goods and protecting perishable goods from deteriorating; or
- actions of a similar nature.

This definition does not include paying fees officially established by a government agency to expedite services.

Family Relationship means relatedness or connection by blood, marriage or adoption and includes, but is not limited to:

- a marriage/common law spouse;
- parent and grandparent;

- child and grandchild;
- sibling;
- aunt and uncle;
- niece and nephew;
- first cousin; and
- any “step”, “common law”, or “in law” variations of the above relationship.

Government Officials means any appointed, elected, or honorary official or any employee of a government, of a government owned or controlled company, or of a public or international organization. This definition encompasses officials in all branches and at all levels of government: federal, state/provincial or local. This definition also includes political parties and party officials and candidates for political office. Indigenous officials may also be considered Government Officials. A person does not cease to be a Government Official by claiming to act in a private capacity or by the fact that he/she serves without compensation.

Examples of Government Officials relevant to South Bow’s business include:

- government ministers and their staff;
- members of legislative bodies or other elected officials;
- officials or employees of government departments;
- employees of regulatory agencies;
- judges and judicial officials;
- employees of state-owned oil companies, or other government-owned or controlled corporations;
- customs, immigration, tax, and police personnel;
- Indigenous government officials; and
- employees of public international organizations, such as the United Nations or World Bank.

Kickback means the return of a sum already paid or due to be paid as a reward for awarding or fostering business.

Politically Exposed Person means anyone who recently served as a Government Official or individuals who have a close friendship or Family Relationship with a Government Official.

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

Team Members means full-time, part-time and temporary Employees and Contingent Workforce Contractors of South Bow.

References

Related corporate governance and supporting documents

- Business Expense and Travel Policy
- Code of Business Ethics Policy
- Contractor Code of Business Ethics Policy
- Political Activities and Contributions Policy

How to contact us

- [Policy Questions and Comments](#)

South Bow's reporting channels

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