

TransCanada Corporation and TransCanada PipeLines Limited (the Company)

Board Diversity Policy

Purpose

This Policy is intended to set out the framework for the Company's approach to Board Diversity and outline the key criteria for the composition of its Board of Directors (the Board) that promotes the Company's commitment and aspirational targets to diversity and inclusion.

Commitment and Policy Statement

The Company is committed to increasing diversity of our Board over time by actively seeking qualified candidates who meet diversity criteria founded on a merit-based system for Board composition. TransCanada believes in diversity and values the benefits that diversity can bring to its Board. Nomination and appointment of candidates which provide for multiple perspectives, skills, expertise, industry experience and personal characteristics such as age, gender, ethnicity and other distinctions, all contribute to the continued success of the organization.

The Governance Committee reviews and assesses Board composition and recommends the nomination of appointment of new directors. The Governance Committee also oversees the conduct of the annual review of Board effectiveness.

In considering suitable candidates for appointment or re-election to the Board the Governance Committee shall:

- consider all aspects of diversity including, but not limited to, those described above, in order to enable the Committee to discharge its duties and responsibilities effectively,
- assess the skills and backgrounds collectively represented on the Board to ensure that they reflect the diverse nature of the business environment in which the Company operates,
- consider candidates on merit against objective criteria having due regard to the benefits of diversity on the Board, and
- engage, as deemed necessary, qualified independent external advisors to identify and assess candidates that meet the Board's skills and diversity criteria.

Aspirational Board Gender Diversity Target

The Company aspires to achieve a Board composition by 2020 in which at least 30 percent of our directors are women.

Review, Monitoring and Reporting

To assess the Company's effectiveness in promoting a diverse Board which includes an appropriate number of women directors, the Governance Committee will periodically review the skills, expertise, experience, independence and background of the Board, Committees and each of its individual directors.

In addition, each year the Committee will:

- assess the effectiveness of the Company's Board diversity policy and related objectives,
- monitor and review the Company's progress in achieving its aspirational target for gender diversity,
- monitor the implementation of this Policy, and
- report to the Board and recommend any revisions that may be necessary.