

SHELL PLC
AUDIT AND RISK COMMITTEE
TERMS OF REFERENCE

PURPOSE

The Audit and Risk Committee (the “Committee”) of Shell plc (the “Company”) assists the Board of Directors of the Company (the “Board”) in fulfilling its responsibilities as follows:

- Review and monitor the effectiveness of the Shell Group of Companies’ (the “Group”) risk management and internal controls;
- Review and make recommendations to the Board on the integrity of the Company’s financial reporting;
- Oversee the internal audit and external audit functions and make recommendations to the Board; and
- Carry out other oversight activities on behalf of the Board.

OPERATION OF THE COMMITTEE

Membership and independence

The Committee shall be composed of at least three independent Non-Executive Directors, all of whom have been designated by the Board as independent and meet the independence requirements of the US Securities and Exchange Commission Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Committee members shall be appointed by the Board, at the recommendation of the Nomination and Succession Committee, taking into account the views of the Chair of the Committee (the “Committee Chair”). The Chair of the Board shall not be appointed to the Committee.

Appointments of each Committee member shall be for a period of up to three years, which may be extended for up to two further three-year periods, provided the Committee member remains independent. In accordance with applicable law, rules, and regulations, each Committee member shall be financially literate and at least one member shall have recent and relevant financial experience and qualify as an “audit committee financial expert”¹, including competence in accounting and/or auditing. The Committee as a whole shall have competence relevant to the sector in which the Company operates.

The Board shall also appoint one Committee member to be the Committee Chair, at the recommendation of the Nomination and Succession Committee.

Committee members shall, if required, be provided with appropriate and timely educational briefings, both in the form of an induction programme for new members and on an ongoing basis for all members.

Alternate arrangements

If a Committee member is unable to act due to absence, illness, or any other cause, the Committee Chair, or in their absence the Board, may appoint another Non-Executive Director of the Company to serve as an alternate Committee member. In the absence of the Committee Chair, the remaining members present shall elect one of the members present to chair the meeting.

Quorum

The quorum necessary for the transaction of business shall be a majority of Committee members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, duties and discretions vested in or exercisable by the Committee.

Authority and support

¹ As defined by Item 16A.(b) of Form 20-F.

The Board has constituted the Committee with the authorities necessary to perform the duties set out in these Terms of Reference. The Committee, within the scope of its assigned purpose and duties, is authorised to seek any information it requires from employees, management, officers and external parties; and to investigate or commission the investigation of any issues or concerns it deems appropriate.

The Committee may engage advisers or otherwise obtain independent legal, accounting or other professional services as it requires, at the expense of the Company. The Board will provide the Committee with sufficient resources to undertake its duties.

Secretary

In consultation with the Committee Chair, the Company Secretary shall be responsible for the designation of a secretary to the Committee (the "Committee Secretary").

Meeting frequency

The Committee shall meet as frequently as required, as determined by the Committee Chair, to perform the duties set out in these Terms of Reference, and at least five times a year.

Meeting attendance

Only the Committee Chair and members shall be entitled to participate in Committee meetings. Any Non-Executive Director who is not a member of the Committee shall be entitled to attend Committee meetings. At the invitation of the Committee, others may also attend Committee meetings.

The Committee shall meet regularly with the audit firm or audit firms engaged to audit the Group's consolidated and parent company financial statements (the "External Auditors") and with the Chief Internal Auditor. At least once a year, and more often as required, the Committee shall also meet in separate sessions (without management and officers being present, except for the Legal Director) with the External Auditors and Chief Internal Auditor.

Meeting administration

Meetings of the Committee shall be arranged by the Committee Secretary at the request of the Committee Chair or any other member of the Committee. Notice of each meeting confirming the venue, date and time shall be forwarded to each Committee member and to other attendees (as appropriate) in advance of each scheduled meeting along with the agenda and supporting papers, unless otherwise agreed.

Meeting minutes

The Committee Secretary shall record minutes of the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance. Meeting minutes shall be approved by the Committee prior to or at its next meeting and tabled as soon as practicable thereafter at a meeting of the Board for information.

Committee performance and Terms of Reference

The Committee shall annually review its Terms of Reference, along with how the Committee has discharged its responsibilities and the overall performance of the Committee; and report the results of such review to the Board.

Engagement with shareholders

The Committee Chair shall attend the Company's Annual General Meeting and respond to any questions. The Committee Chair may also seek engagement with the Company's shareholders on significant matters related to the Committee's areas of responsibility as appropriate.

Limitations inherent in the Committee's role

The Directors are responsible for preparing the annual report and accounts and the annual report on Form 20-F (collectively the "annual reports"), including the financial statements, in accordance with applicable laws and regulations. The following provisions are not intended to override the fiduciary duties of the Directors.

The Committee oversees and monitors management's and the External Auditors' participation in the financial reporting process. It is not the responsibility of the Committee to prepare complete and accurate financial statements and disclosures in accordance with accounting standards and other regulations, this being the responsibility of management. The Company's financial statements are subject to audit by the External Auditors who are required to express an opinion on whether the financial statements (i) give a true and fair view (for UK reporting purposes); and (ii) present fairly, in all material respects, the consolidated financial position of the Company, the results of its operations and its cash flows (for US reporting purposes), and have been properly prepared in accordance with applicable standards and regulations.

Furthermore, while the Committee is responsible for reviewing the Company's policies and practices with respect to risk assessment and management, it is not the responsibility of the Committee to establish the appropriate level of the Company's exposure to risk, this being the role of the Board.

DUTIES OF THE COMMITTEE

1) Risk management and internal control

The Committee shall:

- Assist the Board in reviewing the emerging, principal, and other significant risks facing the Group;
- Review the policies and practices with respect to risk management and internal control;
- Monitor the effectiveness of the Group's risk management and internal control framework and make such recommendations as the Committee considers appropriate. Among other things the Committee will consider reports relating to Group policy and management responsibilities with regard to risk management and internal control, the adequacy of disclosure controls and procedures (including related certification and attestation processes), the avoidance of illegal payments and improper accounting practices, and identified weaknesses in the effectiveness of risk and control management;
- Review the statements to be included in the annual reports concerning risk management and internal control;
- Monitor compliance with applicable external legal and regulatory requirements and the Code of Ethics for Executive Directors and Senior Financial Officers of the Group;
- Review with the Legal Director legal and compliance matters that could have a significant impact on the annual reports, the Group's strategy and/or reputation; and
- Review, in advance, if no other independent committee has reviewed, proposed related party transactions² for potential conflicts of interest and determine whether such proposed transactions are consistent with the interests of the Company and its shareholders.

2) Financial reporting

² The proposed related party transactions subject to the Committee's review are limited to those transactions that would be required to be disclosed in the Company's annual report on Form 20-F filed with Securities and Exchange Commission.

The Committee shall:

- Review with the Chief Financial Officer, other members of senior management and the External Auditors issues regarding accounting policies and practices; the appropriateness of judgements involving the application of accounting principles and interpretation of applicable disclosure rules; and compliance with accounting and reporting standards required by law or supported by appropriate professional or other authorities;
- Review with the Chief Financial Officer, other members of senior management and the External Auditors the potential impact on the Company's consolidated financial statements of the implementation of the Company's strategy, climate change and the energy transition;
- Review the integrity of the Company's financial statements, including its annual reports, its half-yearly reports, its quarterly financial statements, and any other formal statements relating to the Company's financial performance, with management and the External Auditors, including management's commentary or discussion and analysis of the financial information; and recommend to the Board whether the audited financial statements should be included in the Company's annual and statutory reports;
- Provide oversight in respect of material non-financial reporting disclosures with respect to corporate sustainability as applicable to the Company's annual reports, half-yearly reports and quarterly results releases;
- Review management's assessment of going concern and longer-term viability;
- Review, in conjunction with management, the Company's policies with respect to earnings releases, financial and non-financial performance information and earnings guidance provided to investors and financial markets. The Committee shall also review the overall outcome of the reserve bookings/debookings; and
- Review the internal controls in relation to financial reporting, including related certification and attestation processes, monitor their effectiveness and make such recommendations as the Committee considers appropriate.

3) Compliance and complaints/whistleblowing investigations

The Committee shall:

- Establish and monitor the implementation of procedures for the receipt, retention, independent investigation and follow-up actions of complaints regarding accounting, internal accounting controls, auditing or other matters, including reviewing: the functioning of the Shell Global Helpline³ and the reports arising from its operation; and any other mechanisms for the confidential or anonymous submission of related concerns by employees;
- Review with the Chief Ethics and Compliance Officer the implementation and effectiveness of the Ethics and Compliance programme and function; and
- Review compliance matters, as set out in these Terms of Reference, including in relation to: policies, practices and effectiveness of the Group's risk management and internal control framework; financial reporting; and compliance with applicable external legal and regulatory requirements.

³ The Company has adopted procedures to enable employees and third parties (who wish to raise a concern about the conduct of a Shell employee, contractor, or business partner) to raise issues anonymously through the Shell Global Helpline.

4) Internal audit

The Committee shall:

- Review with the Chief Internal Auditor, the Company's management and the External Auditors the adequacy of the Group's risk management and internal control framework and any significant matters arising from the internal audit;
- Assess management's response to internal audit findings and control weaknesses as appropriate, including potential improvements and agreed actions;
- Monitor the execution and results of the audit plan, material communications between the Chief Internal Auditor and the Company's management and any issues arising therefrom;
- Annually consider the results of the internal audit function's internal audit quality assurance and improvement programme including the standards employed by the internal audit function, its efficiency and effectiveness in executing the internal audit plan and the internal audit function's competence, qualifications, expertise, compensation and budget;
- Review and approve the internal audit function's charter and the annual internal audit plan to ensure alignment with the key risks of the business;
- Annually assess the performance of the Chief Internal Auditor, including the role and effectiveness of internal audit in the overall context of the Group's risk management and internal control framework;
- Ensure the internal audit function has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate; and
- Approve, in consultation with the Chief Financial Officer, all decisions regarding the performance evaluation, appointment or removal of the Chief Internal Auditor.

Furthermore:

- The Chief Internal Auditor shall have direct access to the Committee Chair and to the Committee as a whole, and any member of the Committee shall also have direct access to the Chief Internal Auditor.

5) External audit

The Committee shall:

- Conduct the tender process for the appointment of the audit firm or audit firms as the External Auditors, ensuring that all tendering firms have access to all necessary information and individuals during the tendering process;
- Make recommendations to the Board, for it to put to the Company's shareholders for approval in the General Meeting, in relation to the appointment, re-appointment and removal of the External Auditors. The External Auditors shall report directly to the Committee. If the External Auditors resign, the Committee shall investigate the issues giving rise to such resignation and consider whether any action is required;
- Review and approve the engagement letter for the External Auditors' annual audit of the Company's consolidated and parent company financial statements; consider the annual external audit plan; and approve related remuneration, including both fees for audit and non-audit services, to ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted;

- Monitor the execution and results of the audit including the External Auditors' explanation of how the risks to audit quality were addressed; key accounting and audit judgements; and the External Auditor's material communications with the Committee and management and any issues arising therefrom. The Committee shall review and assess management's response to significant audit findings and recommendations and seek to resolve any disagreements between management and the External Auditors;
- Review and monitor the independence and objectivity of the External Auditors within the context of the standards required by applicable law, regulation and listing;
- Review any Company representation letter(s) requested by the External Auditors before they are signed by management;
- Annually assess the performance and effectiveness of the External Auditors and the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee;
- Establish and monitor the implementation of policies for, and any external disclosures in relation to:
 - The pre-approval of all audit and audit related services and permissible non-audit services to be provided by the External Auditors, considering the impact this may have on independence, to the extent permitted by law, regulation or ethical guidance;
 - The hiring of employees or former employees of the External Auditors; and
- Annually review with the External Auditors (i) all relationships between the External Auditors and the Company; (ii) the firm's internal quality-control procedures; and (iii) material issues, if any, raised by their most recent internal quality-control review in respect of the Company or by any investigation by governmental authorities in the last five years relating to any audits carried out by the External Auditors, and any steps taken to deal with any such issues. The Committee shall confirm with the External Auditors that they are not aware of any matters that fall under Section 10A(b) of the Exchange Act.

6) Reporting

The Committee shall report to the Board on its activities after each meeting. The Committee shall:

- Identify matters in respect of which it considers that action or improvement is needed, including where the Committee is not satisfied with any aspect of risk management and internal control, financial reporting or audit related activities and any other matters the Committee deems appropriate; and make recommendations as to the steps to be taken;
- Bring to the attention of the Board material and/or significant issues, as well as complaints or concerns regarding accounting, internal accounting controls, auditing, or other matters, and, at least annually, share with the Board the reports it receives from the Company on compliance with internal controls;
- Report to the Board its determination regarding proposed related party transactions presented to the Committee for review;
- Having reviewed the content of the annual reports, advise the Board of the Committee's view on (i) whether taken as a whole, the content of the annual report and accounts is fair, balanced and understandable and provides the information necessary for the Company's shareholders to assess the Company's position and performance, business model and strategy; (ii) the inclusion of the

viability statement and going concern basis of accounting in the annual report and accounts; (iii) whether taken as a whole, the content of the annual report on Form 20-F provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy and the inclusion of the audited financial statements in the annual report on Form 20-F is appropriate; and (iv) support for and recommendation that the annual reports be filed; and

- Describe to the Company's shareholders in the annual reports how it has discharged its responsibilities.

7) Other

The Committee shall:

- Annually review the absence of any conflicts or related party transactions with respect to the Chief Financial Officer and their significant business and investment transactions. The Chief Financial Officer shall be prohibited from any profit-making business activities outside the Company that relate to activities of the Company and shall not have been employed by the External Auditors during the prior two years or, if involved in the firm's audit of the Company, during the prior five years;
- Annually assess the Chief Financial Officer's performance with respect to those matters relevant to the Committee's role and communicate such performance assessment to the Chief Executive Officer; and
- Perform such further functions as the Board and the Committee may agree.