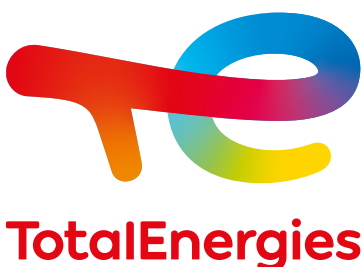


Board Risk & Governance Committee Charter

TotalEnergies Marketing Kenya PLC

Validated by the board on 1 December 2022



Board Risk & Governance Committee Charter

Subject/Title	Board Risk & Governance Committee Charter
Date of 1 st Approval	28 March 2017
Date of 1 st Revision	31 March 2021
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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 RISK AND GOVERNANCE 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 Committees to cover broad functions of the Company."***
2. In light of this requirement, the Board of Directors TotalEnergies Marketing Kenya Plc has established the Board Risk and Governance Committee (BRGC/RGC) to assist the Board in fulfilling its management's responsibility with regards to the uncertainties the Company may face. The Committee is mandated to provide oversight on the entity-wide risk management process and ensure integrity and effectiveness of the Company's compliance monitoring framework.
3. The Board has developed this RGC 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 **28 March 2017**. Any amendment to this Committee Charter shall require approval of the Board.

B. PURPOSE OF THE BOARD RISK AND GOVERNANCE COMMITTEE

1. The RGC assists the Board of Directors of TotalEnergies Marketing Kenya PLC in fulfilling its oversight of management's responsibility for the Company's risk structure and governance in the following areas: -
 - i) Overseeing that the executive team has identified and assessed all the inherent risks in the Company's business, strategy, capital structure and operating plans and has established a risk management infrastructure capable of addressing those risks.
 - ii) Overseeing, in conjunction with other Board-level Committees or the full Board, if applicable, risks, such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, and other risks.
 - iii) Overseeing the division of risk-related responsibilities to each Board Committee as clearly as possible and performing a gap analysis to determine that the oversight of any risks is not missed.
 - iv) In conjunction with the full Board, approving the Company's risk management framework.
 - v) Assist the Board of Directors by reviewing and making recommendations on the effectiveness of the organization governance structure and General By-Laws, by identifying and nominating persons to serve the organization within its governance



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structure and ensuring appropriate succession planning.

2. The RGC may have the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisors, as necessary, to perform its duties and responsibilities.
3. In carrying out its duties and responsibilities, the Risk and Governance Committee shall also have the authority to meet with and seek any information it requires from Employees, Officers, Directors, or External parties.

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.

C. COMPOSITION OF THE COMMITTEE

1. The RGC will comprise two (2) or more Directors as determined by the Board.
2. The membership will include a combination of Executive, Independent and Non-Executive Directors. The Alternate Directors can be appointed in their individual capacity as Members of this Committee. The Committee may include Non-Directors as Members. Where some skills are not available, the Board may co-opt independent and external professionals to the Committee.
3. Each Member shall have an understanding of risk management expertise commensurate with the Company's size, complexity and capital structure.
4. The Committee Members shall be appointed by the Board and serve for a term of three (3) years. The Committee Members shall be eligible for re-election by Board for a further term of three (3) years.
5. The RGC shall provide its Members with continuing education opportunities and customized training focusing on topics such as leading practices with regard to risk management and governance.

D. CHAIRPERSON OF THE COMMITTEE

Unless a Chairperson is elected by the full Board, the Members of the Committee may designate a Chairperson by majority vote.

E. SECRETARY OF THE COMMITTEE

The RGC shall appoint the Company Secretary as a permanent Secretary of the Committee.



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F. RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

1. Risk Management Role

To fulfil its responsibilities and duties, the RGC will in respect of Risks: -

- i) Help to set the tone and develop a culture of the Company vis-à-vis risk, promote open discussion regarding risk, integrate risk management into the Company's goals and compensation structure, and create a corporate culture such that people at all levels manage risks.
- ii) Monitor the Company's risk profile-its on-going and potential exposure to risks of various types
- iii) Approve the risk management policy and plan. Management should develop both the risk management policy and the plan for approval by the Committee. The risk management plan should consider the maturity of the risk management of the Company and should be tailored to the specific circumstances of the Company. The risk management plan should include: -

- the Company's risk management structure;
- the risk management framework i.e., the approach followed, for instance, COSO, ISO, ONE-MAESTRO...;
- management of the Company policies, rules and guidelines;
- training and awareness programs; and
- details of the assurance and review of the risk management process.

The risk management policy should include the Company's definitions of risk and risk management, the risk management objectives, the risk approach and philosophy, as well as the various responsibilities and ownership for risk management within the Company.

- iv) The RGC shall review the risk management plan at least once a year.
- v) Ensure that the control procedures and systems established within the Company are designed to manage rather than eliminate the risk of failure to meet business objectives. The risk framework requires that all the Company's business and functions establish processes for identifying, evaluating and managing the key risks
- vi) Receive and review the Company's risk, governance and compliance function reports.
- vii) Define risk review activities regarding the decisions (e.g. acquisitions), initiatives (e.g. new products), and transactions and exposures (e.g. by amount) and prioritize them prior to being sent to the Board's attention
- viii) Review and confirm that all responsibilities outlined in the charter have been carried out
- ix) Monitor all enterprise risks; in doing so, the Committee recognizes the responsibilities delegated to other Committees by the Board and understands that the other Committees may emphasize specific risk monitoring through their respective activities
- x) Conduct an annual performance assessment relative to the Risk and Governance Committee's purpose, duties, and responsibilities
- xi) Oversee the risk program/interactions with Management



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- xii) Review and approve the risk management infrastructure and the critical risk management policies adopted by the Company
- xiii) Periodically review and evaluate the Company's policies and practices with respect to risk assessment and risk management and annually present to the full Board a report summarizing the Committee's review of the Company's methods for identifying, managing, and reporting risks and risk management deficiencies
- xiv) Continually, as well as at specific intervals, monitor risks and risk management capabilities within the Company, including communication about escalating risk and crisis preparedness and recovery plans and make disclosure of the same in its annual report
- xv) Continually obtain reasonable assurance from Management that all known and emerging risks have been identified and mitigated or managed
- xvi) Discuss with the Managing Director and Management the Company's major risk exposures and review the steps Management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies
- xvii) Review and assess the effectiveness of the Company's risk assessment processes and recommend improvements, where appropriate; review and address, as appropriate, Management's corrective actions for deficiencies that arise with respect to the effectiveness of such programs
- xviii) In coordination with the Audit Committee, understand how the Company's Internal Audit work plan is aligned with the risks that have been identified and with risk governance (and risk management) information needs.

2. Governance Role

Regarding Governance, the RGC will fulfil its responsibilities and duties by:

- i) Reviewing from time to time and making recommendations in regard to the governance structure and by-laws of the organization including the size and composition of the Board of Directors, Committee mandates and conflict of interest policy.
- ii) Reviewing and recommending an effective orientation program and continuing education of Members of the Board of Directors.
- iii) Conducting on an annual basis an evaluation of the Board of Directors and reviewing the evaluation format from time to time.
- iv) Conducting from time to time an evaluation of the effectiveness of Committees and making recommendations in regard thereto.
- v) Discuss and examine ethics questions and situations of interest that have come to its attention or that the Board or Board Chairperson refers for its review.
- vi) Examine and/or monitor the conformity and/or effectiveness of the Corporate Governance practices under which the Company operates and propose revisions as may be required from time to time.
- vii) Monitor implementation of the Company's approach to ethics and compliance.
- viii) Review on an annual basis the Company's Governance Compliance Report.
- ix) Review the Company's Governance Audit Report and ensure that all the recommendations therefrom are implemented by Management.
- x) Formulate the Board Training Plan based on training gap analysis and any other regulatory requirements as well as setting the annual Board Training calendar.
- xi) Discuss any questions related to ethics or situation of conflicts of interest.



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- xii) Review and discuss the Company's staff annual salary review.
- xiii) Review any changes to the Board of Directors' responsibilities.
- xiv) Review the required skills mix and expertise that the Independent and Non-Executive Directors bring to the Board and make disclosure of the same in its annual report.
- xv) Review and recommend to the Board of Directors any modifications to the charters of the Board or any of its Committees.

G. COMMITTEE MEETINGS AND PROCEDURES

1. Proceedings of Committee Meetings

- i) The Committee shall meet at least half-yearly, or more frequently as circumstances dictate at the convocation of its Chairperson [or the Chairperson of the Board of Directors], upon reasonable previous notice or without delay in case of urgency.
- 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.
- iv) The Minutes of Meetings shall be prepared by the Secretary of the RGC for approval by the Chairperson of the RGC 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 Committee may source for external professional advice and may invite professionals with the relevant experience to attend its Meetings and guide the Committee on specific matters.
- vi) As part of its responsibility to foster open communication, the Committee will meet periodically with Management, Heads of Departments, the Operational Risk Committee, the Governance Auditors and the Independent Auditors.

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 RGC'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



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indicates his willingness for the meeting to proceed on that basis.

- v) 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.

H. REPORTING RESPONSIBILITIES

1. The Chairperson of the Committee shall report to the Board at the first Board meeting following the last Committee Meeting on the activities and recommendations of the Committee.
2. The Chairperson of the RGC shall escalate/report risks, any significant matters/issues arising from the discussions of the Committee to the Chairperson of the Board as may be necessary.
3. The Committee shall evaluate all the information it receives from Management and other external consultants and report their conclusion on the effectiveness of the Risk Management to the Board.
4. The Committee shall respond to reports from Management so that Management understands the importance placed on such reports by the RGC and how the Committee views their content.
5. The Committee shall read and provide input to the Board and Audit Committee regarding risk disclosures in financial statements and other public statements regarding risk.
6. 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.
7. The Committee shall keep risk on both the full Board's and Management's agenda on a regular basis.
8. The Committee shall coordinate (via meetings or overlap of membership), along with the full Board, relations and communications with regard to risk among the various Committees, particularly between the Audit Committee and the Risks and Governance Committees.

I. 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.

J. INDUCTION, TRAINING AND DEVELOPMENT

The Committee shall ensure that new Members receive robust orientation to understand the Committee's responsibilities. The RGC shall provide its members with continuing education opportunities and customized training focusing on topics such as leading practices with regard to risk management and governance.



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K. 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.

L. 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.

M. COMPOSITION

The Composition of the Board Risk and Governance Committee as validated by the Board of Directors is as follows: -

1. Mr. Maurice K'Anjejo - Chairman
2. Mr. Joseph Karago – Member
3. Mr. Eric Fanchini – Member
4. Ms. Lawrence Gichatha – Member
5. Mr. John Maonga - Secretary

The Risk, Governance and Compliance Manager and the Strategy and Corporate Affairs Director shall attend the Committee Meetings by invitation.

*****END*****



TotalEnergies