

# Notice of Annual General Meeting

Notice is hereby given that the 2015 Annual General Meeting of members of Santos Limited (“Santos” or “the Company”) will be held at Hall ‘L’, Adelaide Convention Centre, North Terrace, Adelaide, South Australia on Thursday 30 April 2015 at 10.00 am.

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# Notice of Annual General Meeting

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## ORDINARY BUSINESS

### 1. Financial Report

To receive and consider the Financial Report for the year ended 31 December 2014 and the reports of the Directors and the Auditor, as set out in the 2014 Annual Report.

### 2. To elect or re-elect Directors

- (a) Mr Roy Alexander Franklin OBE retires by rotation in accordance with Rule 34(c) of the Company's Constitution and, being eligible, offers himself for re-election.
- (b) Ms Yasmin Anita Allen, who was appointed a Director on 22 October 2014, retires in accordance with Rule 34(b) of the Company's Constitution and, being eligible, offers herself for election.

### 3. Remuneration Report

To consider, and if thought fit, pass the following non-binding resolution as an ordinary resolution:

*"That the Remuneration Report for the year ended 31 December 2014 be adopted."*

**Note:** The vote on this resolution is advisory only and does not bind the Directors or the Company.

## SPECIAL BUSINESS

### 4. Grant of Share Acquisition Rights to Mr David Knox

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*"That approval is given for the Company to grant to the Company's Managing Director and Chief Executive Officer, Mr David Knox, Share Acquisition Rights under the Santos Employee Equity Incentive Plan on the terms set out in the Explanatory Notes to this Notice of Meeting."*

### 5. NED Shareholding Plan

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*"That approval is given for all purposes for the Non-executive Director Shareholding Plan, and the acquisition of shares in the Company by current and future non-executive Directors under that plan, on the terms set out in the Explanatory Notes to this Notice of Meeting."*

### 6. Renewal of proportional takeover provision

To consider, and if thought fit, pass the following resolution as a special resolution:

*"That the proportional takeover provision in Rule 70 of the Constitution of Santos Limited be renewed for a further period of three years commencing from the date of this Annual General Meeting."*

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## **VOTING ENTITLEMENT**

The Board has determined, in accordance with the Company's Constitution and the *Corporations Regulations 2001* (Cth), that a person's entitlement to vote at the Annual General Meeting will be taken to be the entitlement of that person shown in the Register of Members at 6.30 pm (Adelaide time) on Tuesday, 28 April 2015.

Voting restrictions apply to the Company's key management personnel and their closely related parties, which also affect proxy voting. Full details are included in the Notes Relating to Voting commencing on page 13. In particular, please note that if the Chairman of the meeting is appointed as your proxy, and you have not directed him how to vote, then by completing and returning the proxy form you will be expressly authorising the

Chairman of the meeting to exercise your undirected proxy on resolutions 3, 4 and 5 even though the resolutions are connected with the remuneration of the Company's key management personnel.

The Explanatory Notes and Notes Relating to Voting form part of this Notice of Meeting.

By Order of the Board

**David Lim**  
Company Secretary

Ground Floor  
Santos Centre  
60 Flinders Street  
Adelaide, South Australia, 5000

26 March 2015

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# Notice of Annual General Meeting

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## EXPLANATORY NOTES

### 1. FINANCIAL AND STATUTORY REPORTS

As required by Section 317 of the *Corporations Act 2001* (Cth) (*Corporations Act*), the Financial Report and the reports of the Directors and the Auditor for the financial year ended 31 December 2014 will be laid before the meeting.

During this item of business, shareholders will be given a reasonable opportunity to ask questions and make comments about the reports and the business and management of the Company. Shareholders will also be given a reasonable opportunity to ask a representative of the Company's Auditor, Ernst & Young, questions in relation to the conduct of the audit (including the independence of the Auditor), and the accounting policies adopted by the Company.

### 2. ELECTION AND RE-ELECTION OF DIRECTORS

Rule 34 of the Company's Constitution specifies that at every Annual General Meeting of the Company, one third of the Directors (disregarding any fractions) who have been longest in office since the date of their last election or appointment (excluding the Managing Director and any Director not yet elected) must retire. No Director may hold office without re-election beyond the third Annual General Meeting following the meeting at which the Director was last elected or re-elected.

Accordingly, Mr Roy Alexander Franklin OBE will retire and seek re-election. As announced on 3 March 2015, Mr Kenneth Charles Borda will retire at the end of the AGM and will not be seeking re-election.

Following a recommendation from the Nomination Committee of the Board, the Board appointed Ms Yasmin Anita Allen as a Director on 22 October 2014. Ms Allen is now standing for election at the first Annual General Meeting since she was appointed, in accordance with Rule 34 of the Company's Constitution.

Brief biographical details of each Director standing for election or re-election are provided on this page and pages 5 and 6.



**Mr Roy Alexander Franklin OBE**

BSc (Hons)

Mr Franklin has been an independent non-executive Director of Santos since 28 September 2006. He is the Chairman of the Environment, Health, Safety and Sustainability Committee and member of the People and Remuneration Committee of the Board.

A geologist by training, Mr Franklin has more than 40 years of experience in the international oil and gas business. He also brings to the Board his knowledge and awareness of best practice on corporate governance, safety and remuneration issues in other jurisdictions through his other non-executive directorships.

Mr Franklin is Chairman of the Keller Group plc, non-executive director of Cuadrilla Resources Holdings Limited and a member of the Supervisory Board of OMV A.G. since May 2014.

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Prior to these roles, Mr Franklin was the Chief Executive Officer of Paladin Resources plc from 1997 to 2005, and former Group Managing director of Clyde Petroleum plc. Chairman of BRINDEX, the trade association for UK independent oil and gas companies from 2002 to 2005, and a former member of PILOT, the joint industry/UK government task force set up to maximise hydrocarbon recovery from the UK North Sea 2002–05. Mr Franklin is also a former non-executive director of Boart Longyear Limited from October 2010 to February 2015 and Statoil ASA from October 2007 to June 2013.

In 2004, Mr Franklin was awarded the OBE for services to the UK oil and gas industry. If re-elected, this will be Mr Franklin's fourth term as a non-executive Director of Santos. Whilst the expected tenure of a non-executive Director under the Board Charter is between six and nine years, the Board believes that Mr Franklin brings valuable skills and experience to the Board and continues to exercise robust and independent judgement on all Board decisions. Mr Franklin's deep oil and gas industry expertise and experience will be invaluable in the next critical phase of Santos' transformation, as GLNG is poised to deliver first LNG in the second half of 2015, and ramp up production over the ensuing period. Accordingly, the Board believes that it is in the best interests of shareholders that Mr Franklin be re-elected as a non-executive Director of Santos.

Mr Franklin says:

*"These are challenging times for the oil and gas industry, as companies strive to adjust their cost base and operating model to the reality of lower than anticipated oil prices.*

*We have successfully addressed such downturns in the oil price in the past, and I am confident that we will do so again.*

*Santos, in particular, has the undoubted benefit of several long-life, world-class assets in its portfolio; it has been a privilege to have been involved with their development during my time as a Director, and whilst the short-term outlook may look difficult, I firmly believe that significant value for shareholders will be generated over the life of these assets.*

*A geologist by training, I bring to the Board more than 40 years of technical and commercial experience in the international oil and gas sector, which included being the CEO of two of the larger UK-listed independent oil and gas companies that were successfully managed through previous downturns in the oil price.*

*I am keen to continue to contribute to the Board's oversight of the GLNG Project through to successful completion and steady state production.*

*On that basis, I ask for your support for my re-election to serve a further term as a Director of your Company."*

### **Recommendation**

The Board (with Mr Franklin abstaining) recommends that shareholders vote **IN FAVOUR** of the re-election of Mr Franklin.

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### Ms Yasmin Anita Allen

BCom FAICD

Ms Allen was appointed as an independent non-executive Director and member of the Environment, Health, Safety and Sustainability Committee of the Board on 22 October 2014. Ms Allen has more than 20 years' experience in finance and investment banking, including senior roles at Deutsche Bank AG, ANZ and HSBC Group Plc.

Ms Allen is a director of Insurance Australia Group Limited, where she chairs the Nomination and Remuneration Committee, and is a member of the Audit and Risk Committee. She is also a director of ASX Limited, Cochlear Limited, chair of the Cochlear Audit Committee and is a member of its Nomination and Remuneration Committee.

Ms Allen was formerly chairman of Macquarie Specialised Asset Management Limited. She is a national director of the Australian Institute of Company Directors, a member of the George Institute for Global Health Board and a director of the National Portrait Gallery.

Ms Allen says:

*"It is an honour to join the board of Santos; to work with this excellent group of Directors, with diverse experiences, and to join the board of a company with a long history in the Cooper Basin and more recently transforming itself into a major supplier of LNG."*

*I bring significant governance and strategic experience, serving on the boards of Cochlear, ASX and IAG, as well as the Australian Institute of Company Directors and the National Portrait Gallery in Canberra. Previously I was Chairman of the Macquarie Global Infrastructure Funds and a director of EFIC, Australia's Federal export bank. My executive career has been in investment banking; in management and as an equity analyst.*

*My background and experience enables me to make a contribution in evaluating strategic alternatives, and to bring insights into Santos commercial objectives. I also promote a sound understanding of balance sheet and corporate risk, and I bring a shareholder perspective to deliberations.*

*I look forward to working with this board and adding my unique skills to the deep technical and industry knowledge already on this board.*

*On that basis I seek your support for the election as a Director and I would be pleased to work on behalf of you, the shareholder, for Santos."*

### Recommendation

The Board (with Ms Allen abstaining) recommends that shareholders vote **IN FAVOUR** of the election of Ms Allen.

### 3. REMUNERATION REPORT

Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out on pages 52 to 73 of the 2014 Annual Report and is also available from the Company's website [www.santos.com](http://www.santos.com).

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The Remuneration Report:

- outlines the key developments that impacted on Santos' remuneration strategy during 2014;
- explains the Board's policies in relation to the objectives and structure of remuneration;
- highlights the links between the Company's performance and the remuneration received by Directors and Key Management Personnel (KMP);
- provides a detailed summary of the components of remuneration for Directors and KMP, including relevant performance conditions; and
- sets out the remuneration details for the Directors and other KMP of the Group.

A reasonable opportunity for discussion of the Remuneration Report will be provided at the Annual General Meeting.

The shareholder vote on the Remuneration Report is advisory only and does not bind the Directors or the Company, in accordance with section 250R of the Corporations Act. Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting on page 13.

### **Recommendation**

The Board recommends that shareholders vote **IN FAVOUR** of adopting the Remuneration Report.

## **4. GRANT OF SHARE ACQUISITION RIGHTS TO MR DAVID KNOX**

The Company is seeking the approval of shareholders for the grant of Share Acquisition Rights ("SARs") to the Managing Director and Chief Executive Officer, Mr David Knox, under the

Santos Employee Equity Incentive Plan ("SEEIP") on the terms set out below.

### **SEEIP TERMS AND CONDITIONS**

The SARs will be granted in accordance with the terms of the SEEIP, formerly known as the Santos Employee Share Purchase Plan ("SESPP"). The SESPP was approved by shareholders at the Annual General Meeting held on 5 May 2000.

#### **Grant of SARs**

It is proposed that Mr Knox be granted 505,592 SARs as a long-term incentive. The calculation used to determine the number of SARs to be granted is explained further below under the heading 'Quantum of award'.

The SARs will be granted at no cost to Mr Knox, and no amount is payable on vesting of the SARs if the performance conditions are met. Each SAR entitles Mr Knox to one fully paid ordinary share in the Company which, when allocated, will rank equally with shares in the same class. At Santos' election, cash to the same value can be paid as an alternative to providing shares.

If approval is obtained, the SARs will be granted to Mr Knox as soon as practicable after the Annual General Meeting. In any event, they will not be granted more than 12 months after the date of the Annual General Meeting.

SARs granted under the SEEIP do not carry any dividend or voting rights until they vest.

#### **Performance condition**

The Board has determined that the SARs to be granted to Mr Knox will be divided into two tranches. Both tranches will be subject to a relative Total Shareholder Return ("TSR")

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performance hurdle. Tranche 1 will comprise 75% of the SARs and will be subject to the Company's TSR performance relative to the TSR performance of the companies comprising the ASX 100 index (as at 1 January 2015). Tranche 2 will comprise 25% of the SARs and will be subject to the TSR performance of the Company relative to the TSR performance of the companies comprising the S&P Global Energy Index (as at 1 January 2015).

Broadly, TSR is the growth in share price, plus dividends reinvested. The TSR for each tranche will be measured over a four-year performance period commencing on 1 January 2015 and ending on 31 December 2018 ("performance period").

At the end of the performance period, the performance conditions are tested and the Company's relative ranking is determined.

The percentage of SARs in each tranche that vests after the end of the performance period will be determined in accordance with the scale set out below.

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<b>Relative TSR ranking against ASX 100 or S&amp;P Global Energy Index</b>	<b>The percentage of SARs which will vest is:</b>
Does not reach the 51st percentile	0%
Equals the 51st percentile	50%
Reaches or exceeds the 52nd percentile but does not exceed the 75th percentile	2% incremental vesting per percentile
Reaches or exceeds the 76th percentile	100%

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The SARs lapse if the performance conditions are not met. There is no re-testing.

## Quantum of award

The number of SARs to be granted to Mr Knox has been determined by dividing an amount equivalent to 100% of Mr Knox's total fixed remuneration (i.e. \$2,421,787.50) by the "fair value" of the SARs. This fair value amount was calculated by an independent party and is based on the share price on 31 December 2014, i.e. at the start of the performance period. It is the same fair value amount that was used to calculate the number of SARs awarded to other senior executives in April 2015 as part of the Company's 2015 long-term incentive program.

Based on the above formula, it is proposed that Mr Knox will be granted 505,592 SARs.

## OTHER INFORMATION

- Mr Knox is the only Director entitled to participate in SEEIP.
- There is no loan in relation to the SARs.
- The ASX Listing Rules require this Notice of Meeting to state the number and price of securities received by Mr Knox since the last shareholder approval. Mr Knox was issued 560,929 SARs (at no cost) pursuant to the shareholder approval obtained at the 2014 AGM.
- Details of Mr Knox's total SARs holdings are provided in the Remuneration Report for the financial year ended 31 December 2014.
- If this grant is approved, some or all of the SARs granted to Mr Knox may vest or lapse on cessation of employment, subject to the Board's discretion as described in the



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Remuneration Report. Under the SEEIP, the Board also has discretion to vest or lapse the CEO's SARs if there is a change of control.

- If approval is given by shareholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting on page 13.

### **Recommendation**

The non-executive Directors consider the grant of SARs to Mr Knox to be reasonable and appropriate in all the circumstances. The non-executive Directors recommend that shareholders vote **IN FAVOUR** of resolution 4.

## **5. NED SHAREHOLDING PLAN**

The Company is seeking shareholder approval for the new Non-Executive Director Shareholding Plan ("*NED Shareholding Plan*") and the acquisition of Santos shares by current and future non-executive Directors under the NED Shareholding Plan.

### **Background**

In June 2014, a minimum shareholding requirement ("*MSR*") was introduced for the Company's non-executive Directors, in order to more closely align their interests with the interests of shareholders. As explained in the Board Charter, the MSR requires non-executive Directors to own a minimum of 15,000 shares in the Company within a 3 year timeframe.

The introduction of the NED Shareholding Plan is intended to assist non-executive Directors to

acquire Santos shares using their own after-tax funds, whether it is in order to meet the MSR or simply to increase their holdings.

### **NED Shareholding Plan**

If approval is given, each present and future non-executive Director of the Company will be able to voluntarily elect to contribute an amount equivalent to a percentage of their after-tax Directors' fees to acquire ordinary shares in the Company ("*NED Shares*") under the NED Shareholding Plan. The maximum that a non-executive Director can contribute over a one-year period will be an amount equivalent to 100% of their after-tax fees for that year.

Once an election has been made for a particular period, elections can only be changed in exceptional circumstances, such as financial hardship.

NED Shares will be allocated periodically and will either be issued as new shares or purchased on market. Ordinarily it is intended that NED Shares will be issued quarterly.

The acquisition of NED Shares will not involve any additional remuneration for the non-executive Directors. This Plan does not constitute any form of incentive. It is merely a mechanism for the non-executive Directors to invest in the Company at market value. Non-executive Directors will be free to trade shares that are allocated to them under the Plan, subject to compliance with the Company's Securities Trading Policy.

### **Participation in the NED Shareholding Plan**

Participation in the NED Shareholding Plan will be open to current and future non-executive Directors of the Company in office from time to time.

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Currently, there are nine non-executive Directors: Mr Kenneth Charles Borda, Mr Peter Roland Coates AO, Mr Kenneth Alfred Dean, Mr Roy Alexander Franklin OBE, Mr Gregory John Walton Martin, Ms Jane Sharman Hemstritch, Mr Hock Goh, Mr Scott Douglas Sheffield and Ms Yasmin Anita Allen. Current or future executive Directors, including the Managing Director, are not eligible to participate in the NED Shareholding Plan.

### Acquisition and quantum of NED Shares

NED Shares will be allocated to non-executive Directors by dividing the amount they have elected to contribute by:

- if the NED Shares are newly issued, the weighted average price at which the Company's shares were traded on the ASX in the one week period up to, but excluding the date of allocation; or
- if the NED Shares are sourced on market, the price actually paid for the NED Shares (which, at the Board's discretion, may include stamp duty, brokerage or other costs associated with the acquisition of the NED Shares).

The number of NED Shares which may be acquired by the current and future non-executive Directors cannot be precisely calculated, as it depends on:

- the extent to which each non-executive Director participates in the NED Shareholding Plan;
- the share price at the time when NED Shares are allocated to non-executive Directors; and
- the number of non-executive Directors in office from time to time.

As an illustrative example, if the entire shareholder approved non-executive Director annual fee pool of \$2.6 million was used to acquire shares under the NED Shareholding Plan at the closing share price of \$7.95 on 26 February 2015, the total number of shares that would be acquired in the first year of the NED Shareholding Plan would be 327,044, comprising approximately 0.033% of the current issued capital.

If at any time the Board determines that the allocation of NED Shares would result in the Company breaching the Company's Constitution, any law or rule of the ASX, or is otherwise inappropriate in the circumstances, the Board may defer the allocation of shares until a more suitable time or pay a non-executive Director a cash amount equal to the amount contributed.

### OTHER INFORMATION

- Shares acquired by non-executive Directors under the NED Shareholding Plan will rank equally (in relation to dividends and other rights) in all respects with other issued fully paid shares.
- No loan will be made available by the Company in connection with the acquisition of shares under the NED Shareholding Plan.
- No shares have yet been issued under the NED Shareholding Plan.
- Details of any shares issued under the NED Shareholding Plan will be published in each Annual Report of the Company relating to a period in which shares have been issued, and that approval for the issue of shares was obtained under ASX Listing Rule 10.14.

- If resolution 5 is approved, it is anticipated that non-executive Directors will be able to participate in the NED Shareholding Plan from the time shareholder approval is granted. While it is intended that the NED Shareholding Plan will continue to operate indefinitely, new shares will only be issued under the NED Shareholding Plan up until 30 April 2018, unless shareholder approval for the issue of shares under the NED Shareholding Plan is refreshed prior to that date.
- If approval is given by shareholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.
- Voting restrictions apply in relation to this resolution and are described in the Notes Relating to Voting on page 13.

## **6. RENEWAL OF PROPORTIONAL TAKEOVER PROVISION**

Rule 70 of the Company's Constitution currently contains provisions dealing with proportional takeover bids for Santos shares in accordance with the Corporations Act.

Under the Corporations Act and Rule 70, the provisions must be renewed every three years or they will cease to have effect. The current provisions will automatically cease to have effect after 3 May 2015 and accordingly, it is proposed to renew them in the Constitution. If renewed, Rule 70 will operate on the same basis as the existing Rule 70 for a period of three years from the date of the Annual General Meeting.

The Corporations Act requires that the following information be provided to shareholders when they are considering the renewal of proportional takeover provisions in a constitution.

### **What is a proportional takeover bid, and why do we need the proportional takeover approval provisions?**

A proportional takeover bid involves the bidder offering to buy a proportion only of each shareholder's shares in the Company. This means that control of the Company may pass without members having the chance to sell all their shares to the bidder. It also means the bidder may take control of the Company without paying an adequate amount for gaining control.

In order to deal with this possibility, a company may provide in its constitution that:

- in the event of a proportional takeover bid being made for shares in the Company, members are required to vote by ordinary resolution and collectively decide whether to accept or reject the offer; and
- the majority decision of the Company's members will be binding on all individual members.

The Directors consider that members should be able to vote on whether a proportional takeover bid ought to proceed given such a bid might otherwise allow control of the Company to change without members being given the opportunity to dispose of all of their shares for a satisfactory control premium. The Directors also believe that the right to vote on a proportional takeover bid may avoid members feeling pressure to accept the bid even if they do not want it to succeed.

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### What is the effect of the proportional takeover approval provisions?

If a proportional takeover bid is made, the Directors must ensure that members vote on a resolution to approve the bid more than 14 days before the bid period closes.

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote. However, the bidder and their associates are not allowed to vote.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's Constitution.

The bid will be taken to have been approved if the resolution is not voted on within the deadline specified under the Corporations Act. However, the Directors will breach the Corporations Act if they fail to ensure the approving resolution is voted on.

The proportional takeover approval provisions do not apply to full takeover bids, and only apply for three years after the date they are renewed. The provisions may be renewed, or reinserted upon the expiry of the initial three-year period, but only by a special resolution passed by members.

### Potential advantages and disadvantages

While the renewal of Rule 70 will allow the Directors to ascertain members' views on a proportional takeover bid, it does not otherwise offer any

advantage or disadvantage to the Directors who remain free to make their own recommendation as to whether the bid should be accepted.

The provisions in Rule 70 ensure that all members have an opportunity to study a proportional bid proposal and vote on the bid at a general meeting. This is likely to ensure a potential bidder structures its offer in a way which is attractive to a majority of members, including appropriate pricing. Similarly, knowing the view of the majority of members may help individual members assess the likely outcome of the proportional takeover when determining whether to accept or reject the offer.

However, it is also possible that the inclusion of such provisions in the Constitution may discourage proportional takeover bids, and may reduce any speculative element in the market price of the Company's shares arising from the possibility of a takeover offer being made. The inclusion of the provisions may also be considered to constitute an unwarranted additional restriction of the ability of members to freely deal with their shares.

The Board considers that the potential advantages for members of the proportional takeover approval provisions outweigh the potential disadvantages.

As at the date on which this statement was prepared, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

### Recommendation

The Board recommends that shareholders vote **IN FAVOUR** of the renewal of the proportional takeover provision in Rule 70 of the Constitution of Santos Limited.

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## NOTES RELATING TO VOTING

### 1. ENTITLEMENT TIME

The Board has determined in accordance with the Rules of the Company's Constitution and the Corporations Regulations that a person's entitlement to vote at the Annual General Meeting will be taken to be the entitlement of that person shown in the Register of Members as at 6.30 pm Adelaide time on Tuesday, 28 April 2015.

### 2. VOTING EXCLUSIONS

#### Resolution 3

The Company will disregard any votes cast on Resolution 3:

- by or on behalf of a member of the Company's KMP named in the Company's Remuneration Report for the year ended 31 December 2014, or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties;

unless the vote is cast as proxy for a person entitled to vote on Resolution 3:

- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy.

#### Resolution 4

The Company will disregard any votes cast on Resolution 4:

- by or on behalf of Mr Knox and any of his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties;

unless the vote is cast as proxy for a person entitled to vote on Resolution 4:

- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy.

#### Resolution 5

The Company will disregard any votes cast on Resolution 5:

- by or on behalf of any non-executive Director of Santos and any of their associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties;

unless the vote is cast as proxy for a person entitled to vote on Resolution 5:

- in accordance with a direction in the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy.

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### 3. VOTING ENTITLEMENT ON A POLL

On a poll, every member has one vote for every fully paid ordinary share held.

### 4. PROXIES

The following information is relevant if you wish to appoint a proxy to vote on your behalf on resolutions at the Annual General Meeting.

#### **The Chairman of the Annual General Meeting acting as proxy**

You may appoint the Chairman of the Annual General Meeting as your proxy. In addition, the Chairman of the meeting is deemed to be appointed where a signed proxy form is returned which does not contain the name of the proxy or where the person appointed on the form is absent.

If a member directs the Chairman how to vote on an item of business, the Chairman must vote in accordance with the direction.

For proxies without voting instructions that are exercisable by the Chairman, the Chairman intends to vote all available proxies in favour of each resolution.

In relation to each of the remuneration-related resolutions (being Resolutions 3, 4 and 5), if the Chairman of the meeting is appointed as your proxy, and you have not directed your proxy how to vote on the relevant resolution, please note that by completing and returning the proxy form accompanying this Notice you will be expressly authorising the Chairman of the meeting to exercise your undirected proxy on these resolutions even though they are connected with the remuneration of the Company's key management personnel.

### **Directing your proxy how to vote**

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form.

If you mark the abstain box for a particular item you are directing your proxy not to vote on your behalf and your shares will not be counted in computing the required majority on a poll.

If you do not mark a voting instructions box in respect of a resolution your proxy can vote as he or she decides, subject to any voting exclusions that apply to the proxy.

### **Does the proxy you appoint need to be a member?**

A proxy may be an individual or a body corporate, and need not be a member of the Company.

### **Appointing two proxies**

A member entitled to attend and vote is entitled to appoint not more than two proxies. If you wish to appoint two proxies please obtain a second proxy form by telephoning the Share Registry on 1300 017 716 (within Australia) or +61 3 9938 4343 (outside Australia) or by sending a fax to 1800 763 447. Both forms should be completed specifying the nominated percentage, or number of your votes given to each proxy. Please return both proxy forms together. If the proxy forms do not specify the proportion or number of your votes, each proxy may exercise half of the votes. Where more than one proxy is appointed and both attend the meeting, neither proxy is entitled to vote on a show of hands.

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### **Appointment of a body corporate representative as a proxy**

Where a member appoints a body corporate as proxy, that body corporate will need to ensure that:

- it appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act (the “Certificate of Appointment of Corporate Representative”, which can be obtained from the Share Registry, can be used for this purpose); and
- the instrument appointing the corporate representative is received by the Company at its registered office by the time referred to below.

### **Completing the proxy form**

A proxy form must be signed by the member or his/her attorney or, in the case of a corporation, executed in accordance with section 127 of the Corporations Act, or signed by an authorised officer or attorney. If the proxy form is signed by an attorney, or by the authorised officer of a corporation, the power of attorney or other authority (or a notorially certified copy) must accompany the form unless it has previously been provided to the Company. If the proxy form is sent electronically or by fax, any accompanying power of attorney or other authority must be certified.

### **Lodgement of proxy forms**

Proxy forms must be received by the Company by 10.00 am Adelaide time on Tuesday, 28 April 2015. You may lodge your proxy form:

- electronically via [www.investorvote.com.au](http://www.investorvote.com.au);
- by hand delivery to Computershare Investor Services Pty Ltd, 452 Johnson Street, Abbotsford, Victoria 3067;
- by post to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria 8060; or
- by fax to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

### **5. APPOINTING AN ATTORNEY TO VOTE ON YOUR BEHALF**

Where a member appoints an attorney to act on his/her behalf at the meeting, such appointment must be made by a duly executed power of attorney. The power of attorney must be received by the Company at Computershare Investor Services by hand or post as set out in section 4 above, by the time referred to in section 4 above.

### **6. APPOINTING A CORPORATE REPRESENTATIVE**

Where a member is a corporation and appoints a representative under section 250D of the Corporations Act, appropriate evidence of the appointment must be produced. A “Certificate of Appointment of Corporate Representative” can be obtained from the Share Registry. It should be completed prior to the Annual General Meeting and presented at the registration desk on the day of the meeting.

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## **Notice of Annual General Meeting**

continued

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### **7. CUSTODIAN VOTING**

For intermediary online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.



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# Getting to the AGM

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## AGM Venue

The Santos AGM will be held in Hall L of the Adelaide Convention Centre, North Terrace, Adelaide.

## Car Parking

Car parking is available in the Riverbank Car Park and the North Terrace Car Park. The map on the following page shows access routes to car-parking facilities.

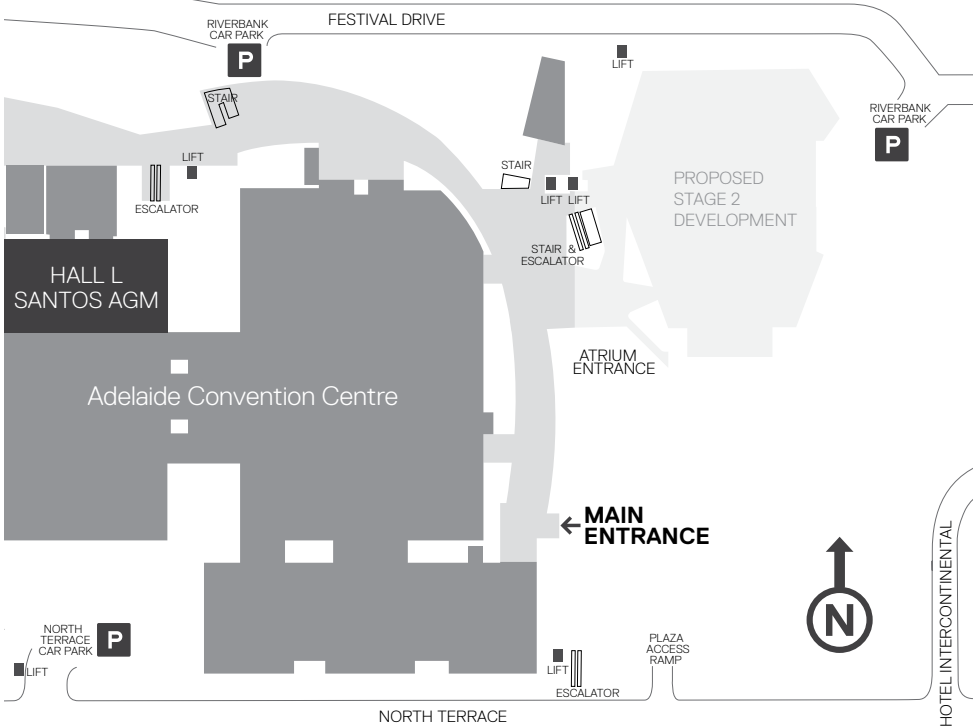
## Public transport

- Bus Stops D (northern side of North Terrace in front of Adelaide Railway Station) and W2 (southern side of North Terrace)
- Free City Loop (99C) stops at Bus Stops D1 (northern side of North Terrace – Adelaide Railway Station) and W2 (southern side of North Terrace, west of Adelaide Convention Centre)
- Tram Stop on North Terrace near Adelaide Convention Centre – Adelaide Railway Station
- Taxi Rank in front of Adelaide Railway Station

# AGM venue location

## Adelaide Convention Centre

### Ground level







**Santos**  
We have the energy.

