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Draft - Corporate Governance Shareholder Resolution - TotalEnergies SE - May 24, 2024

Shareholder Resolution on the Separation of the Roles of Chairperson of the Board of Directors and Chief Executive Officer

The shareholders, by means of an advisory vote, invite the Company's Board of Directors to decide, in accordance with Article 15 of the Articles of Association, that the Company's General Management will be undertaken by a person other than the Chairperson of the Board of Directors, without this change in the manner of exercising the executive management of the Company resulting in any amendments to the Articles of Association.

Supporting statement

The separation of roles is widely recognized as a good governance practice and is mandatory in certain countries. The concentration of the roles of Chairman of the Board and Chief Executive Officer of a public limited company presents an intrinsic risk of conflict of interest, as the role of the Board of Directors is to ensure that the general management of the company¹ is conducted in the interest of the shareholders.

Regarding TotalEnergies specifically, the size of the company, the climate challenges of its business, the functioning of its Board of Directors and the conditions under which the Lead Independent Director exercises his role are prompting shareholders to ask for changes in the governance of the company through the separation of the functions of Chairman of the Board and Chief Executive Officer.

This resolution does not question Mr. Pouyanné's role as Chief Executive Officer of TotalEnergies but aims to introduce better governance within the company. In the case of TotalEnergies, the separation of roles could enhance the checks and balances of the Board of Directors, especially during debates on climate and transition issues facing the company. In addition, the separation of powers could improve the dialogue with the Board on a subject that is entirely under the control of the CEO (see following sections), at a time when many investors believe that TotalEnergies' transition strategy is not ambitious enough.

Although a major player in the development of renewable energies worldwide, TotalEnergies continues to invest far more in new oil and gas projects than in renewable energies. TotalEnergies' policy of expanding oil and gas production by 2 to 3% per year between now and 2028² is both in contradiction with the objective of reducing greenhouse gas emissions worldwide, and in contradiction with the International Energy Agency's demand forecasts from June 2023³. These forecasts, cited in support of the company's strategy outlook presentation in September 2023⁴, predict oil demand growth of only 0.4% to 1% between now and 2028, before a likely market contraction, while medium-term gas demand growth is not expected to exceed 1.6%.⁵

Concerns about an inadequate climate strategy are reinforced by the difficulties encountered by shareholders in recent years in making their voices heard, as demonstrated by the Board's refusal to

¹ This terminology is used by TotalEnergies' bylaws and Universal Registration Document to refer to the executive management, or "*direction générale*", of the company.

² <https://totalenergies.com/media/news/press-releases/strategy-outlook-presentation-2023>

³ <https://iea.blob.core.windows.net/assets/6ff5beb7-a9f9-489f-9d71-fd221b88c66e/Oil2023.pdf>

⁴ https://totalenergies.com/sites/g/files/nytnzq121/files/documents/2023-09/TotalEnergies_2023_Strategy_Outlook_presentation.pdf

⁵ <https://www.iea.org/news/after-peak-in-mature-markets-global-gas-demand-is-set-for-slower-growth-in-coming-years>

react to the 30% favorable vote of the shareholder climate resolution at last year's AGM, despite the fact the resolution was not approved by the Board ahead of the 2023 AGM.

In the eyes of many investors, this situation reveals a governance issue that the separation of roles would do much to alleviate, by facilitating the dialogue between investors and the company.

Composition and functioning of the Strategy & CSR Committee

The separation of roles would entail a reorganization of the Strategy & CSR Committee, to guarantee its independence.

As a reminder, the Company's Strategy & CSR Committee is chaired by the Chairman and Chief Executive Officer, and two of the other five members of this committee are in a relationship of dependence on the latter: one represents employees (preventing her from being considered independent), while the other holds the position of Lead Independent Director, who is by and large subordinate to the Chairman of the Board of Directors in his contacts with shareholders and cannot therefore be considered truly independent (as explained below).

In its current composition, the Strategy & CSR Committee is thus unlikely to adopt a view independent of that of the Chairman and Chief Executive Officer.

Corporate governance and shareholder dialogue

The combination of the Chairman of the Board of Directors and Chief Executive Officer roles at TotalEnergies, coupled with the absence of structural guarantees allowing the Lead Independent Director to perform his functions independently, makes dialogue between the Company and its shareholders particularly challenging.

The Afep-Medef Code, to which the company adheres, states, among other things, that “a director is independent when he or she has no relationship of any kind whatsoever with the corporation, its group or its management that may interfere with his or her freedom of judgment”⁶. In the present circumstances, it is impossible to consider the Lead Independent Director as being in a position to exercise his duties independently.

The Board of Directors' internal rules prevent the Lead Independent Director from carrying out his duties properly and independently. The Lead Independent Director is subordinate to the Chairman and Chief Executive Officer in identifying situations of conflict of interest within the Board⁷. Above all, the Lead Independent Director must systematically involve the Chairman and CEO in his dialogue with shareholders, whereas the Chairman and CEO is under no obligation to get the Lead Independent Director involved when contacted by shareholders⁸. Finally, the Lead Independent Director cannot really be seen as a potential counter-power since he can be dismissed from the role at any time.⁹

For all these reasons, we invite the Board of Directors to reconsider its current position and to decide, in accordance with the option available under Article 15 of the company's Articles of Association, to separate the roles of Chairman of the Board of Directors and Chief Executive Officer.

⁶ [Article 10.2 Afep-Medef Corporate Governance Code of Listed Corporations \(December 2022\)](#)

⁷ [See article 7.2.5 of the Rules of procedure of the Board of Directors as published on page 206 of the company's Universal Registration Document 2022.](#)

⁸ [See article 7.2.7 of the Rules of procedure of the Board of Directors as published on page 206 of the company's Universal Registration Document 2022.](#)

⁹ [See article 7.1 of the Rules of procedure of the Board of Directors as published on page 206 of the company's Universal Registration Document 2022.](#)