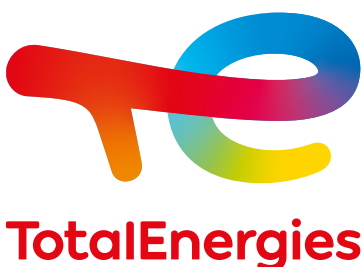


Board Audit Committee Charter

TotalEnergies Marketing Kenya PLC

Validated by the board on 1 December 2022



Board Audit Committee Charter

Subject/Title	Board Audit Committee Charter
Date of 1 st Approval	26 August 2016
Date of 1 st Revision	31 March 2021
Date of 2 nd Revision	23 March 2022
Date of 3 rd Revision	1 December 2022
Adopted by the Board of Directors on..... <u>1</u>day of..... <u>DECEMBER</u> 2022	
Signed on behalf of the Board of Directors by CHAIRPERSON OF BOARD OF DIRECTORS	



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TOTAL ENERGIES MARKETING KENYA PLC

BOARD AUDIT COMMITTEE CHARTER

A. PREAMBLE AND LEGAL REQUIREMENT

1. The CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 (the "Corporate Governance Code") requires that *"The Board shall establish an Audit Committee and ensure that the Committee has a Charter."*
2. In light of this requirement, the Board of Directors TotalEnergies Marketing Kenya Plc has established the Board Audit Committee (BAC) to review and monitor the integrity of the Company's financial statements, the effectiveness of its internal controls and the effectiveness and objectivity of the Internal and External Auditors, as well as ensuring compliance with the statutory duties of the Committee as stipulated by the relevant legislation.
3. The Board has developed this Board Audit Committee (BAC) Charter (the "Committee Charter") in order to document its corporate governance practices and principles, in recognition of the role of good governance in corporate performance, maximization of shareholder value and protection of investors' rights, and also to promote the Company's standards of self-regulation. This Charter is subject to the provisions of the Companies Act, 2015 and any other regulations made thereunder, the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 (the Code), the Company's Memorandum and Articles of Association and any other applicable laws and regulatory provisions.
4. This Committee Charter was initially approved on **26 August 2016**. Any amendment to this Committee Charter requires approval of the Board.

B. PURPOSE OF THE BOARD AUDIT COMMITTEE

The purpose of the Board Audit Committee is to assist the Board of Directors in fulfilling its Corporate Governance and oversight responsibilities for the:

1. Company's process for monitoring compliance with laws, regulations and the code of conduct;
2. Financial reporting process;
3. System of internal control; and
4. Audit function and process.

NOTE: The deliberations and work of the Committee do not reduce the individual and collective responsibilities of the Board with regard to the fiduciary duties and responsibilities of the Company's Directors. The Board must therefore continue to exercise due care and judgement in the exercise of its functions in accordance with their statutory obligations.



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C. AUTHORITY OF THE COMMITTEE

The Audit Committee has authority to conduct or authorize investigations into any matters within its powers. It is empowered to:

1. Appoint, compensate and oversee the work of any registered public accounting firm employed by the organization;
2. Discuss issues arising from the interim and final audits and any matter the External Auditor may wish to discuss (in the absence of Management where necessary);
3. Resolve any disagreements between Management and the Auditor regarding financial reporting;
4. While preserving External Auditor's independence, pre-approve all auditing and non-audit services;
5. Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation;
6. Seek any information it requires from employees;
7. Meet with Company Officers, External Auditors or outside counsel, as necessary; and
8. Consider any other issues as defined by the Board.

D. COMPOSITION AND QUALIFICATION

The CMA Code of Corporate Governance Practices for Issuers of Securities' to the Public 2015 and the Institute of Internal Auditors (IIA) recommend as follows:

1. That the Board shall establish an Audit Committee of at least three (3) Independent and Non-Executive Directors and no more than six (6) Members.
2. That Alternate Directors cannot be appointed as Members of this Committee.
3. That the Board will appoint the Committee Members and the Committee Chair.
4. That the Chairperson of the Audit Committee shall be an Independent and Non-Executive Director.
5. That at least one (1) of the Committee Members shall hold a professional qualification in Audit or Accounting (financial expert) and be in good standing with his or her respective professional body.
6. That the term of office of a Member of the Audit Committee shall not exceed his or her term of office as a Director.
7. That the Board of Directors can, at any moment, revoke a Member's membership to the Committee.
8. That the Audit Committee shall have written terms of reference.

E. ATTRIBUTES OF COMMITTEE MEMBERS

The important attributes of Committee Members shall include:

1. Broad business knowledge relevant to the Company's business
2. Keen awareness of the interests of the investing public and familiarity with basic accounting principles and
3. Objectivity in carrying out their mandate without any conflict of interest



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F. SECRETARY OF THE COMMITTEE

The Board Audit Committee shall appoint the Secretary of the Committee.

G. RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

In addition to the BAC's responsibilities set out hereunder, the Committee will perform any other functions as shall be determined by the Board.

1. Financial Statements

- i) Review the annual financial statements and consider whether they are complete, consistent with information known to the Committee Members, reflect appropriate accounting principles, and the applicable financial reporting standards among other legal requirements.
- ii) Monitor the integrity of the Company's financial statements including the review of half- and full-year results, annual reports and accounts and other significant financial announcements.
- iii) Review the changes in accounting policies and practices, significant adjustments arising from audit, the going concern assumption and compliance with International Accounting Standards in the quarterly, half-yearly and year-end financial statements of the Company.
- iv) Consider and advise the Board in meeting its obligation to report that the Annual Report is fair and provides the information necessary for the shareholders to assess the Company's performance, business model and strategy.
- v) Review significant accounting and reporting issues including complex or unusual transactions and highly judgmental areas, recent professional and regulatory pronouncements and understand their impact on the financial statements.
- vi) Review with Management and the External Auditors the results of the audit including any difficulties encountered.
- vii) Review interim financial reports with Management and the External Auditors before filing with Regulators and consider whether they are complete and consistent with the information known to Committee Members.
- viii) Be informed, vigilant and effective overseers of the financial reporting process.

2. Internal Control

- i) To monitor and review the adequacy and effectiveness of the Company's internal control system including information technology security and control.
- ii) Understand the scope of Internal and External Auditors' review of internal control over financial reporting, obtain reports on significant findings and recommendations, together with Management's responses.
- iii) Review and make recommendations on Management programmes established to monitor compliance with the Code of Ethics and Conduct.
- iv) Be informed, vigilant and effective overseers of the Company's internal controls.

3. Internal Audit

- i) Review the adequacy, scope, functions and resources of the Internal Audit Function and



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Review any appraisal or assessment of the performance of Members of the Internal Audit Function;

- ii) Ensure that the Internal Audit Function is independent of the activities of the Company and is performed with impartiality, proficiency and due professional care;
- iii) Monitor the effectiveness of the Internal Audit Function; and
- iv) Be informed of the resignations of Internal Audit staff and provide the resigning staff Members an opportunity to submit reasons for resigning.

4. External Audit

- i) Consider the appointment of the External Auditor, their audit fee, resignation or dismissal.
- ii) Discuss with the External Auditor before audit commences, the nature and scope of the audit and ensure co-ordination where there is more than one (1) audit firm.
- iii) Review Management's evaluation of factors related to the independence of the Company's External Auditor.
- iv) Assist the External Auditor(s) in preserving their independence in liaison with Management.
- v) Review any communication between External Auditor(s) and Management.
- vi) At least once a year, meet separately with the External Auditors to discuss any matters or reservations that the Committee or Auditors believe should be discussed in the absence of Management.
- vii) Review and monitor Management's responsiveness to the findings and recommendations of the External Auditor.

5. Compliance

- i) Review the effectiveness of the systems for monitoring compliance with laws and regulations.
- ii) Review the findings of any examinations by Regulatory Agencies, and any Auditor observations.
- iii) Obtain regular updates from Management and the Company Legal Counsel regarding compliance matters.

H. COMMITTEE MEETINGS AND PROCEDURES

1. Proceedings of Committee Meetings

- i) The Committee shall meet at least four (4) times a year, with authority to convene additional Committee Meetings, as circumstances shall require at the convocation of its Chairperson (or the Chairperson of the Board of Directors), upon reasonable notice or without delay in case of urgency. In addition, each Member may propose a Committee Meeting if he/she sees the need to discuss particular matters.
- ii) At least five (5) days' notice (inclusive of the date of service and the date of the Meeting) of all Committee Meetings shall, unless waived by all Committee Members, be given in manner hereinafter mentioned to all Committee Members.
- iii) The Committee Chairperson shall approve the agenda for the Committee's Meeting, and any Member may suggest items for consideration. Briefing materials shall be provided to the Committee Members in advance of Meetings as soon as practicable.



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- iv) The Minutes of Meetings shall be prepared by the Secretary of the BAC for approval by the Chairperson of the BAC and the other Members of the Committee. Once approved, the Secretary shall keep the minutes of the Committee Meetings which are at the disposal of the Members of the Boards of Directors.
- v) The Chairperson of the Board, Managing Director and the Finance Director/Manager may attend Committee Meetings by invitation.
- vi) The Committee may source for external professional advice and may invite professionals with the relevant experience to attend its Meetings, if necessary.

2. Attendance at Committee Meetings

- i) Meetings of the Committee may be held physically or by electronic means or other communication facilities that permits all participants to communicate adequately during the Meeting, allows for simultaneous communication, is capable of being recorded and permits Members to exchange opinions and to establish the BAC's recommendations, conclusions and comments.
- ii) Where a Committee Member is unable to be physically present at any Committee Meeting, the Committee may make provisions for electronic participation or other communication facilities that permits all participants to communicate adequately during the Meeting, allows for simultaneous communication and is capable of being recorded.
- iii) A Member of the Committee wishing to attend a Meeting via electronic means shall notify the Chairperson of the Committee reasonably in advance of the Committee Meeting.
- iv) A Member shall be deemed to be present at any Committee Meeting if he is able to hear and understand the proceedings of the Meeting and be heard by all present by way of a telephone or other suitable means of communication and such Committee Member indicates his willingness for the Meeting to proceed on that basis.
- v) The Board should disclose, details of the activities of Audit Committee, the number of Audit Committee Meetings held in a year and details of attendance of each Member on the Annual Report.
- vi) A quorum of at least three (3) Committee Members present is required for a Committee Meeting to take place. A Committee Member shall be required to attend at least 75 per cent of the scheduled Committee Meetings either physically or by electronic means.
- vii) The Committee's recommendations, conclusions and comments are decided by the majority of these Committee Members attending the Meetings, each Member holding one vote. In the event that votes are equally shared, the Chairperson will cast the deciding vote.

I. REPORTING RESPONSIBILITIES

1. The Chairperson of the Committee or the Member designated by the Committee shall report to the Board at the first Board Meeting following the last Committee Meeting a summary describing the performance of the Committee's duties and its recommendations, conclusions and comments to the Board of Directors.
2. The Chairperson of the BAC shall escalate/report any significant matters/issues/problems arising from the discussions of the Committee to the Chairperson of the Board as may be necessary.
3. The Committee shall respond to reports from Management so that Management understands the importance placed on such reports by the BAC and how the Committee views their



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content.

4. The Committee shall provide an open avenue of communication between the Internal Audit Function, the External Auditors, and the Board of Directors.
5. The Committee shall report annually to the Shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by rule.

J. OUTSIDE INTERESTS, DISCLOSURES AND CONFLICTS

1. Each Committee Member is required to disclose to the Chairperson and the Committee Secretary, as appropriate, any matter which may give rise to a potential or actual conflict with the interests of the Company as soon as practicable after becoming aware of the matter.
2. In case a Committee Member is not physically present during Committee Meetings, he/she shall declare his/her conflict of interests, if any, via email or virtually or by teleconference.
3. The Secretary shall maintain a register of conflict of interest for Committee Members and each Member shall sign the register of conflict of interest accordingly.

K. INDUCTION, TRAINING AND DEVELOPMENT

The Committee shall ensure that new Members receive robust orientation to understand the Committee's responsibilities and, for existing Members, ongoing training, where appropriate and as discussed with the Committee.

L. COMMITTEE PERFORMANCE EVALUATION

The Committee shall conduct an annual self-evaluation of its terms of reference to ensure that it is operating effectively and recommend any changes it considers necessary to the Board for approval.

M. CHARTER REVIEW

Review the charter at least annually and, in any event, not more than two (2) years so as to update it as needed to respond to new risk-oversight needs and any changes in regulatory or other requirements. Thereafter, the Charter shall be submitted to the full Board for approval.

N. COMPOSITION

The Composition of the Board Audit Committee as validated by the Board of Directors is as follows:-

1. Mr. Joseph Karago – Chairman
2. Mr. Maurice K'Anjejo – Member
3. Mr. Guillaume Navez – Member
4. Mr. Charles Wambugu – Committee Secretary (Audit Manager)

The Finance Director/Manager shall attend by invitation.

*****END*****





TotalEnergies