

## 1. Board Composition and Chairman

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- (a) The minimum number of Directors (exclusive of the Chief Executive Officer and Managing Director ('CEO')) is 5 and the maximum number of Directors is 10. (Rule 33, Constitution).
- (b) A substantial majority of the Board should be independent Non-Executive Directors.
- (c) The Board will appoint one of the Directors as Chairman. The Board may determine the period for which the Chairman is to hold office and may terminate that appointment.
- (d) The Chairman of the Board should not be the CEO of the Company and should be an independent Non-Executive Director.
- (e) The Chairman's principal role is to provide leadership to the Board and to ensure the effective working of the Board in discharging its responsibilities.
- (f) The Board may appoint one of the Directors as Deputy Chairman. If no Deputy Chairman is appointed then, if the Chairman is absent from a Board meeting, a Chairman for the meeting will be appointed by the Directors in attendance.
- (g) The Board assesses the independence of each Director, having regard to the ASX Corporate Governance Council's Principles and Recommendations, in light of information disclosed by each Director to the Board.
- (h) The Board will assess the materiality of any relationship that may affect independence on a case-by-case basis. However, in the absence of any mitigating factors, the following interests will be regarded as material:
  - (i) a holding of 5% or more of the Company's voting shares or a direct affiliation with an entity that holds more than 5% of the Company's voting shares; or
  - (ii) an affiliation with an entity that accounts for 5% or more of the Company's revenue or expenses.

## 2. Roles and Responsibilities of the Board

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- (a) The Board is accountable to shareholders for the performance of Santos. It oversees the safe and sustainable operations of the Company in accordance with the Company's values. Increases in shareholder value are to be pursued within a risk management framework that respects all stakeholder interests. The Board seeks to ensure that Management implements sound strategies consistent with the Board's overriding objective including developing an integrated framework of risk management and control.
- (b) The Board's responsibilities include:
  - (i) leading by example;
  - (ii) overseeing the Company's strategic direction and management of the Company;
  - (iii) approving the annual capital and operating budget;
  - (iv) approving delegations of authority to Management;
  - (v) approving significant acquisitions and disposals of assets;
  - (vi) approving significant expenditure decisions outside of the Board-approved corporate budget;
  - (vii) approving and monitoring financial performance against strategic plans and corporate budgets;
  - (viii) approving and monitoring the Company's values, ethical standards and codes of conduct;
  - (ix) selecting, evaluating and succession planning for Directors, the CEO and Company Secretary, and generally endorsing the same for the CEO's direct reports;

- (x) setting the remuneration of Directors and the CEO and generally endorsing the same for the CEO's direct reports, and monitoring whether the Company's remuneration policies and practices are aligned to the Company's values, strategic direction and risk appetite; and
- (xi) setting the Company's risk appetite and overseeing the integrity of material business risk management.
- (c) The Company Secretary, through the Chairman, is accountable to the Board for the effectiveness of corporate governance processes, ensuring adherence to the Board's principles and procedures and coordinating all Board business, including agendas, board papers, minutes, communication with regulatory bodies, and all statutory and other filings.
- (d) All Directors will have direct access to the Company Secretary.
- (e) The Board delegates management of the Company's resources to the Company's executive management team, under the leadership of the CEO, to deliver the strategic direction and goals approved by the Board. This is formally documented in the Company's Delegation of Authority. Management is accountable to the Board for the discharge of this delegated authority and for compliance with any limits on that authority (including complying with the law and Company policy).
- (f) Management is responsible for reporting relevant information to the Board. The Board is responsible for satisfying itself that the Board reporting framework is appropriate. Where required, the Board will provide feedback to and challenge management.

## 3. Board Membership and Attendance

- (a) The Board should meet at least 6 times a year. Directors should attend all meetings of the Board and Committees to which they are appointed.
- (b) Directors are expected to commit sufficient time to discharge their duties, including preparing for meetings, familiarising themselves with the business, visiting the Company's operations and developing their skills in areas relevant to the business.
- (c) Senior Executives nominated by the CEO should attend Board and Committee meetings. However, certain matters will be considered with only the Directors in attendance.
- (d) Papers for Board and Committee meetings will be circulated to Directors in advance of each meeting so that Directors have a reasonable opportunity to review the papers.
- (e) The Chairman and CEO, supported by the Company Secretary, will set the agenda for each Board meeting.
- (f) The Chairman and CEO will agree the structure and timing of formal Board presentations.
- (g) Board meetings should regularly include a session at which the Non-Executive Directors meet without the CEO or other members of management present.
- (h) Where a Non-Executive Director requires background or other information from management, he or she should contact the CEO or Company Secretary to ensure transparency in any management contact.

## 4. Appointment and Retirement of Directors

- (a) The Nomination Committee assists the Board with matters concerning Board membership and composition. The Committee will have regard to the following matters:
  - (i) Directors should be appointed primarily based on their capacity to contribute to the Company's development. The Board should include at least some members with experience in the upstream oil and gas and/or resources industries.

- (ii) In determining the composition of the Board, consideration should be given to succession planning, board renewal and the optimal mix of background, skills, experience and diversity that will position the Board to guide the Company.
- (b) Appropriate background checks will be undertaken before a new Director is appointed or put forward for election for the first time.
- (c) Prior to appointment, the Chairman will provide the new Director with a letter of appointment which sets out the Director's rights, duties and responsibilities.
- (d) New directors will be provided with a comprehensive induction program, including business briefings by management and site visits.
- (e) Nomination for re-election is subject to review by the Nomination Committee and endorsement by the Board.
- (f) The expected tenure of a Non-Executive Director is between 6 and 9 years.

## 5. Committees

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- (a) The Board will establish Committees to assist it in discharging its responsibilities effectively and efficiently.
- (b) The Board has established the following standing committees:
  - (i) Audit & Risk Committee;
  - (ii) Nomination Committee;
  - (iii) People, Remuneration and Culture Committee; and
  - (iv) Environment, Health, Safety and Sustainability Committee.
- (c) Committees will operate within the terms of their Charters. Unless the Board expressly delegates power to a Committee, Committees will not have decision-making power but will make recommendations to the Board for decision.
- (d) Each Committee's Charter, membership and performance will be reviewed annually.
- (e) The Board will appoint the members and the Chairman of each Committee and approve any changes to their Charters.
- (f) A quorum for each Committee is a majority of its members.
- (g) The Company Secretary is the Secretary of each Committee unless the Committee resolves otherwise.

## 6. Board Review

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- (a) A formal review of the Board should be conducted annually. Every three years, the review should be conducted by an external consultant, based on the scope determined by the Board.
- (b) Board reviews will focus on the Board's contribution to the Company, its shareholders and other stakeholders.
- (c) The Chairman will facilitate annual individual reviews of each Director including an interview with each Director. A similar discussion will be conducted with the Chairman by two Non-Executive Directors appointed by the Non-Executive Directors of the Board.

## 7. Independent Professional Advice

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- (a) A Director may seek independent professional advice at the Company's expense where:

- (i) The Director reasonably considers, after consulting with the Chairman, that obtaining independent advice is appropriate; and
- (ii) The Chairman consents to the Director obtaining the advice. The Chairman's consent must not be unreasonably withheld.
- (b) Prior to instructing the advisor, the Director should advise the Chairman of the fee payable. The fee must be reasonable considering the nature of the advice and the fees charged by comparable advisors.
- (c) All instructions to the advisor must be in writing (unless extreme urgency is involved) and should specify the party instructing, the capacity in which that party is acting and the party to whom the advice is to be addressed.
- (d) Except in circumstances of competing interests between the Directors, or between the Director and the Company, a copy of the advice, the letter of instruction, and all materials which accompanied the letter must be provided to the Board.

## 8. Risk Management

- (a) The Board will ensure that Management maintains arrangements to identify and manage areas of material risk and emerging sources of risk and will review those arrangements if any irregularity or inadequacy becomes apparent.
- (b) Risk management arrangements will include:
  - (i) **Board Committees;**
  - (ii) **Financial Reporting**, including comprehensive budgeting systems with annual budget approvals, regular reporting of financial results and five-year business plans;
  - (iii) **Management Reporting**, including regular Board papers, attendance by Senior Executives at Board meetings, and certifications from senior management;
  - (iv) **Organisational Structures, Procedures, Manuals and Policies**, including delegation of authority, credit exposure limits and approval of counterparties, prohibitions on speculative trading, and safety and environmental policies;
  - (v) **Audits**, including internal and external financial, environmental and safety audits;
  - (vi) **Environment, Health and Safety Standards**, including requirements for adherence to safety and environmental policies;
  - (vii) **Comprehensive Insurance Programmes;** and
  - (viii) **Appointment of Specialist Staff and External Advisors**, including treasury, environment, safety, legal, insurance and taxation.

## 9. Ethical Standards

- (a) The Board is responsible for monitoring the Company's culture and compliance with the Company's code of conduct and ethical standards. The CEO is responsible for instilling a culture that aligns with the Company's values.
- (b) As soon as a Director becomes aware of a potential or actual conflict of interest, the Director must inform the Chairman or Company Secretary.
- (c) Directors must comply with the Company's key corporate policies, including the Company's Code of Conduct and Securities Dealing Policy.

## 10. Minimum Shareholding Requirement

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- (a) To more closely align their interests with shareholders, Non-Executive Directors are required to apply at least 25% of their remuneration to the purchase of Santos shares at times when they are permitted to trade, until they achieve a shareholding equivalent in value to one year's remuneration (base fee and committee fees) and thereafter to maintain at least that level of shareholding throughout their tenure.
- (b) The minimum shareholding requirement will be reviewed every 3 years.

## 11. Changes to this Charter

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- (a) Changes to this Charter must be approved by a two thirds majority of the Board.
- (b) This Charter will be reviewed annually or as required.

## 12. Publication

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- (a) This Charter will be made available on the Company's website.

### STATUS: APPROVED

Document Owner:	Jodie Hatherly, General Counsel and Vice President Legal Risk & Governance		
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