



“Efficiently providing you with the most reliable source of energy”



I. INTRODUCTION

Consistent with the key mandates of the Board of Directors of King Energy Generation Inc. ("KEGI" or the "Company"), the Company hereby formalizes the Audit and Risk Management Committee Charter ("Charter").

In accordance with the Securities and Exchange Commission ("SEC") Memorandum Circular ("MC") No. 24, Series of 2019, Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, compliance, and other key corporate governance concerns.

II. AUDIT AND RISK MANAGEMENT COMMITTEE

Rationale

The Board recognizes the need to establish the Audit and Risk Management Committee which should be composed of only board members.

Instead of establishing three (3) committees for Audit, Risk Management and Related Party Transactions, one (1) committee, The Audit and Risk Management Committee ("Committee") is established to perform the duties and responsibilities of the audit, risk management, and related party transactions committee. SEC 24, Series of 2019 permits the Audit Committee to perform the duties and responsibilities of the Related Party Transaction Committee in the absence of one.

In the Introduction of SEC MC No. 24, Series of 2019, it has been stated that the Code does not, in any way, prescribe a "one size fits all" framework. It is designed to allow companies some flexibility in establishing their corporate governance practices. Hence, the Principle of Proportionality is considered in the application of the provisions of the Code.

In Section 3 Establishing Board Committees, it has been stipulated that if the committees are not established, the functions of these committees may be carried out by the whole board or by other committees, thus, the duties and responsibilities of the Risk Management Committee will be undertaken by the Audit Committee. The qualifications for each member of the Risk Management Committee are similar to the technical competencies of the members of the Audit Committee.

1. Composition of the Audit and Risk Management Committee

As stipulated in the Company's Manual of Good Governance, per Section 9.2:

"The Audit and Risk Management Committee shall be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairperson, should be independent directors. The Chairperson of the Audit and Risk Management Committee should not be the Chairperson of the Board or any other Committees. All of the members of the committee must have a relevant background, knowledge, skills, and /or experience in the areas of accounting, auditing, and finance.

PROPRIETARY NOTICE

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