

Board of Directors' position on the draft shareholder resolution

At its meeting of April 25, 2024, the Board of Directors of TotalEnergies has unanimously decided not to include on the agenda of the Annual General Meeting on May 24, 2024 the draft advisory resolution submitted by a group of shareholders representing less than 0.9% of the share capital. This resolution was aiming to request the Annual General Meeting to invite the Board of Directors, by means of an advisory vote, to decide that the Company's General Management will be assumed by a person other than the Chairman of the Board of Directors.

The choice of the form of governance is the exclusive competence of the Board of Directors.

The respective competences of the Annual General Meeting, the Board of Directors and Management are precisely defined by law.

In accordance with the principle of specialization of corporate bodies, the Annual General Meeting may not deprive the Board of Directors of its legal competences, nor interfere with them.

The French Commercial Code expressly states that the Board of Directors is competent to choose between the combined or separate form of offices of Chairman and Chief Executive Officer, and that shareholders are informed of this choice. In addition to the shareholders' right to information, the Afep-Medef Code requires the Board to explain its decision.

The interference of the draft advisory resolution in the Board's sphere of competence is all the more obvious as that it regards a decision on the continuity of the form of exercise of the governance already taken unanimously by the Board at its meeting of September 21, 2023, and confirmed at its meeting of March 13, 2024. The reasons for this decision were set out in detail and communicated to the market¹.

An advisory shareholder resolution on a specific area of competence of the Board of Directors is not recognized by the Company's corporate governance framework

The advisory nature of the draft resolution does not allow shareholders to take the initiative to encroach on the exclusive competence of the Board of Directors. Indeed, there is no identified precedent for a listed French company agreeing to include a shareholder resolution on the agenda of the Annual General Meeting concerning the separation of the functions of Chairman and Chief Executive Officer. Furthermore, the situations in which the Afep-Medef Code or the doctrine of the *Autorité des Marchés Financiers* recommend shareholder consultation are entrusted to the initiative of the company's Board of Directors and never to that of the shareholders, as in the case of significant asset disposals, for example. In addition, and by analogy with the practice followed in "Say on Pay" matters, shareholders have the possibility of approving or rejecting the compensation of corporate officers, but it is not up to them to propose an alternative compensation policy themselves, even by means of an advisory vote.

The Board of Directors of TotalEnergies reaffirms its strong commitment to shareholder dialogue and wishes to point out that, although it had agreed in specific circumstances to include a draft advisory shareholder resolution on the agenda of the Company's Annual General Meeting in 2023, it had at the same time invited shareholders who wished to open a debate with the Board of Directors to submit an item on the agenda of the Annual General Meeting of Shareholders, as provided for in the French Commercial Code: *"Your Board of Directors notes that the provisions of the code of commerce applicable to the filing of a resolution by shareholders do not expressly allow to file an advisory resolution. The law*

¹https://totalenergies.com/system/files/documents/2024-03/totalenergies_universal-registration-document-2023_2023_en_pdf.pdf pages 191 and 192.

*expressly allows them, however, to file items (without vote) to trigger a debate at the Annual Shareholders' Meeting. This would be, in the future, a better way to engage in shareholder dialogue."*²

Various studies carried out in the Paris marketplace confirm this position : while those studies have recognized the possibility for shareholders to request to be consulted on the climate strategy adopted by the Board of Directors of the company of which they are shareholders, they did not recognize the possibility of requesting to be consulted on a strategy other than that adopted by the Board.

Precisely, the Board of Directors of TotalEnergies, of which the proportion of independent Directors amounts to 82%,³ has adopted a reasoned position on the matter of the form of exercise of Management, as mentioned above.

The Company's governance structure is balanced and well organized and maintaining it is part of a logic of continuity in governance and strategy

The Board of Directors has no principled preference between the forms of governance. During the Company's recent history, governance has evolved, with a Chairmanship of the Board separate from the Chief Executive Office from February 2007 to May 2010 and from October 2014 to December 2015, in particular during periods of managerial transition.

In this respect, the Afep-Medef Code to which the Company refers reminds that the law does not favour any formula: *"The law does not favour either formula and allows the Board of Directors to choose between the two forms of exercise of executive management. It is up to the Board to decide and explain its decision."*

The Governance and Ethics Committee's reflections on the best interest of the Company - and after individual consultation of each Director by the Lead Independent Director – have led the Board of Directors to decide unanimously and with conviction at its meeting on September 21, 2023 to continue to combine positions of Chairman and Chief Executive Officer.

While reaffirming its support to the quality and the relevance of the strategy implemented since 2020, the Board of Directors considers as appropriate to ensure the continuity of the Company's governance and leadership. For 10 years, Patrick Pouyanné has done an extraordinary job leading TotalEnergies in a complex environment, delivering outstanding financial results and engaging the Company in the energy transition more quickly and consistently than its peers. The Board of Directors unanimously looks forward to his continued leadership and his strategic vision to continue TotalEnergies' transition, with determination and consistency, relying on two pillars: Oil & gas on the one hand, Electricity and Renewables on the other hand. This vision, which creates value in the medium and long term, and this strategic stability are an asset and a differentiating factor for TotalEnergies compared with its peers.

Besides, this form of leadership of the Company is indeed considered to be most suitable in the face of the challenges and specificities of the energy sector, which is undergoing major transformations. More than ever, this context calls for agility of movement, which the unity of command reinforces, by giving the Chairman and Chief Executive Officer greater power of action and greater representation of the Company in its strategic negotiations with the States and partners of the Company.

² Board of Directors' report to the 2023 shareholders meeting on resolution A
https://totalenergies.com/sites/g/files/nytnzq121/files/documents/2023-05/AG_2023_Brochure_avis_convocation_gb.pdf
p.30

³ Percentage calculated in accordance with the applicable rules of the Afep-Medef Code.

This ambitious energy transition policy was subject to “Say on climate” resolutions approved by 91.88%, 88.89% and 88.76% respectively at TotalEnergies' Annual General Meetings in 2021, 2022 and 2023.

The unity of the Company's management and representation power is also part of its particularly well-balanced corporate governance framework, with a Lead Independent Director who has extensive powers.

The various Lead Independent Directors have always been personalities with responsibilities in the management of multinationals and experience in the governance of listed companies. With regard to the current Lead Independent Director, Jacques Aschenbroich, he spent 14 years leading Valeo, one of the world's leading automotive suppliers, and has been Chairman of the Board of Orange since May 2022. He is also Chairman of the Governance Committee of BNP Paribas, after having been Chairman of the Research and Sustainable Development Committee of the Board of Directors of Veolia.

The Board of Directors has found, during the annual assessment, that the Lead Independent Director fully fulfills his role while demonstrating great availability for the exercise of his mission.

The Company's Articles of Association indeed give to one third of the Directors the direct power to convene the Board of Directors by any means, even orally, and even on short notice depending on the urgency, at any time, which constitutes a very significant balance to the power of the Chairman and Chief Executive Officer.

With regard to the powers of the Lead Independent Director, who is necessarily independent, in accordance with the Rules of procedure, the Lead Independent Director may ask the Chairman and Chief Executive Officer to convene a meeting of the Board of Directors on a specific agenda. He may also ask the Chairman and Chief Executive Officer to include additional items on the agenda of any Board meeting.

The Lead Independent Director is a preferred interlocutor for shareholders on matters that fall within the Board's remit. In April 2024 for example, as in previous years, he had discussions with various shareholders representing over 20% of the Company's capital, without the Chairman and Chief Executive Officer being present, and reported to the Board on the content of these discussions, which mainly concerned the Company's governance, including the management of the balance of powers, strategy and investments, climate and sustainability, as well as the risks that the Company faces.

He is in charge of the annual process of assessment of the functioning of the Board and, in that role, he conducted individual interviews with each Director in early 2024.

The Lead Independent Director is by right Chairman of the Governance and Ethics Committee. In his capacity of Chairman of the Governance and Ethics Committee, he plays a key role in the process of identifying and selecting Directors. As indicated in the last annual report on the exercise of his mission, he thus led the search for and selection of a new Director and interviewed several potential candidates as part of the Governance and Ethics Committee's work, which led the Committee to recommend to the Board of Directors that the appointment of a new Director be submitted to the Annual General Meeting of May 24, 2024.

He is also a member of the Compensation Committee and a member of the Strategy & CSR Committee.

When the Chairman and Chief Executive Officer does not attend all or part of a Board meeting, the Lead Independent Director chairs the meeting. In particular, he chairs the Board's discussions and deliberations relating to the assessment of the Chairman and Chief Executive Officer's performance and the determination of his compensation. He also chairs the meetings of the Directors who do not hold executives or salaried positions (executive sessions).

In terms of preventing conflicts of interest, the Lead Independent Director chairs the Governance and Ethics Committee, in which he leads due diligence aimed at identifying and analyzing potential conflicts of interest situations within the Board of Directors. He brings any such situations to the attention of the Chairman and Chief Executive Officer. He reports on this work to the Board of Directors. Any Director in a situation of conflict of interest, even a potential one, reports it to the Lead Independent Director.

The Lead Independent Director ensures compliance with the rules of the corporate governance Code to which TotalEnergies refers, as well as with the Board of Directors' Rules of procedure. In this respect, he may make any proposal or recommendation he deems useful. He ensures that the Directors are in a position to carry out their mission in the best possible conditions, and that they benefit from a level of information appropriate to the performance of their functions.

The Lead Independent Director, and more generally all Directors, are in regular contact with management, be it members of the Executive Committee at Board meetings, or operational managers during visits to Company sites.

Strategy & CSR Committee

The Strategy & CSR Committee is made up of six Directors, 60%² of whom are independent. However, the Company's practice, at the initiative of its Chairman and Chief Executive Officer, is to invite all Directors, in addition to Strategy & CSR Committee members, to attend this Committee's meetings, and the vast majority do in fact attend.

The practical arrangements for Strategy & CSR Committee meetings should also be described. The Strategy & CSR Committee meets in the form of an annual one-and-a-half-day strategy seminar in the third quarter, to which all Directors are invited and that they attend assiduously. The agenda for the strategy seminar is set after review and discussion at a plenary meeting of the Board of Directors, and the Committee's Chairman ensures that the various suggestions made by Directors are taken into account. The Strategy & CSR Committee also meets in March to review the draft Sustainability & Climate - Progress Report before it is approved by the Board of Directors. This report has always been unanimously approved by the Board of Directors.

The Board of Directors is committed to shareholder dialogue

In view of the foregoing, the Board of Directors, chaired by the Lead Independent Director on this item and on the proposal of the Governance and Ethics Committee, has unanimously decided not to include the aforementioned draft resolution on the agenda of the forthcoming Annual General Meeting, as it contravenes the imperative legal rules governing the division of powers between the Company's governing bodies, and relates to a corporate governance issue on which the Board of Directors has performed its duties in a relevant and reasoned manner in conjunction with the Governance and Ethics Committee, taking into consideration the best interest of the Company.

The Lead Independent Director will, at the request of the Board of Directors, report on the performance of his mission, in particular on the Board's motivations in respect of the governance structure of the Company, during the Annual General Meeting of May 24, 2024.