

CORPORATE GOVERNANCE STATEMENT 2020

Effective corporate governance is critical to the long-term success of Santos. The Board and all levels of management are committed to maintaining and enhancing a strong corporate governance framework that underpins Santos' vision to be Australia's leading natural gas company by 2025.

2020 GOVERNANCE HIGHLIGHTS

- Board site visit to DLNG
- Adoption of a formal Conflicts of Interest Protocol
- Publication of first Modern Slavery Statement
- Refresh of the Company's Securities Dealing Policy and Code of Conduct
- Review and update of Board and Committee Charters in line with current best practice
- Comprehensive review of the risk management framework including the risk appetite statement
- Conduct of an internal Board performance review

Santos supports the intent and purpose of the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**) and meets the specific requirements of the 4th Edition, as outlined in this Corporate Governance Statement.

Santos' corporate governance policies are available in the Corporate Governance section of the Company's website, at <https://www.santos.com/who-we-are/corporate-governance/>. The Board regularly reviews these policies and the Company's corporate governance practices against the requirements of both the *Corporations Act 2001* (Cth) (**Corporations Act**) and the Listing Rules of the Australian Securities Exchange (**ASX**), and current best practice.

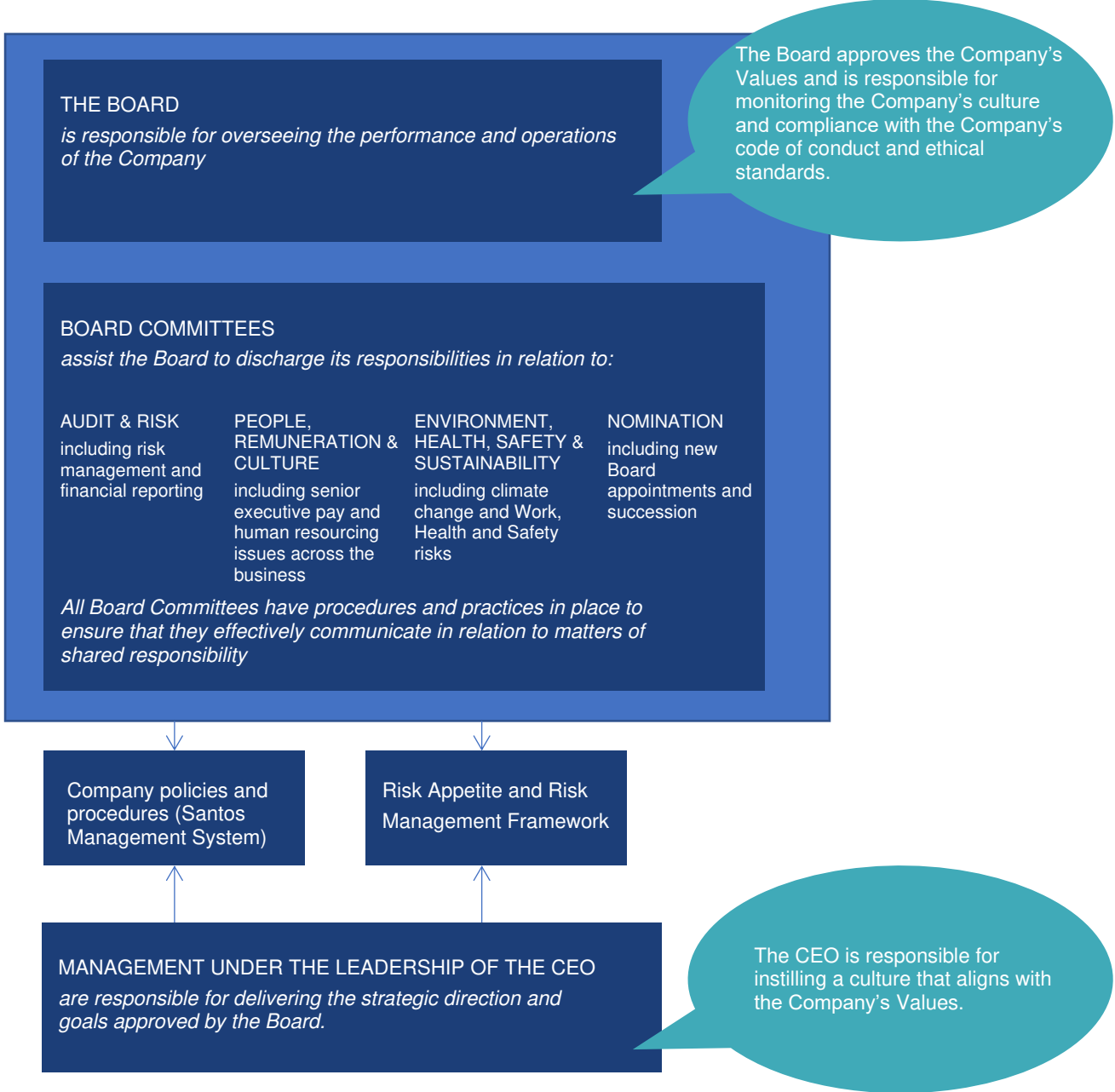
Below is a list of the Company's publicly available core governance framework documents, set out against the relevant principles of the ASX Principles. The majority of these documents are available on the Company's website.

ASX Principle	Relevant Document / Information
Principle 1: Lay solid foundations for management and oversight	Santos Board Charter Nomination Committee Charter
Principle 2: Structure the Board to add value	Santos Board Charter Nomination Committee Charter
Principle 3: Act ethically and responsibly	Code of Conduct Securities Dealing Policy Diversity & Inclusion Policy Climate Change Policy Taxation Policy Environment, Health & Safety Policy Local Industry, Community & Indigenous Participation Policy Anti-Corruption Procedure Reporting Misconduct (Whistleblower) Procedure
Principle 4: Safeguard integrity in corporate reporting	Audit & Risk Committee Charter Reserves Policy
Principle 5: Make timely and balanced disclosure	Market Communication & Continuous Disclosure Policy
Principle 6: Respect the rights of security-holders	Constitution Market Communication & Continuous Disclosure Policy Santos' corporate governance and investor web pages

Principle 7: Recognise and manage risk	Audit & Risk Committee Charter Environment, Health, Safety & Sustainability Committee Charter Risk Management Policy Environment, Health & Safety Policy Climate Change Policy Treasury Policy
Principle 8: Remunerate fairly and responsibly	People, Remuneration and Culture Committee Charter

OVERVIEW OF SANTOS’ CORPORATE GOVERNANCE FRAMEWORK

The purpose of our corporate governance framework is to assist our people to make good decisions that promote the longer term success of Santos. Our corporate governance framework and its link to the Company’s Values and culture is illustrated below:



Santos' Values inform the behaviours, leadership attributes and decision-making of all Santos employees. They reflect how Santos employees work, treat each other and interact with the people and communities around Santos. These Values are:



Work as one team

- + Value diverse perspectives
- + Challenge respectfully then get behind the decision
- + Unite and share learnings



Pursue exceptional results

- + Deliver value for our stakeholders
- + Be decisive about what we can do better
- + Recognise and reward achievement
- + Strive for constant improvement
- + Enable innovation



Act with integrity

- + Act ethically and do the right thing
- + Value our customer relationships
- + Confront the facts
- + Treat people with respect



Always safe

- + Plan work to protect all from harm
- + Be skilled and competent
- + Understand the risks, controls and barriers
- + Follow the rules and respond to change
- + Speak up
- + Step back, think and be ready



Be accountable

- + Do what we say we are going to do
- + Take responsibility for our actions
- + Be disciplined about meeting requirements and standards
- + Learn from success and failure



Build a better future

- + Leave a positive legacy
- + Invest in our people
- + Have a positive impact in our communities
- + Protect the environment
- + Be health and safety champions

The Santos Values provide a blueprint for the expected behaviour at Santos. The Santos Code of Conduct is based on the principles that guide the way we work, as set out in our Values. Any person who performs work for or on behalf of Santos must comply with Santos' Code of Conduct, which contains the following core requirements:

- We work safely and look out for the safety of our colleagues
- Our workplace is free from harassment, discrimination and bullying
- We act ethically and lawfully in all business conduct
- We understand and manage the impact of our operations on the environment and engage with our stakeholders with respect
- We communicate accurately and honestly with investors, government and the community
- All trading in Santos securities occurs in compliance with the Securities Dealing Policy
- Everyone at Santos is expected to understand and comply with the standards in the Code of Conduct
- We work in a way that respects the human rights of all people touched by our operations, including in a manner consistent with seeking to prevent the occurrence of slavery and human trafficking
- The Board, including through its various Committees, is responsible for setting, assessing and reinforcing the Santos culture
- All breaches of the Code of Conduct must be reported

These Values and requirements form the foundation of Santos' corporate governance framework.

PART 1: BOARD RESPONSIBILITIES

The Board is accountable to the shareholders for the performance of the Company. The Board oversees the safe and sustainable operations of the Company in accordance with the Company's Values. The Board's focus is to pursue increases in shareholder value within a risk management framework that respects all stakeholder interests. The Board understands the importance of a strong and healthy working relationship with management and seeks to ensure that management implements sound strategies consistent with the Board's overriding objective.

1.1 Responsibilities

The Board is responsible for the overall corporate governance of the Company, including approving the strategic direction and financial objectives, oversight of the performance and operations of the Company, establishing goals for Management and monitoring the attainment of these goals.

Each Director is required to ensure that they are able to devote sufficient time to discharge their duties and to prepare for Board and Committee meetings and associated activities.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. All Directors have direct access to the Company Secretary and the Company Secretary has a direct reporting line to the Chair.

The Board is responsible for:

- overseeing the Company's strategic direction and management of the Company
- approving the annual capital and operating budget
- approving delegations of authority to Management
- approving significant acquisitions and disposals of assets
- approving significant expenditure decisions outside of the Board-approved corporate budget
- approving and monitoring financial performance against strategic plans and corporate budgets
- approving and monitoring the Company's Values, ethical standards and codes of conduct
- selection, evaluation and succession planning for Directors, the CEO and Company Secretary and generally endorsing the same for the CEO's direct reports
- 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
- setting the Company's risk appetite and overseeing the integrity of material business risk management

Delegation of Authority

The Board delegates management of the Company's operations and resources to the Company's executive management team under the leadership of the CEO. 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).

Responsibilities delegated by the Board to Management:

- the conduct and operation of the Company's business in the ordinary course
- implementing corporate strategies
- operating under approved budgets and written delegations of authority

The CEO and other Senior Executives are employed under written employment agreements, which set out their rights, duties and responsibilities.

Management's discharge of its responsibilities is monitored through regular Board reporting and performance evaluations against pre-determined performance objectives.

Performance evaluations of Senior Executives are usually undertaken by the CEO. The Chair undertakes the CEO's annual review. Performance evaluations were undertaken in 2020 in accordance with this process.

The results of these reviews are used in determining succession plans, performance and development plans and remuneration in consultation with the People, Remuneration & Culture Committee.

Details of the remuneration received by the CEO and Senior Executives, including short and long-term incentives relating to Company and individual performance targets, are set out in the Remuneration Report commencing on page 31 of the *2020 Annual Report*. Details of non-executive Director remuneration are separately set out in the Remuneration Report.

PART 2: COMPOSITION OF THE BOARD

2.1 Board composition and Director independence

Under the Company's Constitution, the Board must have a minimum of five Directors (not including the Managing Director) and a maximum of ten. Directors other than the Managing Director are required to seek election at the first annual general meeting after their appointment and thereafter may not retain office without re-election for more than three years or past the third annual general meeting following their last election or re-election.

At every annual general meeting of the Company, one third of Directors must retire from office (after excluding the Managing Director and any new Directors standing for election for the first time).

To ensure regular Board renewal, the Board Charter contains a guideline that the expected tenure of a non-executive Director will be between six and nine years. This guideline is applied flexibly, and it is expected that some non-executive Directors may remain in office for longer periods where appropriate, for instance to maintain the desired mix of skills and experience on the Board.

The Board assesses the independence of each Director having regard to the definition of independence set out in the ASX Principles. Each Director's independence is assessed by the Board on an individual basis, focusing on an assessment of each Director's capacity to bring independence of judgement to Board decisions. In this context, Directors are required to make prompt disclosure to the Board of any changes in interests in material shareholdings, contracts, personal ties and cross-directorships that may be relevant in considering their independence.

Directors must declare any conflict of interest that they may have at the start of all Board meetings. Where a material personal interest arises with respect to a matter that is to be considered by the Board, the Director is required to declare that interest and must not take part in any Board discussion or vote in relation to that matter, unless permitted in accordance with the Corporations Act.

The Directors of the Company as at 31 December 2020*

Name	Date of initial appointment	Independent Y/N	Period of office	For re-election		
				2021	2022	2023
Yasmin Allen	October 2014	Y	Full Year	No	No	Yes
Guy Cowan	May 2016	Y	Full Year	No	No	Yes
Hock Goh	October 2012	Y	Full Year	No	Yes	No
Eugene Shi	December 2020	N	<1 month	Yes	No	No
Vanessa Guthrie	July 2017	Y	Full Year	Yes	No	No
Peter Hearl	May 2016	Y	Full Year	No	Yes	No
Janine McArdle	October 2019	Y	Full Year	No	No	Yes
Keith Spence (Chair)	January 2018	Y	Full Year	Yes	No	No
Kevin Gallagher (MD and CEO)	February 2016	N	Full Year	n.a. Managing Director		

*Note: During the 2020 year, Mr Yu Guan was a director from 1 January up until his retirement effective 31 December.

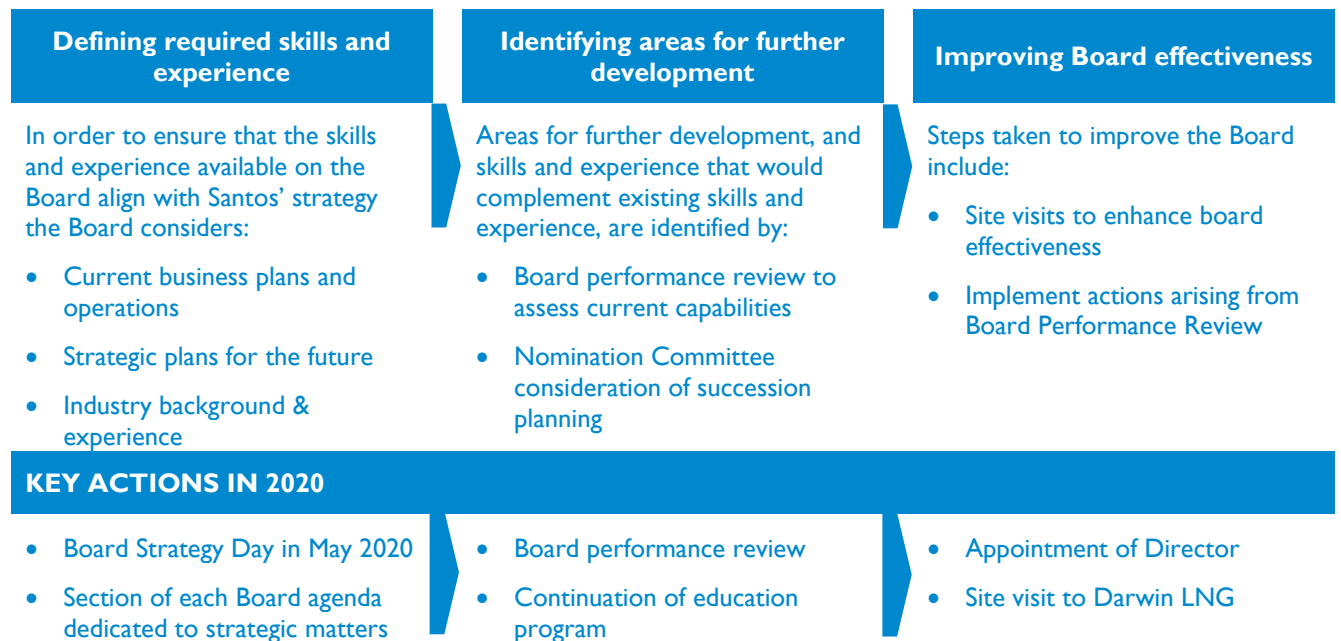
2.2 Board capabilities

In determining the composition of the Board, consideration is given to the optimal mix of background, skills, experience and diversity that will best position the Board to guide the Company. As the needs of the Board are dynamic, these skills and experiences may change over time. In 2018, the Board competencies were reassessed and revised, following further development of strategy and an external independent board performance review.

Following the Director appointments in 2019, a Board competency assessment was performed and found that the Board’s competencies had improved since 2018 and either meet or exceed the relevant aspirational targets for all competency categories.

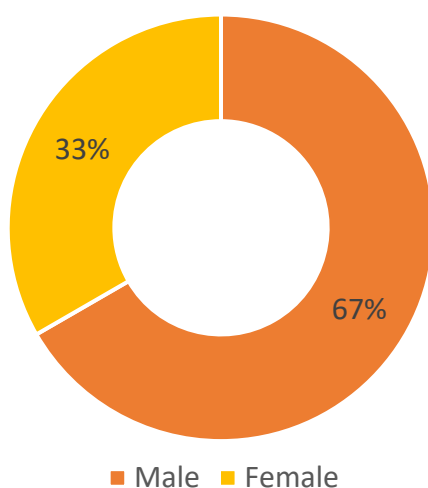
Directors are appointed primarily based on their capacity to contribute to the Company’s development and success. The Board Charter also recognises that the Board should include at least some members with experience in the upstream oil and gas and/or resources industries.

The following diagram shows how the Company’s programs and systems (described in further detail in Sections 2.3 to 2.5) support Santos in building an effective Board, with the breadth and depth of background, skills, experience and diversity necessary to guide the Company’s strategic growth plans.

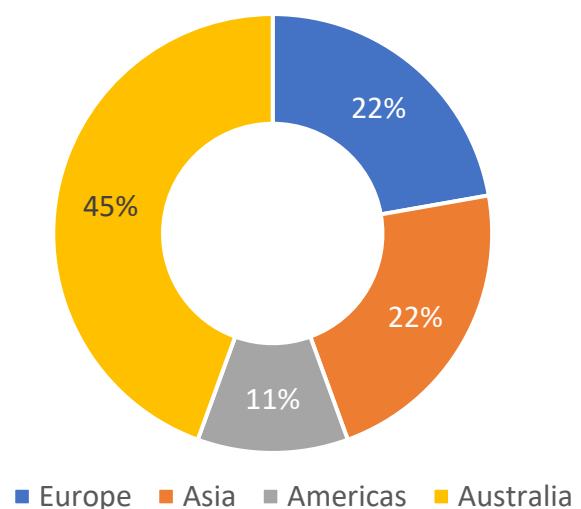


The charts below demonstrate the skills, experience and diversity of the Directors in office at the end of 2020 across several dimensions that are relevant to Santos as a leading energy Company, and include an explanation of the criteria used to assess whether a Director possesses particular skills.

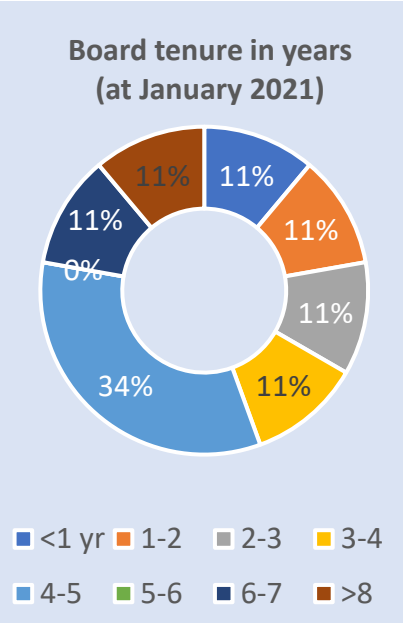
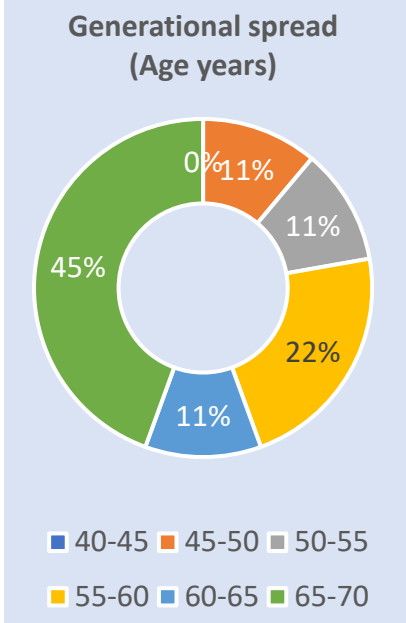
GENDER DIVERSITY



CULTURAL AND ETHNIC DIVERSITY



Skill	Description	Evaluation
Strategy	Ability to Identify and critically assess strategic opportunities and threats; and to implement successful strategies to create sustained, resilient business outcomes.	
Financial Acumen	Experience in financial accounting and reporting, corporate finance and/or restructuring corporate transactions. Ability to probe the adequacies of financial and risk controls.	
Risk Management	Experience working with risk and compliance management practices in various countries, regulatory or business environments. Ability to identify key business risks and mitigation implementation.	
Governance	Experience serving on boards in diverse industries. Awareness of global practices and trends. Ability to implement high standards of governance and assess the effectiveness of management.	
Culture & Remuneration	Experience in remuneration policy and implementation, linking remuneration to strategy and performance. Ability to develop succession plans and to develop talent, culture and diversity.	
HSE & Sustainability	Experience in workplace health and safety, environmental management and social responsibility, including climate change, and sustainability.	
Regulatory & public policy	Experience working in diverse political, cultural, regulatory and business environments. Ability in influencing public policy decisions and outcomes.	
Oil & gas experience	Experience in the oil and gas industry. Ability in exploration, capital project development, operations, reserves, markets, technology, for conventional and unconventional hydrocarbons.	
Commercial	Experience managing, directing or advising on mergers, acquisitions, divestments and portfolio optimisations. Experience in energy markets: global oil, gas, LNG; Australian energy markets.	
International experience	Experience working in other countries, especially in the Asia Pacific region. Experience in working in different jurisdictions, with different cultures, communities and work practices.	
Capital projects	Experience with projects with large capital outlays and longer term investment horizons, in both the planning and execution phases.	



Legend Deep skills Broad skills Low skills

The names and details of the experience, qualifications, special responsibilities (including Committee memberships) and term of office of each Director of the Company can be found on pages 6 to 8 of the *2020 Annual Report*.

2.3 Director selection and succession planning

The Board renewal process is overseen by the Nomination Committee and involves regularly reviewing the composition of the Board to ensure that the Directors bring to the table an appropriate mix of background, skills, experience and diversity relevant to the management of a leading energy company.

In making recommendations relating to Board composition, the Nomination Committee takes into account both the current and future needs of the Company. The Nomination Committee specifically considers each of the Directors coming up for re-election and makes an assessment as to whether to recommend their re-appointment to shareholders. This assessment considers matters including their contribution to the Board, the results of Board and Committee reviews, and the ongoing needs of the Company. The Committee also takes into account the succession plans of the Directors more broadly.

The Nomination Committee is responsible for defining the desired attributes and skill sets for a new Director. The services of an independent consultant are then used where appropriate to assist in the identification and assessment of a range of potential candidates based on a brief from the Nomination Committee. The Nomination Committee reviews prospective candidates and arranges for appropriate background checks to be undertaken, then makes recommendations to the Board regarding possible appointments of Directors, including recommendations for appointments to Committees. Senior Executives are also subject to rigorous background checks before they are appointed.

When Director candidates are submitted to shareholders for election or re-election, the Company includes in the notice of meeting all information in its possession that is material to the decision whether to elect or re-elect the candidate.

2.4 Director induction and continuing education

Prior to appointment, each non-executive Director is provided with a letter of appointment which sets out the terms of their appointment and includes copies of the Company's Constitution, Board Charter, Committee Charters and relevant policies. The expectations of the Board in respect of a proposed appointee to the Board and the workings of the Board and its Committees are also conveyed in interviews with the Chair. Induction procedures include site visits, access to appropriate executives in relation to details of the business of the Company and functional overviews of the Company's strategic objectives and operations.

Directors are encouraged by the Board to continue their education by attending both internal and external training and education relevant to their role. During 2020, the Board conducted a site visit to the Darwin LNG plant in Darwin. Further, the Board Education program initiated in 2018 was reviewed and continued, informed by the outcomes of the Board skills assessed against the updated Board skills matrix. This program is reviewed periodically to ensure Directors receive ongoing education in areas that will assist them to continue to discharge their roles effectively.

All Directors have the right to access Company information and the Board Charter sets out the circumstances and procedures pursuant to which a Director may seek independent professional advice at the Company's expense.

2.5 Review of Board, Board Committees and Director performance

As specified in the Board Charter, reviews of Board, Committee and individual Director performance are conducted annually. At least once every three years, the annual review of the Board, Committees and individual Directors is carried out by an independent consultant. The scope of the external review is agreed in advance with the Board. Internal reviews are facilitated by the Chair, in consultation with the Nomination Committee, and involve questionnaires and formal interviews with each Director culminating in a written report prepared

by the Chair. Where the review relates to the performance of the Chair, the two senior independent non-executive Directors conduct the review.

In 2020, an internal review of the performance and composition of the Board, its Committees and individual Directors was conducted. Feedback from the 2019 review was incorporated into the Board’s practices in 2020.

PART 3: BOARD COMMITTEES

The Board has established a number of Committees to assist with the effective discharge of its duties. The role of each Committee is set out in Section 3.1.

All Committees are chaired by and comprise a majority of independent non-executive Directors. Non-Committee members may attend Committee meetings by invitation.

Each Committee operates under a specific charter approved by the Board. Board Committees conduct their own internal review of their performance, structure, objectives and purpose from time to time.

Board Committees have access to internal and external resources, including access to advice from independent external consultants or specialists.

The Chair of each Committee provides an oral report at the next Board meeting, and Committees refer to the Board and other Committees any matters that come to their attention that are relevant for them. Each Committee is responsible for satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Committee. Minutes of each Committee meeting are distributed to all Board members.

The membership requirements of each Committee are outlined in each Committee’s Charter. The Board reviews Committee membership on at least an annual basis. Each Committee’s membership currently satisfies, and satisfied during the year, the membership requirements in the Charters and the composition requirements in the ASX Principles and ASX Listing Rules.

Details of the number of times the Board and each Committee met during the year, including the Committee memberships of each Director and their attendance at Board and Committee meetings, appear in the Directors’ Report on page 17 of the *2020 Annual Report*. Board members are encouraged to and usually attend all Committee meetings, even if they are not members. In 2020, the Chair and CEO attended all Committee meetings.

Members of Management attend relevant parts of Board and Committee meetings, at which they report to Directors within their respective areas of responsibility. Where appropriate, advisers to the Company attend meetings of the Board and of its Committees. Board meetings regularly include a session at which the independent non-executive Directors meet without the CEO or other members of Management present.

The Board may, from time to time and where circumstances require, form ad hoc committees to consider specific matters as requested by the Board. For example, in 2018 the Board formed a committee to consider the approach from Harbour Energy and to make recommendations to the Santos Board.

3.1 Role and Activities of Committees

Audit and Risk Committee

Composition	Membership in 2020	Purpose and responsibilities
Comprises at least three members, all of whom are Non-Executive Directors	Guy Cowan (Chair) Yasmin Allen Hock Goh Janine McArdle	The purpose of the Committee is to oversee risk management and internal controls across Santos. Specifically, the Committee is responsible for:

<p>and all of whom are independent.</p> <p>Chaired by an independent Non-Executive Director who is not the Board Chair.</p> <p>Between them, members must have sufficient accounting and financial expertise and understanding of the oil & gas industry, to be able to discharge the Committee's responsibilities.</p> <p>The Committee must include at least one member who is also a member of the EHSS Committee.</p>		<ul style="list-style-type: none"> • financial reporting: to ensure the balance, transparency and integrity of published financial information • internal controls: to confirm the effectiveness of Santos' internal controls • internal audit: to be satisfied with the effectiveness of the internal audit function and to approve the appointment and assess the performance of the internal auditor • external audit: to ensure an independent audit process, recommend the appointment of the external auditor to the Board and assess the performance of the external auditor • compliance with laws, regulations and internal policies and industry standards with detailed oversight of risk
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Environment, Health, Safety and Sustainability Committee

Composition	Membership in 2020	Purpose and responsibilities
<p>Comprises at least three Non-Executive Directors and the Managing Director.</p> <p>Currently chaired by an independent Non-Executive Director who is not the Board Chair.</p> <p>The Committee must include one member who is also a member of the Audit and Risk Committee, and one member who is also a member of the People, Remuneration & Culture Committee.</p>	<p>Peter Hearl (Chair)</p> <p>Kevin Gallagher</p> <p>Hock Goh</p> <p>Vanessa Guthrie</p> <p>Janine McArdle (since December)</p>	<p>The purpose of the Committee is to oversee the governance and review of Santos' activities in the areas of Environment, Health and Safety, Climate Change, Anti-Slavery, Land Access, Indigenous Engagement and Cultural Heritage and Community Engagement across Santos. Specifically, the Committee is responsible for:</p> <ul style="list-style-type: none"> • monitoring and reviewing the Company's EHSS and Climate Change Policies and related systems • monitoring and reviewing all aspects of environment and health and safety and climate change risks which are relevant to the Company's operations • receiving and considering reports on any significant environmental or health and safety failure, accident or other incident • reviewing internal and external environmental, health and safety and climate change audits • monitoring and reviewing the appropriateness and implementation of the Company's EHSS governance arrangements

Nomination Committee

Composition	Membership in 2020	Purpose and responsibilities
<p>Comprises at least three independent Non-Executive Directors including the Chair of the Board.</p> <p>Chaired by the Board Chair.</p>	<p>Keith Spence (Chair)</p> <p>Yasmin Allen</p> <p>Hock Goh</p> <p>Peter Hearl</p>	<p>The purpose of the Committee is to propose candidates for consideration by the Board to fill casual vacancies or additions to the Board and for devising criteria for Board membership and for reviewing membership of the Board. Specifically, the Committee is responsible for:</p> <ul style="list-style-type: none"> • assessing the necessary and desirable competencies of Board members and regularly reviewing the Board skills matrix in light of that assessment

		<ul style="list-style-type: none"> • reviewing Board succession plans to maintain an appropriate balance of skills, experience, diversity and expertise on the Board • as requested by the Board, evaluating the Board's performance and, as appropriate, developing and implementing a plan for identifying, assessing and enhancing Director competencies • recommending the appointment and replacement of Directors • reporting and making recommendations to the Board on any matters which the Board has referred to the Committee
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People, Remuneration & Culture Committee

Composition	Membership in 2020	Purpose and responsibilities
<p>Comprises at least three members, all of whom are Non-Executive Directors and the majority of whom are independent.</p> <p>Chaired by an independent Non-Executive Director.</p>	<p>Yasmin Allen (Chair)</p> <p>Vanessa Guthrie</p> <p>Peter Hearl</p> <p>Yu Guan (retired as Santos Limited director on 31 December 2020)</p>	<p>The People, Remuneration and Culture Committee is responsible for reviewing the remuneration policies and practices of the Company. Specifically, the Committee is responsible for:</p> <ul style="list-style-type: none"> • the remuneration arrangements for the Managing Director and Chief Executive Officer and Executive Committee • development and succession plans in relation to the MD and CEO and Excom • the remuneration policies and practices for the Company generally and reviewing whether they are aligned to the Company's Values, strategic direction and risk appetite • the annual remuneration review applying generally across the Company • Company superannuation arrangements • Board remuneration • the Company's organisation design, Values, development of key capabilities and culture necessary to ensure alignment with strategic objectives • the Company's people and culture strategies and initiatives, including employee engagement surveys and other indicators of organizational culture • measurable objectives for achieving gender diversity and an annual assessment of those objectives and progress in achieving them, and remuneration by gender

In 2020, the People & Remuneration Committee was renamed as the People, Remuneration & Culture Committee and the Charter revised to reflect the significant role of the Committee in supporting the Board's oversight of organisational culture.

PART 4: RISK MANAGEMENT

4.1 Risk management roles and responsibilities

The Board is responsible, with the assistance of the Audit and Risk Committee, for overseeing the implementation of, and ensuring the adequacy and effectiveness of the risk management framework and internal controls. This includes ensuring that management is operating in accordance with the risk appetite approved by the Board.

The Audit and Risk Committee assists the Board in performing its role in relation to risk management by reviewing, at least annually, the effectiveness of Santos' enterprise risk management framework. The Committee makes recommendations to the Board following its review. An independent review of the framework is also performed periodically to assure effectiveness and continuous improvement.

In 2020, a comprehensive review of the Company's risk management framework was undertaken with consideration of the International Standard for Risk Management (ISO 31000:2018 Risk Management Guideline) and having regard to current best market practice. As part of the broader review, the Board reviewed and approved the Risk Appetite Statement. The Risk Appetite is designed to support and inform Board and Management decision-making and is reviewed annually to ensure ongoing alignment with strategic objectives. The Audit and Risk Committee also annually assess that Management is operating with due regard to the Risk Appetite.

The Audit and Risk Committee reviewed the enterprise-wide risks, new or emerging risks, and risks related to the recent acquisition of Conoco Phillips assets, and the risk controls and mitigations that Management has put in place in relation to those risks. Throughout 2020, the Board continued to undertake regular deep-dives into the Company's enterprise risks and incorporated a review of operational risk into the Board site visit to DLNG.

4.2 Internal Audit

The Group Risk and Audit function provides independent and objective assurance of the Company's system of risk management, internal control and governance. The function reports to the Audit and Risk Committee, maintains and improves the risk management framework and undertakes audits and other advisory services to assure risk management across the Company. Group Risk and Audit is independent of the external auditor and the Group Risk and Audit Manager is appointed by, and reports to, the Audit and Risk Committee, with functional oversight by the Vice President Environment, Social Responsibility and Governance.

Group Risk and Audit adopts a risk-based approach in developing annual internal audit plans to align audit activities to the key risks and control frameworks across the Company. The 2020 Internal Audit plan was approved by the Audit and Risk Committee with a key focus on key controls within the operating and management systems.

To complement internal audit activities, Group Risk and Audit also undertakes audit, review, oversight and monitoring activities across the business to provide a breadth of assurance in the management of operational, technical and environment, health and safety risks. The findings from these assurance activities are reported through operational governance structures and to the relevant Board Committee.

4.3 CEO and CFO Assurance

The Board receives written certifications from the CEO and the CFO in relation to the Company's financial reporting processes for the full and half year reporting periods. Before the Board approved the financial statements for the half year ending on 30 June 2020 and full year ended 31 December 2020, the CEO and CFO declared that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that this opinion has been formed on the basis of an effective system of risk management and internal controls.

4.4 Business and sustainability risks

The Operating and Financial Review on pages 18 to 27 of the *2020 Annual Report* contains detailed information about the Company's material business risks, including the Company's exposure to economic, environmental, health and social sustainability risks and how that exposure is managed.

4.5 Independence of auditors and non-audit services

The Audit and Risk Committee makes recommendations to the Board about the selection, appointment and independence of the Company's external auditor.

The Board has adopted a policy in relation to the provision of non-audit services by the Company's external auditor. The policy can be found in Attachment A to the Audit and Risk Committee Charter. The policy requires that services which are considered to be in conflict with the role of statutory auditor are not performed by the Company's external auditor and prescribes the approval process for non-audit services where the Company's external auditor is used.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is set out on page 140 of the *2020 Annual Report*.

PART 5: DIVERSITY, ETHICS AND CONDUCT

5.1 Diversity

Santos is committed to continuing our journey to grow an inclusive culture that promotes inclusion, diversity and difference of thought.

The Santos Diversity and Inclusion Policy reinforces our commitment to grow an inclusive workplace culture that recognises the value that diverse teams bring to safety, performance and delivery. Santos' Executive Committee monitors people demographics through a quarterly Diversity and Inclusion report. Our Diversity and Inclusion initiatives are built around the following pillars:

- + **Aware:** Leader led awareness and understanding that respecting the unique characteristics and qualities that all employees bring to the workplace, drives a high performing, inclusive and innovative culture
- + **Fair:** Ensuring and maintaining fair and equitable work practices, free of bias, throughout the employee lifecycle
- + **Enable:** Representation and workforce pathways to reflect Santos' employment communities

The 2020 measurable objectives and the associated outcomes are outlined in Table 1 below.

2020 Diversity Measurable Objectives and Outcomes

Strategic Priority	Measurable Objective	Outcomes
Aware	Build a cultural awareness development program to enable a culturally competent workforce that understands the value of inclusion.	Achieved. A new Behavioural Framework describing the expected behaviours at all levels within Santos has been developed with inclusion a key competency of the framework. Plans are developed and underway to integrate into all People processes.

		Timor-Leste cultural awareness workshops were conducted with key stakeholders in 2020. Santos is reviewing plans to integrate Indigenous cultural awareness into 2021 training programs.
Aware	Roll out unconscious bias training to 100% of the supervisor and management level employees.	Achieved.
Fair	Continue to build the Return to Work parents' programs aimed at maintaining a high level of retention following parental leave.	Achieved. Santos has completed an audit of parents' rooms at all office locations to ensure adequate facilities available. Also, to support employee engagement and retention whilst on parental leave, an engagement schedule has been developed including additional 'return to work' resources for leaders and employees.
Enable	Achieve recruitment of females into the Santos' apprentice program.	Achieved. Our 2020 intake included 12 apprentices and 4 LNG Production Operator trainees. Of the 16 entry level roles, 7 (44%) were female and 5 (31%) were Indigenous. This is an increase in both female and Indigenous participation compared to last year. Our 2019 intake included 11 apprentices, of which 5 (42%) were female and 3 (27%) were Indigenous.
Enable	Increase the percentage of female employees in field-based white-collar roles.	Achieved. Females in professional field-based roles has increased from 11.9% to 12.2%. Females in professional field-based roles increased from 35 in 2019 to 42 in 2020.
Enable	Increase the percentage of Indigenous employees employed by Santos.	Achieved. As at 31 December 2020, Indigenous representation remains at 1.7%. While the total percentage has not materially changed, the total number of indigenous employees increased from 38 to 48 due over the course of the year.
Enable	Maintain at least 30% of each gender on the Board.	Achieved. Remained steady at 33% (3 out of 9 board members).

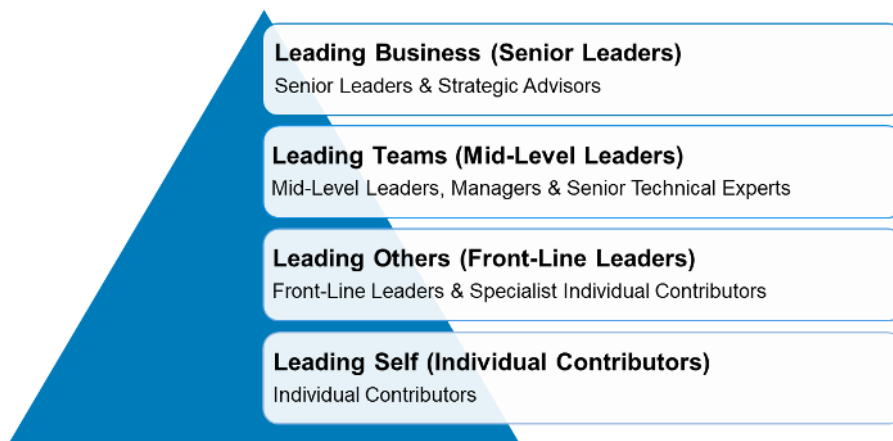
Table 1

Aware

All supervisors and management level employees have attended Unconscious Bias workshops. The 6-hour learning workshops are designed to help leaders develop constructive and inclusive behaviours to actively leverage the diversity of their teams to enable higher engagement, innovation and greater productivity through embracing difference.

We have also delivered Timor-Leste cultural awareness training workshops in 2020. These workshops aim to support our employees with skills to enhance the working relationships between stakeholders, Timorese employees, contractors, government regulators and vendors.

In addition, as part of the development of the LEAP (Leaders, Experts and Professionals) Behavioural Framework for all employees, inclusive behaviours and expected standards have been identified across all levels including leadership. The LEAP Development program, intended to develop requisite competencies inherent in these behaviours will have phased implementation approach commencing in 2021.



Fair

Parental Leave

In January 2020, Santos implemented its revised Return to Work parents' programs. The changes included increasing paid parental primary and secondary carers leave, as well as providing 18 weeks paid leave for the primary carer who experiences the devastation of a still birth. Secondary carer leave for partner support would also apply.

As at 31 December 2020, Santos has subsidised child-care places for children of 83 employees and has invested over \$450,000 through the Child Care Subsidy, with Santos paying 50% of the out-of-pocket childcare expenses for returning primary carers.

Santos has continued to build on the Return to Work parents' programs with the addition of non-cash related enhancements in 2020. Two focus groups were held across the organisation to better understand the needs of parents returning from primary parental leave and identify opportunities to further support parents in their return to the workplace.

The 2020 additions to the program focus on upskilling supervisors to better engage employees on parental leave, as well as improving our on-site facilities for parents. The enhancements to the program include:

- Supervisor engagement schedule for parental leave aiming to support leaders to stay connected with their team members whilst on parental leave.
- Employee and Supervisor Parental Leave and Return to work kits, to educate leaders by providing critical information and check lists designed to drive a consistent return to work experience for all returning parents.
- Audit of parent rooms across the organisation to ensure adequate facilities are available and plans are put in place to address any gaps.

Between 2016 and 2019, Santos had 82% retention of primary carers after parental leave. We believe the above enhancements together with the continued support of the childcare subsidy and extended parental leave, will further improve the retention of returning parents.

Our efforts this year were recognised through the South Australian Chamber of Mines and Energy (SACOME) award for the best Company Gender Diversity Program for our Working Parents Support Program. SACOME recognised the Santos Return to Work parents' program promotes both social and financial equality between men and women and forms part of the culture of equality, where family and carer responsibilities are accepted as equally male and female duties and where the financial impact of taking time off from work to start a family is minimised.

Enable

Gender Representation and Development

Santos continues to focus on female workforce representation and development. Key activities in 2020 included:

- Executive Committee Talent Meetings throughout the year with time dedicated to ensuring development plans are in place for female talent.
- Reviewing females in leadership positions to ensure individuals were in gender equitable roles and job grades based on their experience.
- Ensuring fairness and consideration of gender diversity in resourcing decisions during the ConocoPhillips ABUW integration process.
- Engagement of an external vendor, TQ Solutions, to conduct robust, anonymous exit interviews of females leaving the business to further understand context and reasons for leaving.

In terms of representation, gender diversity is strong in the non-field-based part of the organisation with female representation remaining steady at 33.1% in 2020.

The Santos Graduate Program continues to build our female talent pool. Our 2020 and 2021 graduate cohorts again achieved gender parity, with both intakes achieving 50% female representation. The Santos vacation program continues to provide meaningful work placements for undergraduates with 54 students participating in the 2020/2021 program, of which 29 (54%) are female.

Across the workforce as a whole (excluding contractors), female employees represented 21.3% in 2020. The largely award-based blue-collar workforce has 3.2% female representation while the field-based white-collar workforce has 12.2% representation. Santos is focussing on programs to encourage more female apprenticeships and also rotating female supervisors through leadership roles to improve female representation in the field.

Our apprentice program is successfully attracting increased entry level female trainees and apprentices to grow the available female trades field workforce levels across the sector. Our 2020 intake included 12 apprentices and 4 LNG Production Operator trainees. Of the 16 entry level roles, 7 (44%) were female and 5 (31%) were Indigenous. This is an increase in both female and Indigenous participation compared to last year.

Santos trainees have been recognised for their efforts this year with Northern Territory Trainee of the year being awarded to Jaylie Maddaford (DLNG), with Santos' Sandra Curley named runner-up for this award.

Gender Progression and Leadership

Board and senior leaders' female representation has continued to remain steady in 2020 following the appointment of a female Non-Executive director in October 2019. The Board gender diversity balance remains at 33%.

Females make up 30% of the CEO's Leadership Team (which consists of employees, excluding administrative staff, that report directly to the CEO). In 2020, 46 females received promotions. Four were females promoted internally from the Leading Others career stage to Leading Teams. Fifteen females were promoted from Leading Self to Leading Others, demonstrating strong upward mobility. In the same time frame, five females were hired from the external market into Leadership roles.

In **Table 2** outlined below, the gender balance of the non-trades workforce within each level of leadership is shown.

Level of Leadership	% Female	% Male
CEO Leadership Team	30.0%	70.0%
Leading Business (Senior Leaders and Strategic Advisors)	12.5%	87.5%
Leading Teams (Mid-Level Leaders, Managers and Senior Technical Experts)	18.6%	81.4%
Leading Others (Front-Line Leaders and Specialist Individual Contributors)	29.8%	70.2%
Leading Self (Individual Contributors)	46.0%	54.0%
Total	29.6%	70.4%

Table 2

Indigenous Participation and Engagement

Santos continues its focus to create opportunities for Indigenous people. Over the past 12 months the following outcomes have been achieved:

- Santos supports the Santos Indigenous Development Program (IDP), with 9 participants in the program in 2020. Two participants transferred to the apprenticeship program in 2020.
- Santos Indigenous trainee Jessica Wattam (DLNG) was a finalist for the Northern Territory ATSI Student of the Year, at the Northern Territory Training Awards.
- We have continued to provide high school and university opportunities to Indigenous students with programs including the Aboriginal Power Cup, Zoos SA school-based traineeship and GLNG pathways programs continuing through COVID-19 restrictions.
- We support the Clontarf Foundation and participated in their 2020 Employment Forum to provide current students an opportunity to learn about career pathways.
- We have strengthened our talent pool through 50% of the 2020 apprenticeship intake being Indigenous
- Supporting the pandemic business continuity response, the focus in 2020 shifted from recruitment to retaining current Indigenous employees with no voluntary turnover to the end of Q3. Recruitment for the Indigenous Development Program was delayed recommencing in Q4. Santos has plans in place to engage 4 undergraduate cadets and trainees by year end 2020, as social distancing restrictions ease.

Timor-Leste Participation and Engagement

In 2020, Santos continued to support the Timor-Leste Graduate Foundational Skills Training and Internship Program, to support the capacity building of recent university graduates in Timor-Leste.

The Phase 1 Training Program commenced in November 2018 and consisted of a 6-month training course. Seven of the trainees were selected to join Phase 2; a twelve-month internship program which commenced in September 2019. Since 2014, 25 Timorese graduates have completed the Program with 44% (11) of the graduates being female.

2021 Measurable Objectives.

The 2021 Measurable objectives are outlined in **Table 3** below:

Strategic Priority	2021 Measurable Objectives
Aware	Integrate unconscious bias and indigenous cultural awareness into standard Santos training programs.
Fair	Maintain over 80% retention of employees who have returned from a period of Primary Carer Paid Parental Leave in 2018-2020 as at Q4, 2021
Enable	Maintain at least 30% of each gender in graduate and apprenticeship program intakes

Enable	Progress towards minimum of 30% of each gender in mid-level and senior level leader roles
Enable	Increase the percentage of Indigenous employees across the workforce
Enable	Maintain at least 30% of each gender on the Board

Table 3

5.2 Ethical standards and Code of Conduct

Santos' Directors, employees and contractors are expected to demonstrate high standards of business conduct and to comply with legal requirements wherever the Company operates.

The Company's Code of Conduct sets out Santos' Values, policies, guidelines and expected behaviours with respect to safety, business conduct, environmental and other requirements, and is a key element of the Santos Management System (SMS). The SMS is a framework of policies, standards and procedures that set out mandatory performance requirements. The Code of Conduct was reviewed in 2020 and updated to incorporate changes to ensure compliance with the key findings of the Banking Royal Commission, ASX Corporate Governance Principles and Recommendations (4th edition) and other legislative updates, such as those relating to modern slavery.

All employees are required to undertake a periodic refresher on the Code of Conduct by completing an online training module annually. This training module is also a compulsory component of new employee inductions. Santos treats breaches of its policies seriously, and has an independent, externally managed Reporting Misconduct Hotline enabling employees and third parties to report misconduct confidentially, without fear of victimisation.

5.3 Securities Dealing Policy

Santos' Securities Dealing Policy, established as part of the new Santos Management System, was released to the ASX in December 2016 and took effect from 1 January 2017. The Policy was updated in 2020 to incorporate current best practice and an amended version of the document was released to the ASX and took effect from 3 August 2020. The Securities Dealing Policy prohibits Directors, executives and employees (as well as connected persons over whom they may be expected to have control or influence) from acquiring, selling or otherwise trading in the Company's securities where they are in possession of material price-sensitive information which is not in the public domain. It also limits "Designated Persons" to dealing in Santos securities during "Trading Windows" and prohibits them from dealing in the Company's securities on a short term basis. They are also not permitted to hedge their securities (including options and share acquisition rights) unless those securities have fully vested and are no longer subject to restrictions. As part of the 2020 update to the Policy, a 'front page test' was incorporated, which all Santos personnel must apply before dealing in Santos securities.

Breaches of the Securities Dealing Policy will be subject to appropriate sanctions, which could include disciplinary action or termination of employment.

5.4 Market communication and continuous disclosure

The Company is committed to giving all shareholders timely and equal access to information concerning the Company.

The Company has developed policies and procedures to ensure that Directors and Management are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information. A copy of the Market Communication and Continuous Disclosure Policy is published on the Santos website at <https://www.santos.com/who-we-are/corporate-governance/>. In accordance with the Policy, information must not be selectively disclosed prior to being announced to the ASX.

When the Company makes an announcement to the market, that announcement is released to the ASX. The Board receives copies of all announcements under Listing Rule 3.1 after they have been made. A copy of new investor or analyst presentations is released to the ASX Market Announcements Platform ahead of the presentation. The Company Secretary and Head of Investor Relations are responsible for communications with the exchanges. All material information disclosed to the ASX is posted on the Company's website at www.santos.com. This includes ASX announcements, annual reports, notices of meetings, media releases, and materials presented at investor, media and analyst briefings. An email alert facility is also offered to shareholders. Webcasting of material presentations, including annual and half-yearly results presentations, is provided for the benefit of shareholders, regardless of their location.

The Annual General Meeting also provides an opportunity for any shareholder or their proxy to attend and ask questions of the Board and exercise their vote. In 2020, the Santos Annual General Meeting was held in a different format due to the circumstances surrounding the COVID-19 pandemic. Shareholders were unable to attend in person, but rather were given the opportunity to attend virtually and ask questions of the Board. All voting occurred by proxy. Santos' practice is to conduct all voting at the AGM on a poll, ensuring that voting outcomes reflect the proportionate holdings of all shareholders who vote (whether in person, when possible, or by proxy or other representative). Consistent with previous practice, Santos made a recording of the event available for later viewing. Additionally, the Company's external auditor attends Annual General Meetings to be available to answer shareholder questions relevant to the conduct of the audit.

The Board is conscious of its obligations to shareholders and will seek their approval as required by the Company's Constitution, the Corporations Act and the ASX Listing Rules, or where otherwise considered appropriate by the Directors.

The Company also has in place an investor relations program of scheduled and ad hoc briefings with shareholders, analysts and financial media. The program is aimed at facilitating effective two-way communications with investors and provides an opportunity for the Company's investors to interact with senior Management and to gain a greater understanding of the Company's business, financial performance, prospects and corporate governance. The Company's dedicated investor relations team and share registry receive and send electronic communications directly to shareholders and can be contacted via links on the Santos website.

5.5 Verification of periodic corporate reports

The Company is committed to:

- providing all investors with material information in a full and timely manner; and
- disclosing material information to the market in a clear, concise, factual and balanced manner.

The Company has a comprehensive process for preparing, verifying and approving the full and half year financial statements, and the external auditor provides an audit opinion in accordance with auditing standards ahead of release to the market.

The Company publishes additional unaudited information in the annual and half year reports and quarterly reports. Although this information is not externally audited, material statements in these documents are verified by the responsible business executive prior to approval for release to the market.

The Board approves the full and half year reports and any other matters that are significant in terms of Santos' policy or strategy, and quarterly reports are approved by the CEO following review by the Company's Disclosure Officers.

This Corporate Governance Statement is current as at 17 February 2021 and has been approved by the Board of Santos Limited.