

## Charter

### 1. Composition and Chair

- (a) The Committee will:
  - (i) consist of at least three members who are independent non-executive Directors;
  - (ii) between its members, have sufficient accounting and financial expertise and understanding of the oil & gas industry, to be able to discharge the Committee's responsibilities;
  - (iii) include at least one member who is also a member of the EHSS Committee; and
  - (iv) be chaired by an independent non-executive Director who is not the Chairman of the Board.
- (b) The Board will make all appointments and replacements of the Chair and other members of the Committee.
- (c) If the Committee Chair or appointed delegate is absent from a Committee meeting, a Chair for the meeting will be appointed by the Committee members in attendance.
- (d) The Company Secretary or nominee will act as Secretary to the Committee.

### 2. Duties and Authority

- (a) The Committee will assist the Board to meet its oversight responsibilities by reviewing, reporting and making recommendations in relation to financial reporting, enterprise risk management, internal control systems, the internal and external audit functions and reserves and resources reporting.

- (b) The Committee's duties include:

#### ***Financial Reporting***

- (i) reviewing whether the financial statements give a true and fair view of the financial position and performance of the Santos Group and comply with the Corporations Act, accounting standards and other requirements relating to the preparation of financial statements;
- (ii) reviewing the adequacy and effectiveness of the Company's accounting policies to determine whether they are appropriate and in accordance with generally accepted practices;
- (iii) reviewing financial or reporting impacts of changes in accounting standards or other requirements relating to the preparation of financial statements;
- (iv) reviewing the effectiveness of the reporting, compliance and control systems relating to financial reporting; and
- (v) reviewing the processes adopted by the CEO and CFO when giving the Board their declarations for the full and half year financial reports as to the financial records and statements, compliance with accounting standards, and system of risk management and internal control.

#### ***Risk, Internal Control and Internal Audit***

- (vi) reviewing, at least annually, the enterprise risk management 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. This includes assessing the effectiveness of the risk management framework in identifying, monitoring and managing material risks (including environmental or social risks);
- (vii) receiving reports from management on new and emerging sources of risk and the risk control and mitigation measures that management has put in place to deal with those risks;
- (viii) making recommendations to the Board in relation to changes that should be made to the entity's risk management framework or to the risk appetite set by the Board;
- (ix) overseeing that there are appropriate processes in place for assembling, aggregating and

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reporting relevant information about risks from across the Company's activities;

- (x) reviewing the effectiveness of the regulatory compliance program;
- (xi) reviewing the Company's business continuity plans;
- (xii) reviewing, at least annually, the insurance program and adequacy of insurance cover;
- (xiii) reviewing the effectiveness of the Company's internal control systems and framework;
- (xiv) reviewing the independence and effectiveness of the Whistleblower / Reporting Misconduct system including by receiving, at least on a quarterly basis, an overview of Whistleblower / Reporting Misconduct complaints;
- (xv) approving the appointment and removal of the Group Manager Risk and Audit (or equivalent role);
- (xvi) reviewing and approving the annual internal audit plans and activities;
- (xvii) reviewing the findings and recommendations of the risk & internal audit function and monitoring that material and/or systemic control weaknesses are appropriately addressed;
- (xviii) reviewing the adequacy of resources and performance, objectivity, independence and effectiveness of the risk & internal audit function; and
- (xix) at least annually, meeting with the Group Manager Risk and Audit (or equivalent role) without other Management present.

### ***External Audit***

- (xx) reviewing procedures for the selection and appointment of the external auditor (including whether an audit tender process is required) and recommending to the Board, as and when appropriate, the appointment and termination of the external auditor;
- (xxi) reviewing and approving the scope of the audit, the terms of the annual engagement letter and audit fees;
- (xxii) reviewing the findings and recommendations of the auditor;
- (xxiii) reviewing the effectiveness of the annual audit and the performance of the external auditor including interaction with Management and internal audit;
- (xxiv) reviewing the independence of the external auditor and the policies in relation to matters which may lead to an actual or perceived lack of independence such as audit partner rotations and the nature and quantum of non-audit services, as set out in Attachment A;
- (xxv) at least annually, meeting with the external auditor without Management present; and
- (xxvi) providing the external auditors with unrestricted and confidential access to the Committee Chair or, if deemed appropriate by the external auditors, the Chair of the Board. The external auditors will be instructed to immediately contact the Committee Chair if Management places unreasonable restrictions on access by the external auditors or there are significant unresolved issues between Management and the external auditor.

### ***Reserves and Resources Reporting***

- (xxvii) assessing the appropriateness of the systems, processes and methods used in relation to reserves and resources estimation including by reference to the Society of Petroleum Engineers – Petroleum Resources Management System guidelines and listing rules.
- (c) The Committee is to operate within the above framework, but Committee members may raise any other matters considered relevant.
- (d) The Committee has the authority to appoint duly qualified independent experts to provide it with advice and with respect to the matters within the Committee's remit.

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- (e) The Committee is a committee of the Board and has no authority independent of the functions delegated to it and is to report its findings and recommendations directly to Board. The functions of the Committee do not relieve the Board from any of its responsibilities.
- (f) There will be no delegation of executive power to the Committee.

## 3. General

- (a) The Committee will meet at least four times each year and as otherwise determined by the Chair of the Committee.
- (b) Meetings of the Committee will be convened and conducted on the same principles as those that apply to the Board pursuant to the Constitution, except as otherwise provided in this Charter.
- (c) A quorum for a Committee meeting is a majority of its members.
- (d) The Committee will issue a standing invitation to the Company's Executive(s) responsible for the matters within the Committee's remit, including the CFO, Group Risk and Audit Manager (or equivalent role), representatives of the external auditor and all non-executive Directors to attend its meetings, subject to the Committee Chair's discretion to decide otherwise. Other executives may be invited to attend meetings.
- (e) The Committee Chair, and the Company's Executive(s) responsible for the matters within the Committee's remit, will set the agenda and business of the Committee and together ensure that the Committee discharges the duties and responsibilities set out in this Charter. The Committee is responsible for satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Committee.
- (f) The Committee will have unfettered access to the CFO, Group Risk and Audit Manager (or equivalent role) and representatives of the external auditor.
- (g) The Committee Chair will provide an update on Committee matters at the next face to face meeting of the Board. The Committee will refer to the Board and any other Committee of the Board any matters that have come to the attention of the Committee that are relevant for the Board or the relevant Committee.
- (h) Minutes of Meetings of the Committee will be distributed at the next meeting of the Committee and made available to all Board members.
- (i) The Committee will review its performance and this Charter annually and report to the Board.

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### Attachment A – Policy on external audit relationships and non audit services

- (a) The Board will not invite any present partner of the Company's current external audit provider to fill a vacancy on the Board or any person who was a partner within the last 3 years.
- (b) Audit partners who have had significant roles in the audit will be required to rotate off the audit after their involvement of 5 successive years (or involvement of 5 years within a 7 year period) and there will be a period of at least 2 successive years before that partner can be involved in the Company's audit again.
- (c) The Company will not employ a former audit partner who was directly involved in the external audit to a position involving responsibility for fundamental management decisions within a period of 2 years following resignation from the audit firm.
- (d) The external auditors may not provide services which are considered to be in conflict with the role of an auditor. These services include investigations and consulting advice, or subcontracting of activities normally undertaken by management, where the auditor may ultimately be required to express an opinion on its own work. Examples of services that should not be provided by the external auditors include:
  - + Preparation of accounting records and financial statements.
  - + Design and implementation of new IT systems and financial controls.
  - + Valuation services in relation to amounts which are included in the Company's financial reports.
  - + Actuarial Services.
  - + Internal Audit services.
  - + Management functions including senior management secondments.
  - + Recruitment and Human Resource services.
  - + Broker, Dealer or Investment Advisor Services.
  - + Legal Services.
- (e) The external auditors may provide non-audit services that are not perceived to be in conflict with the role of an auditor without pre-approval and with no financial limits. Examples of services that may be provided without Committee approval includes:
  - + Tax compliance services in relation to the Company's overseas subsidiaries.
  - + Advice on application of appropriate accounting standards.
  - + Audits or verification of regulatory returns.
  - + Other services of an assurance nature.
- (f) The external auditors may provide other non-audit services where their detailed knowledge of the Company's activities could permit cost and output efficiencies, providing stringent independence requirements are satisfied. These services, based on recommendations from management, must be approved by the Chair of the Committee, who will consult with the other members of the Committee, the external auditors and management as appropriate. The pre-approval of non-audit services, under this paragraph, is not required if the aggregate amount of such services do not exceed 5% of total audit fees paid by the Company to the external auditor during the preceding year. Examples of services that may be provided with the approval of the Chair of the Committee include:
  - + Strategic tax advice.
  - + Due diligence on potential acquisitions/investments.
  - + Investigating accounting assignments.
  - + Corporate finance advice (deal structuring and execution) including Independent Accountant's Statements.