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# Corporate Governance Statement

**Santos**

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.

Santos supports the intent and purpose of the ASX Corporate Governance Council's Corporate Governance 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 [www.santos.com/about-us/corporate-governance/](http://www.santos.com/about-us/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.

# 2021 Governance Highlights

*Board site visit to  
GLNG Curtis Island  
LNG facility*



*Appointment of two new  
Directors formerly on the  
Board of Oil Search Limited*



*Commissioned an  
independent review of  
the Company's Risk  
Management Framework*

*Ongoing review  
and refresh of the  
Risk Appetite*

*Conduct of an  
external Board  
performance review*



*Review and update of  
publicly available core  
corporate governance  
policies including  
Climate Change, Market  
Communication and  
Continuous Disclosure and  
Risk Management Policies*

*Commitment to a  
Say on Climate vote  
at the 2022 AGM*

*Review and update of  
Board and Committee  
Charters in line with  
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.

**Table 1: Core governance framework documents**

<b>ASX principle</b>	<b>Relevant document/information</b>
<b>Principle 1: Lay solid foundations for management and oversight</b>	<ul style="list-style-type: none"> <li>• Santos Board Charter</li> <li>• Nomination Committee Charter</li> <li>• Diversity and Inclusion Policy</li> </ul>
<b>Principle 2: Structure the Board to be effective and add value</b>	<ul style="list-style-type: none"> <li>• Santos Board Charter</li> <li>• Nomination Committee Charter</li> </ul>
<b>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</b>	<ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Securities Dealing Policy</li> <li>• Diversity and Inclusion Policy</li> <li>• Climate Change Policy</li> <li>• Annual Tax Contribution Disclosure</li> <li>• Environment, Health and Safety Policy</li> <li>• Local Industry, Community and Indigenous Participation Policy</li> <li>• Anti-Corruption Procedure</li> <li>• Reporting Misconduct (Whistleblower) Procedure</li> </ul>
<b>Principle 4: Safeguard the integrity of corporate reports</b>	<ul style="list-style-type: none"> <li>• Audit and Risk Committee Charter</li> </ul>
<b>Principle 5: Make timely and balanced disclosure</b>	<ul style="list-style-type: none"> <li>• Market Communication and Continuous Disclosure Policy</li> </ul>
<b>Principle 6: Respect the rights of security holders</b>	<ul style="list-style-type: none"> <li>• Constitution</li> <li>• Market Communication and Continuous Disclosure Policy</li> <li>• Santos' corporate governance and investor web pages</li> </ul>
<b>Principle 7: Recognise and manage risk</b>	<ul style="list-style-type: none"> <li>• Audit and Risk Committee Charter</li> <li>• Environment, Health, Safety and Sustainability Committee Charter</li> <li>• Risk Management Policy</li> <li>• Environment, Health and Safety Policy</li> <li>• Climate Change Policy</li> </ul>
<b>Principle 8: Remunerate fairly and responsibly</b>	<ul style="list-style-type: none"> <li>• People, Remuneration and Culture Committee Charter</li> </ul>

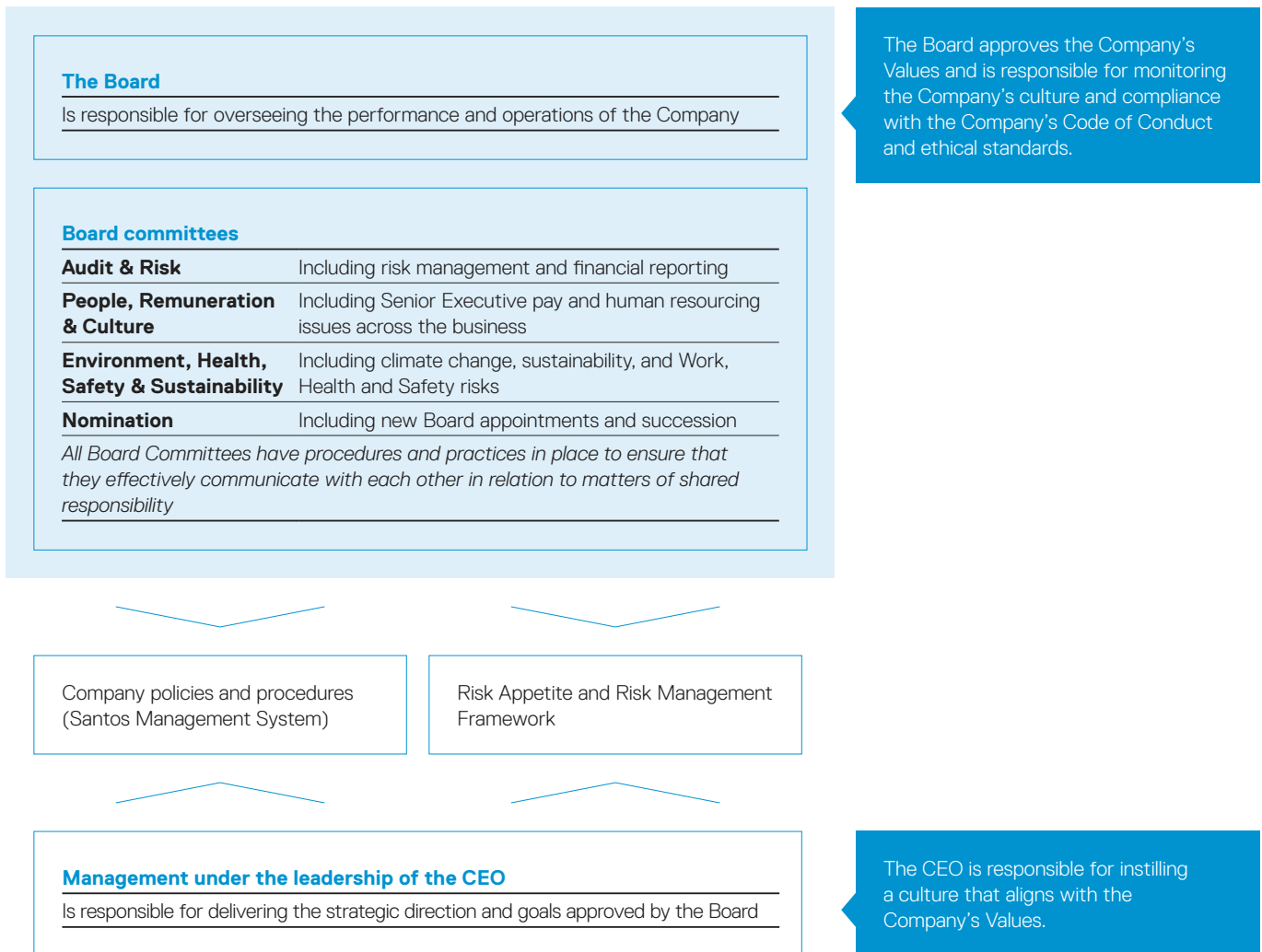
## GOVERNANCE IMPACTS OF MERGER WITH OIL SEARCH LIMITED

On 17 December 2021, Santos acquired 100% of the issued capital in Oil Search from Oil Search shareholders to create a regional champion of size and scale. As a result of the merger, Santos' shares are now listed on both the ASX and PNGX.





As part of the merger, Santos has undertaken a comprehensive review of its governance arrangements and adopted a number of enhancements, including renewal of the Santos Board with the addition of Dr Eileen Doyle and Mr Musje Werror and the nomination of Mr Michael Utsler as a Director of the Company. Santos will continue to review and implement appropriate changes to its governance arrangements given the change in size and scale of the Company, and will keep shareholders informed of any key changes via our website.

## 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:

	<p><b>Work as one team</b></p> <ul style="list-style-type: none"> <li>• Value diverse perspectives</li> <li>• Challenge respectfully then get behind the decision</li> <li>• Unite and share learnings</li> </ul>		<p><b>Be accountable</b></p> <ul style="list-style-type: none"> <li>• Do what we say we are going to do</li> <li>• Take responsibility for our actions</li> <li>• Be disciplined about meeting requirements and standards</li> <li>• Learn from success and failure</li> </ul>
	<p><b>Always safe</b></p> <ul style="list-style-type: none"> <li>• Plan work to protect all from harm</li> <li>• Be skilled and competent</li> <li>• Understand the risks, controls and barriers</li> <li>• Follow the rules and respond to change</li> <li>• Speak up</li> <li>• Step back, think and be ready</li> </ul>		<p><b>Pursue exceptional results</b></p> <ul style="list-style-type: none"> <li>• Deliver value for our stakeholders</li> <li>• Be decisive about what we can do better</li> <li>• Recognise and reward achievement</li> <li>• Strive for constant improvement</li> <li>• Enable innovation</li> </ul>
	<p><b>Act with integrity</b></p> <ul style="list-style-type: none"> <li>• Act ethically and do the right thing</li> <li>• Value our customer relationships</li> <li>• Confront the facts</li> <li>• Treat people with respect</li> </ul>		<p><b>Build a better future</b></p> <ul style="list-style-type: none"> <li>• Leave a positive legacy</li> <li>• Invest in our people</li> <li>• Have a positive impact in our communities</li> <li>• Protect the environment</li> <li>• Be health and safety champions</li> </ul>

The Santos Values provide a blueprint for the expected behaviour at Santos. The Santos Values are brought to life by the LEAP (**L**eaders, **E**xperts and **P**rofessionals) behavioural framework which provides tangible examples of expected workplace behaviours and standards by career level. 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.
- All breaches of the Code of Conduct must be reported.
- The Board, including through its various Committees, is responsible for setting, assessing and reinforcing the Santos culture.

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.

**Table 2: Board responsibilities**

#### The Board's responsibilities include

- 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 having regard to KPIs set at the start of the year. The Chair undertakes the CEO's annual review. Performance evaluations were undertaken for 2021 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 and Culture Committee.

Details of Santos' policies and practices regarding remuneration of Senior Executives and Directors and 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 34 of the *2021 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. It is intended that the former Oil Search Directors will carry over their tenure from the Oil Search Limited Board to the Santos Limited Board.

The Board assesses the independence of each Director having regard to the factors relevant to assessing 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.

**Table 3: Directors of the Company as at 31 December 2021**

Name	Date of initial appointment	Independent Y/N	Period of office	Due 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
Eileen Doyle	December 2021	Y	<1month**	N/A	Yes	No
Kevin Gallagher (MD and CEO)	February 2016	N	Full Year	N/A – Managing Director		
Hock Goh	October 2012	Y	Full Year	No	Yes	No
Vanessa Guthrie AO	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
Musje Werror	December 2021	Y	<1month**	N/A	Yes	No

\* Note: During the 2021 year, Mr Yujiang Shi was a Director from 1 January up until his retirement effective 10 March 2021

\*\* Note: Dr Doyle was appointed to the Oil Search Limited Board in February 2016. Mr Musje Werror was appointed to the Oil Search Limited Board in February 2021.

Following Santos' merger with Oil Search, the Board has nominated Mr Michael Utsler to be elected as a Director of the Company by shareholders at Santos' 2022 Annual General Meeting. Mr Hock Goh will retire at the 2022 Annual General Meeting, which will make room for Mr Utsler's appointment within the Constitutional maximum of ten Directors.

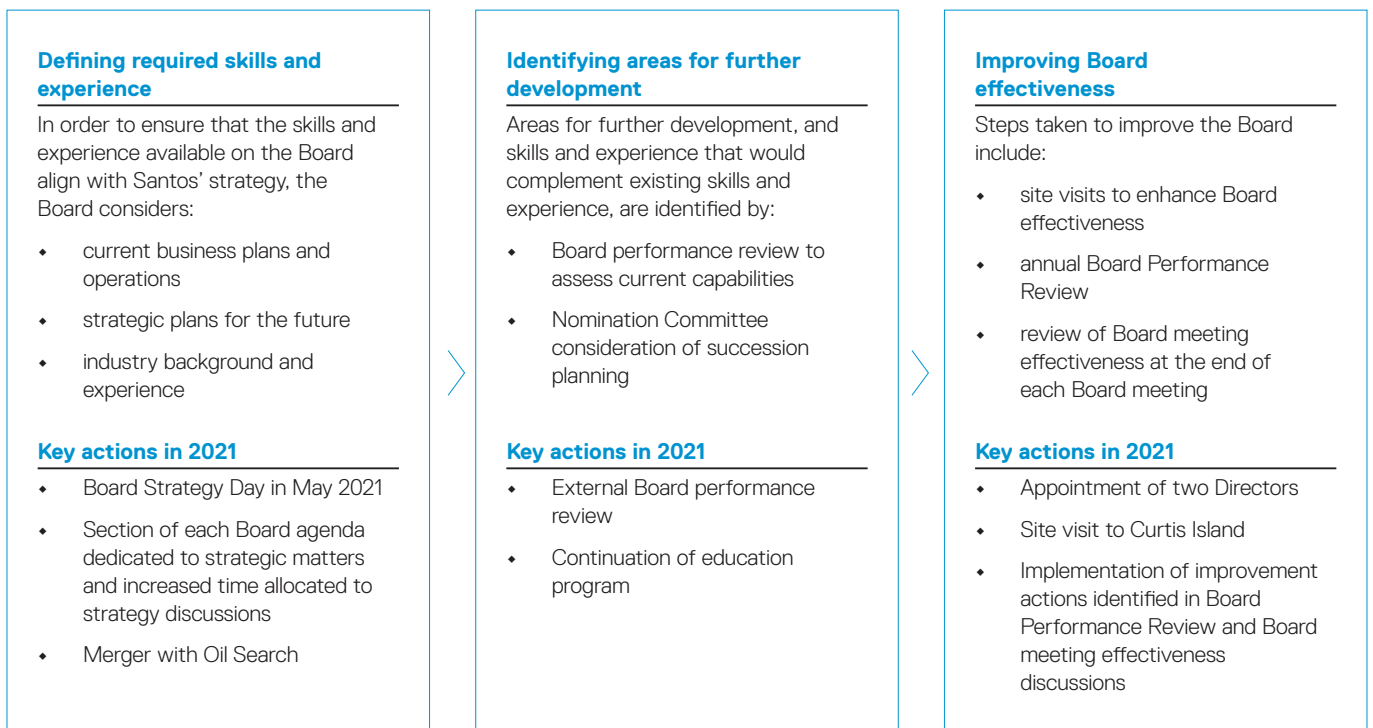
## Part 2: Composition of the Board continued

### 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. The appointment of two new Directors in 2021 has improved the Board's competencies and the Board currently either meets or exceeds the relevant aspirational targets for all competency categories. In addition, the former Oil Search Directors will bring unique insight and understanding of the former Oil Search business and assets which now form part of Santos' business. As the Company's strategy evolves, the Board competencies will be reassessed to ensure they align with the strategy.

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.





## Part 2: Composition of the Board continued

The matrix and charts on pages 8 and 9 demonstrate the skills, experience and diversity of the Directors in office at the end of 2021 across several dimensions that are relevant to Santos as a leading energy Company. They include an explanation of the criteria used to assess whether a Director possesses particular skills.

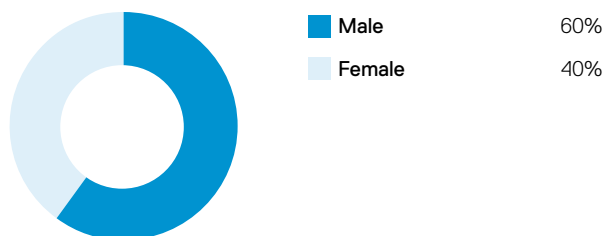
Skill	Description	Evaluation
<b>Strategy</b>	Ability to Identify and critically assess strategic opportunities and threats; and to implement successful strategies to create sustained, resilient business outcomes.	
<b>Financial Acumen</b>	Experience in financial accounting and reporting, corporate finance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

**Legend**

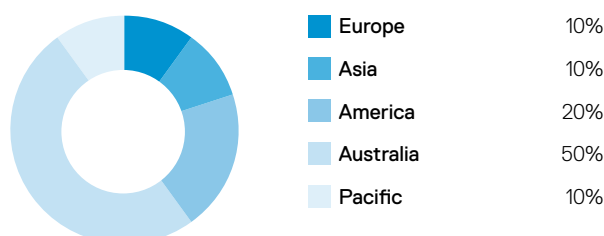
● Deep skills ● Broad skills ● Low skills

## Part 2: Composition of the Board continued

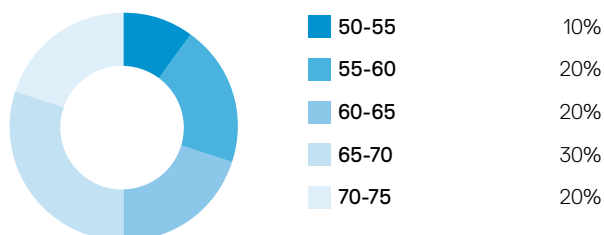
### Gender Diversity



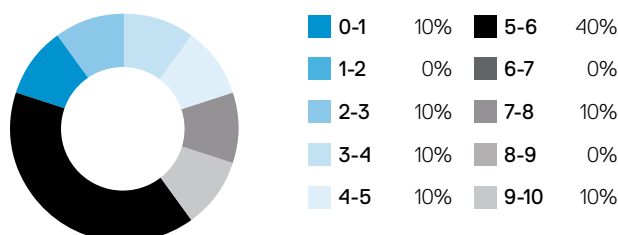
### Cultural Diversity



### Generational Diversity



### Board Tenure In Years



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 9 of the *2021 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.

## Part 2: Composition of the Board continued

### 2.4 DIRECTOR APPOINTMENT, INDUCTION AND CONTINUING EDUCATION

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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 or links to access 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 2021, the Board conducted a site visit to the GLNG Curtis Island LNG facility. Further, the opportunities for Board education continue to be pursued, informed by the outcomes of the Board skills assessed against the 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

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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. Feedback from the 2020 review was incorporated into the Board's practices in 2021.

In 2021, an external review of the performance and composition of the Board, its Committees and individual Directors was conducted. The review included a questionnaire completed by all Directors and key Senior Executives followed by one-on-one interviews with each Director. A 360-degree review of the performance of all Directors was also conducted and feedback discussed by the Chair with each Director. The outcome of the review was very positive and the Board has agreed an action plan to address the opportunities for continuous improvement.

## 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 regularly reviews Committee

membership. 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 19 of the *2021 Annual Report*. Board members are encouraged to and usually attend all Committee meetings, even if they are not members. In 2021, 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.

### 3.1 ROLE AND ACTIVITIES OF COMMITTEES

**Table 4: Audit and Risk Committee**

Composition	Membership in 2021	Purpose and responsibilities
<p>Must comprise at least three members, all of whom are independent non-executive Directors.</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 and 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>	<p>Guy Cowan (Chair)</p> <p>Yasmin Allen</p> <p>Hock Goh</p> <p>Janine McArdle</p>	<p>The purpose of the Committee is to oversee risk management and internal controls across Santos. Specifically, the Committee is responsible for:</p> <ul style="list-style-type: none"> <li>• <b>financial reporting:</b> ensuring the balance, transparency and integrity of published financial information</li> <li>• <b>risk:</b> reviewing the enterprise risk framework to satisfy itself that it continues to be sound and that management is operating with due regard to the risk appetite set by the Board</li> <li>• <b>internal controls:</b> confirming the effectiveness of Santos' internal controls</li> <li>• <b>internal audit:</b> satisfying itself with the effectiveness of the internal audit function and to approve the appointment and assess the performance of the internal auditor</li> <li>• <b>external audit:</b> ensuring an independent audit process, recommend the appointment of the external auditor to the Board and assess the performance of the external auditor</li> <li>• <b>reserves and resources reporting:</b> assessing the appropriateness of the systems, processes and methods used in relation to reserves and resources estimation</li> <li>• <b>compliance:</b> overseeing risk in relation to compliance with laws, regulations and internal policies and industry standards</li> </ul>

## Part 3:

### Board committees continued

**Table 5: Environment, Health, Safety and Sustainability Committee**

Composition	Membership in 2021	Purpose and responsibilities
<p>Must comprise 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 and Culture Committee.</p>	<p>Peter Hearl (Chair)</p> <p>Kevin Gallagher</p> <p>Hock Goh</p> <p>Vanessa Guthrie AO</p> <p>Janine McArdle</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"> <li>• monitoring and reviewing the Company's EHSS and Climate Change policies and related systems</li> <li>• monitoring and reviewing all aspects of environment and health and safety and climate change risks which are relevant to the Company's operations</li> <li>• receiving and considering reports on any significant environmental or health and safety failure, or significant incident</li> <li>• reviewing internal and external environmental, health and safety and climate change audits</li> <li>• monitoring and reviewing the appropriateness and implementation of the Company's EHSS governance arrangements</li> </ul>

**Table 6: Nomination Committee**

Composition	Membership in 2021	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"> <li>• assessing the necessary and desirable competencies of Board members and regularly reviewing the Board skills matrix in light of that assessment</li> <li>• reviewing Board succession plans to maintain an appropriate balance of skills, experience, diversity and expertise on the Board</li> <li>• 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</li> <li>• recommending the appointment and replacement of Directors</li> <li>• reporting and making recommendations to the Board on any matters which the Board has referred to the Committee</li> </ul>

## Part 3:

### Board committees continued

**Table 7: People, Remuneration and Culture Committee**

Composition	Membership in 2021	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 AO</p> <p>Peter Hearl</p> <p>Eugene Shi (appointed on 16 February 2021 and retired on 10 March 2021)</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"> <li>• the remuneration arrangements for the CEO and Executive Committee</li> <li>• development and succession plans in relation to the CEO and Executive Committee</li> <li>• 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</li> <li>• the annual remuneration review applying generally across the Company</li> <li>• Company superannuation arrangements</li> <li>• Board remuneration</li> <li>• the Company's organisation design, Values, development of key capabilities and culture necessary to ensure alignment with strategic objectives</li> <li>• the Company's people and culture strategies and initiatives, including employee engagement surveys and other indicators of organisational culture</li> <li>• measurable objectives for achieving gender diversity and an annual assessment of those objectives and progress in achieving them, and remuneration by gender</li> </ul>

## 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 2021, the Audit and Risk Committee reviewed the Risk Management Framework. In addition, in late 2021, a comprehensive review of the Company's Risk Management Framework was commenced by PricewaterhouseCoopers, with consideration of the International Standard for Risk Management (ISO 31000:2018 Risk Management – Guidelines) and having regard to current best market practice. This review will be completed and reported back to the Audit and Risk Committee by mid-2022 where any recommendations will be considered for implementation thereafter.

As part of Santos' internal 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 at least annually to ensure ongoing alignment with strategic objectives. The Audit and Risk Committee also annually assesses that Management is operating with due regard to the Risk Appetite.

During 2021, the Audit and Risk Committee reviewed the enterprise-wide risks, new or emerging risks, and the risk controls and mitigations that Management has put in place in relation to those risks. The Board also continued to undertake regular 'deep dives' into the Company's enterprise risks and incorporated a review of operational risk into the Board's site visit to the GLNG Curtis Island LNG facility.

### 4.2 INTERNAL AUDIT

Internal audit sits within the broader Group Risk and Audit function which 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 makes recommendations in relation to 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 ESG and Legal.

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 2021 Internal Audit Plan was approved by the Audit and Risk Committee and was dedicated to testing the effectiveness of the controls related to the management of a selection of enterprise risks from the Company-wide register. 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 2021 and full year ended 31 December 2021, 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 and sound system of risk management and internal controls.

### 4.4 BUSINESS AND SUSTAINABILITY RISKS

The Operating and Financial Review on pages 20 to 30 of the *2021 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 147 of the *2021 Annual Report*.

## Part 5: Diversity, ethics and conduct

### 5.1 DIVERSITY

A safe, diverse and inclusive workplace environment is critical to achieving Santos' Vision 2025. Santos is committed to continuing to grow a culture that promotes inclusion and that embraces diversity of thought, ideas and perspectives.

The Santos Values and LEAP Behaviours guide how employees work and treat each other, and how Santos interacts with the people and communities around it. The Santos Diversity and Inclusion Policy reinforces the commitment to grow an inclusive workplace culture that recognises the value that diverse teams bring to safety, performance, and delivery.

This commitment extends to:

- attracting talent and providing employment based on merit
- providing development opportunities and career progression for employees based on identified potential, competence, skill, experience and performance
- fostering and leveraging diversity of thought, experience and skills
- attracting and retaining a workforce that reflects the diversity of our customers, stakeholders and the communities in which we operate
- valuing and recognising Indigenous people and culture and creating equal opportunity for employment and supply chain participation
- ensure a workplace free of bullying and harassment
- ensuring that business practices, systems and processes are free from bias
- creating a workplace that supports people who have carer or parental duties to balance and achieve their career goals
- ensuring the Board comprises a minimum of 30% of its Directors of each gender, and,
- reporting publicly on our diversity performance

At Santos, diversity and inclusion efforts prioritise fairness and opportunity for under-represented groups including females and Indigenous persons, while simultaneously broadening to a more holistic view of diversity factors such as ethnicity, age and sexual orientation.

The Santos People, Remuneration and Culture Committee is responsible for ensuring the effectiveness of the Diversity and Inclusion Policy, setting measurable objectives for achieving gender diversity, and progress assessment in achieving them. Additionally, the Santos Executive Committee monitors people demographics including key diversity and inclusion indicators through quarterly reporting.

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.

Over the past 12 months, Santos has continued to make progress on its diversity and inclusion strategy. The metrics presented in Table 9 are based on Santos' full-year data (and exclude Oil Search metrics on the basis that the 2021 measurable objectives were set prior to the commencement of the year and are specific to Santos' activities). However, Board composition, which changed on 17 December 2021, is measurable for the period to the end of 2021 and it is noted that relative to the objective of maintaining at least 30% of each gender on the Board, for the period 17–31 December the composition of the Board was four female members of the total ten members – equating to 40%.



## Part 5: Diversity, ethics and conduct continued

**Table 9: 2021 Diversity measurable objectives and outcomes\***

Strategic priority	2021 Measurable objectives	Progress
<b>Aware</b>	Integrate unconscious bias and indigenous cultural awareness into standard Santos training programs.	<b>Achieved.</b> Unconscious Bias training was incorporated into the Santos Induction Program for new starters and is now part of core learning for all employees. Leaders were trained in inclusive leadership through expanded Unconscious Bias training, which is also now part of the standard LEAP development curriculum and new leader on-boarding.  A series of mandatory Cultural Awareness training packages is under development, with two modules including one on Aboriginal and Torres Strait Islander culture available to all employees.
<b>Fair</b>	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	<b>Achieved.</b> 126 employees returned to work after a period of Primary Carer Paid Parental Leave during the period. As of October 2021, 85% of returned employees have remained working at Santos.
<b>Enable</b>	Maintain greater than 30% females in graduate and apprenticeship program intakes	<b>Achieved.</b> Diversity is improving year-on-year in the Santos Graduate Program. The 2021 graduate cohort achieved approximately 50/50 gender diversity, an increase from the 2020 graduate cohort female intake of 42%.
<b>Enable</b>	Increase the percentage of females in mid-level and senior level leader roles	<b>Achieved.</b> Female representation in the Senior Leadership group increased from 12.5% in 2020 to 20.6% in 2021.
<b>Enable</b>	Increase the percentage of Indigenous employees	<b>Not achieved.</b> Indigenous participation declined from 1.7% in Q1 to 1.6% in Q4.
<b>Enable</b>	Maintain at least 30% of each gender on the Board	<b>Achieved.</b> Three of the eight (or 37.5% of) Board members were female for the period from 1 January to 16 December 2021.  Post-merger, the Board composition from 17 to 31 December was four female members out of a total of ten (40%) Board members.

\* Note: these objectives were assessed against the existing Santos workforce data and do not include any assessment from the merged entity (except with respect to gender diversity on the Board).

### Gender diversity

Female representation on the Santos Board is at 37.5% at year-end (based on Santos only data). The non-field-based female participation has increased to 33.9%. In the field-based population there was an increase to 15.2% in office white-collar roles with 3.1% females in field blue-collar roles. The proportion of females across the entire Santos workforce at year-end 2021 was 22.3%. The proportion of females in Senior Executive roles (which is defined within Santos as those that are Leading Business Executives) was 20.6%.

Key activities that continued the focus on enhancing female representation and development in 2021 included:

- introduction of proactive resourcing techniques to improve visibility and the quantum of female candidates in shortlists for both external and external hiring
- introduction of Talent Profiles for female senior leaders, aiding broader consideration and visibility of high-potential talent across the organisation during internal recruitment
- increased efforts to ensure fairness and consideration of gender diversity in resourcing decisions during internal reorganisation activities

- ensuring gender pay equity and job grading commensurate with experience
- Executive Committee Talent Meetings held throughout the year with time dedicated to ensuring meaningful development plans are established and progressing for female talent
- introduction of Career Pathways incorporated into Technical Function Capability Plans, designed to improve clarity on growth and progression pathways

STEM-focused early talent programs at Santos continued to attract female candidates, with strong gender balance in both the 2021 and 2022 Graduate Program cohorts. Meaningful work placements were provided for 80 students through the 2021–2022 Vacation Student Program, and 45% of this cohort is female. Efforts to improve female representation in the field continued through attracting greater numbers of female apprentices and trainees, and by supporting development by increased rotation of female supervisors through leadership roles. In the Apprentice and Trainee Program intake, 40% of the cohort this year were female.

## Part 5: Diversity, ethics and conduct continued

### **Parental benefits and flexible work**

Efforts towards providing a consistent and positive return-to-work experience for all returning parents through the Parental Return-to-Work Program resulted in an increase in retention of primary carers to 85%, from 82% in 2020. Leader upskilling efforts continued this year to educate leaders on critical information and resources to support a consistent and positive return-to-work experience for all returning parents.

As of 30 September 2021, Santos had subsidised child-care places for children of 91 employees (10% higher than 2020) and invested over \$650,000 through the Child Care Subsidy, with the Company paying 50% of the out-of-pocket childcare expenses for returning primary carers. Parental rooms across all Santos offices were upgraded, to ensure adequate facilities continue to be available.

Flexible work options provide benefits to employees and the business and are an important element of Santos' diversity and inclusion strategy. A new Flex Work package with increased options to suit the changing needs of employees was launched in 2021. Training was provided to Santos leaders to ensure understanding and clarity of their responsibilities in actively promoting Flex Work. A new Flex Work brochure and other supporting resources were also developed and made available to employees.

### **Indigenous representation**

Santos continues its focus on creating opportunities for Indigenous people in the community. Over the past 12 months the following initiatives took place:

- support of the Stars Foundation and Clontarf Foundation in the Northern Territory, delivering mentoring and engagement programs for Indigenous high school students
- continued support of the Santos Aboriginal Power Cup, with more than 500 students from 65 schools participating
- sponsorship of "at-risk" Indigenous youth from the Northern Territory to participate in the Operation Flinders Program, an eight day program providing young people with the opportunity to transform their lives by rebuilding confidence, people skills and discover self-esteem through positive experience and achievement

Santos also supported eight Indigenous Development Program (IDP) participants in 2021 as part of efforts to attract increased Indigenous participation in the early talent pipeline. One IDP participant transferred to the Graduate Program, and one to the Apprentice and Trainee Program which recorded an overall 27% Indigenous participation. Indigenous representation in the workforce did not increase during the year and will require a renewed effort in 2022.

### **Unconscious Bias and Cultural Awareness**

Unconscious Bias training was made available to all Santos employees and incorporated into the Santos Induction Program for new starters in 2021. Unconscious Bias workshops continued to be provided for leaders and new leaders were trained on inclusive leadership as part of their induction. This training is designed to improve employee awareness of biases and how they impact decision-making, and to develop constructive behaviours that encourage inclusive actions in alignment with Santos' Values and LEAP Behaviours.

Cultural Awareness is also seen as critical enabler of success in delivering the Santos strategy, ensuring the Santos Values are lived and that we meet local community engagement aspirations. A Cultural Awareness training package was developed in 2021, to support developing and enabling a workforce that understands the value of inclusion. The package consists of four modules presented in a digital self-paced learning format and will be mandatory learning for all employees and new starters. It includes:

1. Cultural Awareness at Santos (foundational learning)
2. An introduction to Aboriginal and Torres Strait Islander culture
3. An introduction to Timor-Leste culture (under-development)
4. An introduction to Papua New Guinea culture (under-development)

## Part 5: Diversity, ethics and conduct continued

### Proposed measurable objectives for 2022

To reflect our ongoing progress and commitment to maintaining and improving diversity and inclusion across Santos, the following measurable objectives have been proposed for 2022 and will be reported on in early 2023.

### 2022 Measurable objectives

Ensure 50% of the organisation has completed at least **one** of the four Cultural Awareness training modules consisting of:

- Cultural Awareness at Santos (Foundational learning)
- Introduction to Aboriginal and Torres Strait Islander culture
- Introduction to Timor-Leste culture
- Introduction to Papua New Guinea culture

Expand the LEAP curriculum to include Leadership Expectations training.

Identify and implement initiative/s to engage and connect employees with community and improve inclusion in the workplace.

Maintain at least 30% of each gender on the Board.

Maintain greater than 30% females in graduate and apprenticeship intakes.

Maintain greater than 30% females in senior leadership roles and build a leadership cohort with stronger representation of cultural diversity.

Maintain over 80% retention of employees who have returned from a period of Primary Carer Paid Parental Leave from 2019 to 2021 as at Q4, 2022.

Achieve at least 2.5% Indigenous workforce participation.

Maintain greater than 88% PNG citizen representation in the PNG workforce.

Maintain greater than 74% PNG citizen representation in PNG leadership roles.

### 5.2 ETHICAL STANDARDS AND CODE OF CONDUCT

Santos' Directors, employees and contractors are expected to demonstrate high standards of professional and 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 is regularly reviewed. Material breaches of the Code of Conduct are reported to the Audit and Risk Committee.

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.

The Company has a Reporting Misconduct (Whistleblower) Procedure which outlines the process for reporting and investigating reportable misconduct. A key part of Santos' commitment to achieving high standards of ethical conduct and compliance with its legal obligations involves creating and maintaining a working environment in which "Santos Workers" (or other eligible whistleblowers) are able to freely raise concerns regarding actual or suspected unethical, unlawful or undesirable conduct and to protect Santos Workers (or other eligible whistleblowers) from reprisal. Material incidents reported under the Reporting Misconduct (Whistleblower) Procedure are reported to the Audit and Risk Committee quarterly.

Additionally, Santos' Anti-corruption Procedure sets out the expectations and requirements for the identification and reporting of corruption and bribery and sanctions at Santos. Material breaches of the Anti-corruption Procedure are reported to the Audit and Risk Committee.

### 5.3 SECURITIES DEALING POLICY

Santos' Securities Dealing Policy, established as part of the SMS, 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 market-sensitive information or inside information which is not in the public domain.

It also limits "Designated Persons" 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. The Securities Dealing Policy incorporates a "front page test", which all Santos personnel must apply before dealing in Santos securities.

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

## Part 5: Diversity, ethics and conduct continued

### 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. In accordance with the Market Communication and Continuous Disclosure 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 and the PNGX. The Board receives copies of all announcements under Listing Rule 3.1 after they have been made. A copy of new and substantive 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 ASX announcements are made available on the Company's website at [www.santos.com](http://www.santos.com) and lodged with the PNGX after their release by the ASX. Other materials available on the Santos website include annual and half year 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 2021, the Santos Annual General Meeting was again held in a different format due to the ongoing impact of the COVID-19 pandemic. Shareholders were unable to attend in person, but rather were given the opportunity to attend virtually, ask questions of the Board online and via telephone and cast their votes live. Santos' practice is to conduct all voting at the Annual General Meeting 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. Information about Santos and its governance is available on the Company's website, at [www.santos.com/about-us/corporate-governance/](http://www.santos.com/about-us/corporate-governance/). The Company's dedicated investor relations team and share registry provide shareholders with the option to send and receive electronic communications. Any shareholder can request to send and receive electronic communications 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 15 February 2022 and has been approved by the Board of Santos Limited.**